Corporate
Social
Responsibility

2017

CSR
REPORT

ingenico
GROUP

CORPORATE SOCIAL RESPONSIBILITY

80,000+ HOURS
of training carried out in 2017, equivalent to 12.5 hours per employee

48% OF WOMEN
in corporate functions

85
nationalities

LISTED IN
4 LEADING SRI* INDICES

FTSE4Good

ETHIBEL SUSTAINABILITY INDEX EXCELLENCE Global

EURONEXT vigeo eiris INDICES

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

◎ 2020 OBJECTIVE
-10%
GHG** emissions per terminal installed

* SRI: Socially Responsible Investment.
** Greenhouse gas.

Ingenico University

Digitizing training was also an area of expansion. Ingenico University, the Group's e-learning platform, expanded to include new modules in 2017, allowing employees to learn about the culture and business activities of the Group, and improve their knowledge of technology and products.

WOMEN IN payments®
CONNECT, LEAD, ACHIEVE

Ingenico a partner of Women in Payments

An association working in Canada, the United States, the UK and Australia, Women in Payments promotes and develops female leadership in the payments industry. In 2017, Women in Payments launched a global mentoring program of which Ingenico is one of the active sponsors. Suzan Denoncourt, Managing Director of Ingenico Canada, also sits on the Canadian Symposium of Women in Payments.

Corporate social responsibility

1 CSR FOR INGENICO GROUP

1.1 Commitments

1.1.1 Group CSR policy

Aware of the importance of sustainable development issues and the growing expectations of its stakeholders in terms of corporate social responsibility, Ingenico Group has developed a CSR policy adapted to its business model (described in Chapter 1 of the Registration Document) and its environment, the aim of which is to generate inclusive and transparent growth, built around increasingly innovative and reliable payment services.

This CSR policy, shared with all Ingenico Group employees, is based on five commitments, which they are invited to apply in their activities:

1. **Maintain responsible and ethical business practices**

Ingenico Group is committed to following the highest environmental, health, safety, labor conditions and social justice standards in its relationships with all its stakeholders and specifically through its supply chain management.

2. **Ensure the best level of security and safety when using Ingenico Group solutions**

Protecting sensitive payment data is part of Ingenico Group's DNA. Ingenico Group also believes that the protection of personal information and respect for an individual's right to privacy are of utmost importance. It is dedicated to providing the most secure and safest payment solutions for its customers, their clients, its partners and other stakeholders.

3. **Grow along with society**

Ingenico Group wants to grow its business in harmony with its ecosystem. Therefore, the Group strives to develop regular and open dialogue with its stakeholders in order to foster collaborative innovation and meet the needs of the local markets, with a specific focus on solutions that can advance financial transparency and inclusion.

4. **Control its environmental footprint**

Ingenico Group is committed to the development of payment solutions that have a low impact on the environment. The Group also strives to minimize the environmental footprint resulting from the operation of its facilities and from its sales and distribution channels.

5. **Develop a blooming Ingenico Group community**

Ingenico Group strives to provide a respectful workplace that is safe, open and inclusive. CSR contributes to the positive corporate culture that the Group wants to promote in order to enhance employee engagement, which is key to driving improvements in the Company's performance and fostering innovation.

1.1.2 United Nations Global Compact and Sustainable Development Goals

Ingenico Group's support for the United Nations Global Compact reflects its commitment to sustainable development.

Launched in July 2000 by UN Secretary-General Kofi Annan, the Global Compact is the world's largest corporate social responsibility initiative. As a supporter of the Global Compact, Ingenico Group is committed to respecting and promoting its 10 core principles relating to human rights, labor standards, the environment, and the fight against corruption.

As part of this commitment, Ingenico Group decided to integrate the UN Sustainable Development Goals ("SDGs") into its CSR strategy in order for it to be part of a global movement.

The 17 SDGs, adopted in 2015 by the 193 member countries of the United Nations, in fact make up the "2030 Agenda for Sustainable Development". These goals call for action among governments and civil society, but also among businesses, which are crucial partners in this initiative. (For more information on the SDGs and their targets, visit the United Nations website: http://www.un.org/sustainabledevelopment/sustainable-development-goals/).

In view of its activities and its CSR approach, Ingenico Group contributes specifically to the following four SDGs:

In fact, through its financial inclusion solutions and the integration of social standards in the management of its supply chain, it encourages economic growth and the promotion of decent work (SDG 8).

Thanks to the implementation of prevention measures, in recycling and waste disposal, as well as to the development of an eco-design approach for its terminals, it contributes to sustainable consumption and production (SDG 12).

By annually assessing the greenhouse gas emissions of its entire value chain, and in setting itself goals to reduce them and actions to achieve this, it contributes to the fight against climate change (SDG 13).

Finally, by developing solutions that encourage financial transparency and traceability and by promoting ethical practices, it supports the implementation of effective and responsible institutions (SDG 16).

Ingenico Group contributes to other SDGs such as the eradication of poverty (SDG 1), quality education (SDG 4), gender equality (SDG 5), sustainable industrial development based on innovation (SDG 9) and reduced inequalities (SDG 10).

SDGs are covered by a dedicated page on the Group's website and an awareness campaign was conducted with all French employees during the European week on sustainable development in 2017 so that each person can assimilate them.

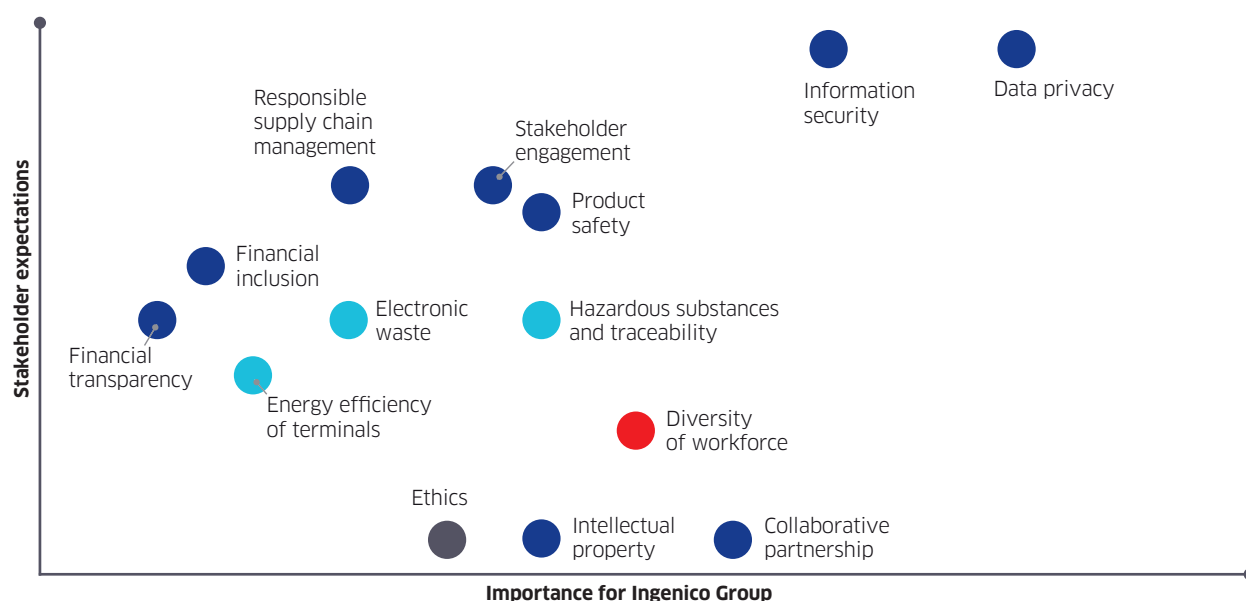## 1.2 Strategy

1.2.1 Challenges

Supported by BSR (Business for Social Responsibility), a global network of companies specializing in sustainable development, Ingenico Group carried out a materiality assessment in 2015 to identify its most important issues in terms of stakeholders' expectations and their impact on the Company's results.

This analysis showed that the key issues for the Group are as follows:

- ensuring data privacy and transparency with regard to the handling of this data;
- ensuring information security through the protection of sensitive data and systems to prevent security breaches and attacks;
- ensuring the safety of its products for user health;
- reducing or removing harmful or hazardous substances and ensuring the traceability of materials used to manufacture terminals;

- promoting diversity in its workforce at every level throughout the business;
- developing collaborative partnerships with its external stakeholders in order to promote topics such as the security of payment services and financial transparency or inclusion;
- maintaining ethical and responsible practices, including the protection of intellectual property;
- engaging the Group's various stakeholders in order to understand their expectations and create value for them;
- managing its supply chain responsibly;
- ensuring the appropriate treatment of electronic waste from industrial operations and end-of-life products;
- improving the energy efficiency of its terminals.

- **Representation of the main issues according to their importance for stakeholders and their impact on the Group's performance**

A survey was prepared to consult the Group's main stakeholders directly on their expectations in terms of CSR in 2018 and to update this materiality matrix.

1.2.2 Four spheres of action

Ingenico Group's CSR strategy, which is built around these key issues, is based on the following action fields:

CORPORATE
CITIZENSHIP

ENVIRONMENT

GOVERNANCE &
MANAGEMENT

PEOPLE

PEOPLE

The cornerstones of the Group's success

A fair, respectful and inclusive work environment
- Promotion of diversity and inclusiveness
- Employee safety during business trips
- Fair compensation practices

Employee engagement and development
- A positive corporate culture
- Internal communication on corporate strategy
- Employee involvement through surveys and actions

ENVIRONMENT

Preserving natural resources

Safe and eco-conscious products
- Measures to reduce or eliminate the use of hazardous or harmful materials
- Development of eco-design practices

Management of greenhouse gas emissions
- Operational footprint
- Products and solutions footprint

Electronic waste management
- End-of-life product collection and recycling programmes

CORPORATE CITIZENSHIP

Setting the example

Safe and secure payment solutions
- Product compliance with the highest safety and security standards
- A global data privacy policy

Responsible supply chain management
- High environmental and social requirements on suppliers
- Better material content traceability for terminal manufacturing

Innovation and partnerships for financial transparency and inclusion
- Electronic payment as a means to combat informal economy
- Innovative technologies to facilitate access of the unbanked to financial services

GOVERNANCE & MANAGEMENT

Leading through engagement and responsibility

A dedicated CSR governance structure
- A CSR Core Team and a network of Ambassadors for a consistent approach company-wide
- Campaigns to raise employee awareness and promote corporate social responsibility

Responsible business practices
- Strengthened approaches to ethics and compliance
- Stakeholder engagement to foster collaboration and innovation

1.3 Organization

In order to structure its overall approach in terms of CSR, Ingenico Group has put in place a dedicated department that coordinates the Group's main activities in the area. The latter relies on business experts comprising a multidisciplinary team called the CSR Core Team, which represents the main departments concerned by environmental, social, and societal topics. Together, they are responsible for driving the implementation of Ingenico Group's CSR strategy.

2 REPORTING SCOPE AND METHOD

2.1 General organization of CSR reporting

The social, societal and environmental reporting process is described in a document entitled "2017 CSR Reporting Protocol". This protocol presents the CSR reporting context and objectives, as well as the corresponding structure put in place by Ingenico Group. The description of the CSR reporting process includes a definition of the time frame, the scope, the levels of responsibility and control, as well as definitions, examples and various guidelines making it easier to understand the information that is expected for each indicator.

This report, which concerns the financial year ended December 31, 2017, presents information on the environmental, social and societal impacts of Ingenico Group entities' business. In line with the Group's desire to improve the transparency of its operations and its commitment to corporate responsibility, the CSR reporting scope is identical to the financial reporting scope and its methodological limitations are presented below. The report includes all entities acquired before the second half of 2017 that are more than 50%-owned by Ingenico Group and have more than 15 internal employees, for its social and societal reporting, and sites with more than 15 internal employees, for its environmental reporting (employees on permanent, fixed-term, apprenticeship, work/study, or internship contracts). Data related to the workforce and employee turnover are, however, provided for all Group entities, including those with 15 or fewer employees.

Owing to the regulatory environment (transposition of the European directive on extra-financial reporting in Sweden), it was decided to include information relating to the Bambora AB entity, subject to the reporting obligation according to Swedish law, and to some of its subsidiaries from this year, despite its acquisition by Ingenico Group in the second half of 2017. Therefore, the social and societal information on Bambora entities with more than 15 employees (excluding Innocard AG), representing 7% of the workforce of Ingenico Group, and environmental information on the Stockholm site, representing 2% of the total workforce, are included in this report. As an exception to the Group's rules defined in its reporting protocol, Bambora's quantitative data taken into account in this report are those of the full 2017 calendar year. In accordance with this protocol, the data for all entities coming from the integration of Bambora Group will be incorporated in the Group's consolidated CSR report in 2018.

The terms "the Group" and "Ingenico Group" refer to all entities incorporated within the scope of this report.

The 2017 CSR reporting scope covers 29 countries: Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, Denmark, France, Germany, India, Indonesia, Italy, Japan, Latvia, Malaysia, Mexico, the Netherlands, Norway, the Philippines, Russia, Singapore, Spain, Sweden, Thailand, Turkey, Ukraine, the United Kingdom, and the United States.

The coverage rates for the various types of indicators is specified below:

- social indicators related to the workforce, employee turnover, and remuneration: 100% of the workforce and 100% of Ingenico Group's revenue;

- other social and societal indicators: more than 97% of the workforce and more than 94% of Ingenico Group's revenue;

- analysis of greenhouse gas emissions: 100% of Ingenico Group's workforce;

- environmental indicators: more than 87% of Ingenico Group's workforce.

The exclusions are specified in section 2.2.2.2 for social data and in section 2.2.3.2 for environmental data.

Ingenico Group's CSR reporting is managed by a project team that draws on a network of contributors throughout the Group's various entities. The majority of the CSR data is collected using questionnaires *via* a dedicated online interface. This information is supplemented with data from the HR reporting system for the social section, data from the greenhouse gas emissions analysis for the environmental section, and information obtained through interviews or individual discussions. Data provided by the different contributors is then consolidated at Group level. This report covers all the information required by the implementing decree for Article 225 of the "Grenelle II" law and any exclusions are systematically justified. Owing to the integration of Bambora within the scope of the Group's CSR reporting, Ingenico Group has this year included some of the information required under the European directive on extra-financial reporting.

2.2 Social reporting

2.2.1 Definitions

Workforce

There are six types of employment contract:

- permanent employees: employees holding an Ingenico Group employment contract with an indefinite term, whose salary is established *via* an Ingenico Group pay slip;

- fixed-term employees: employees holding an Ingenico Group employment contract with a specified beginning and end date, whose salary is established *via* an Ingenico Group pay slip;

- employees on an apprenticeship contract or undergoing professional training: this type of contract is reserved for students following a guided training program with a tripartite agreement (student, university and Ingenico Group). These apprentices have a fixed period indicated in their contract (from 9 to 24 months). Their salary is defined in the tripartite agreement and integrated in the Ingenico Group payroll system.

  In this report, they are included in the Group's workforce under the fixed-term category;

- interns: this category corresponds to students who need to complete a period of training in order to obtain or validate a diploma. During this time, they acquire experience under the management of an internship mentor. Students/interns are hired under a tripartite agreement (student, university and Ingenico Group) for a short term specified in the contract (from 3 to 9 months). If paid, their remuneration is defined by Ingenico Group and included in the Company payroll system.

  In this report, they are included in the Group's workforce under the fixed-term category;

- temporary workers: persons who are physically present at Ingenico Group offices but have been supplied by an outside company for a short and predetermined time period to replace an Ingenico Group employee;

- outsourced workers: persons who are physically present at Ingenico Group offices but have been provided by an outside company for a predefined service and time period established by a contract with Ingenico Group.

Layoffs

Individual and collective layoffs are reported by the different Group entities according to local regulations.

Training

Training refers to all types of training, certified or otherwise, organized by the Company or external providers, but excludes e-learning (including on the Ingenico University platform) and internal coaching.

Absenteeism

Absenteeism refers to cases when employees are absent from the workplace due to being incapacitated. This definition does not include authorized absences, such as paid leave, public holidays, maternity or paternity leave, study-related leave, or leave for family reasons.

However, the following absences fall within the scope of absenteeism:

- absences due to ordinary illness;

- absences following an occupational accident;

- absences following a commuting accident;

- absences due to occupational illness;

- unjustified absences.

The absenteeism rate is a ratio that can be expressed as:

> **Number of days of absence during a given time frame x 100**
>
> **Number of scheduled workdays during that same time frame x Number of employees**

To standardize calculations at Group level, it is agreed that the absenteeism rate is calculated based on an average monthly work period of 21 days.

Telecommuting

Telecommuting, or remote working, is an arrangement in which employees do not commute to a central place of work. This report only takes into account remote working hours that have been agreed in an amendment to an employment contract.

Part-time work

Part-time refers to cases when employees work for less than the statutory or standard working hours. The FTE (full-time equivalent) is calculated by dividing the actual hours worked by the total number of statutory working hours, in accordance with the laws defined by a country's government. This information is included in the work contracts of the relevant employees.

2.2.2 Reporting scope

The social reporting scope includes all entities that are more than 50%-owned by Ingenico Group and that have more than 15 internal employees. The countries covered are listed in section 2.2.1.

A Group restructuring in April 2017 changed the organizational structure as follows: Banks & Acquirers (Asia-Pacific and Middle East, part of Europe and Africa as well as Latin America), Retail (ePayments, Technology & Platform), NAR (North America), and Corporate Functions (bringing together the cross-company functions of Ingenico Group).

Overall, the data related to workforce and employee turnover are provided for all Group entities, including those with 15 or fewer employees.

For other social indicators (excluding workforce and employee turnover), the following countries are excluded due to the lack of an entity with more than 15 employees: Austria, Chile, Czech Republic, Hungary, Morocco, Poland, Portugal, Switzerland, and Vietnam.

Lastly, data could not be provided by some entities with more than 15 employees for the indicators below.

Indicator	Exclusions
Number of hours of training	Argentina (Global Collect), France (Think&Go), Singapore (Global Collect), Ukraine (3.1% of the workforce at December 31, 2017), and the United States (Global Collect, Roam Data)
Absenteeism	Argentina (Global Collect), Singapore (Global Collect), Ukraine (2% of the workforce at December 31, 2017), and the United States (Global Collect)
Number of occupational accidents and illnesses	Argentina (Global Collect), Singapore (Global Collect), Ukraine (2% of the workforce at December 31, 2017), and the United States (Global Collect)
Telecommuting	Argentina (Global Collect), Singapore (Global Collect), Ukraine (2% of the workforce at December 31, 2017), and the United States (Global Collect)

2.3   Environmental reporting

2.3.1   Definitions

The greenhouse gas (GHG) emissions generated directly or indirectly by an entity can be classified into different categories of emissions, known as "scopes":

- Scope 1: direct GHG emissions from the combustion of fossil fuels for facilities and vehicles that are owned or controlled by the entity;

- Scope 2: indirect GHG emissions caused by the purchase of electricity, refrigeration, heating or steam needed for the Company's activities;

- Scope 3: indirect GHG emissions related to business activities such as the purchase of raw materials, employee travel, transport of goods by external providers or the use of products by customers.

The amount of end-of-life products (WEEE - Waste electrical and electronic equipment) collected and treated refers to the weight of waste produced by end-of-life terminals or spare parts collected from customers or the Group's repair centers for sorting, recycling, recovery, or destruction of the various components.

2.3.2   Reporting scope

The environmental reporting scope covers sites with more than 15 employees located in 27 countries: Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, India, Indonesia, Italy, Japan, Latvia, Malaysia, Mexico, the Netherlands, the Philippines, Russia, Singapore, Spain, Sweden, Thailand, Turkey, Ukraine, the United Kingdom, and the United States.

The countries that are excluded because they do not have any sites with more than 15 employees are as follows: Austria, Chile, Czech Republic, Hungary, Ireland, Morocco, Poland, Portugal, Serbia, South Korea, Switzerland, and Vietnam.

Regarding the Bambora entity, only the Stockholm site located in Sweden was taken into account.

In China, only the five largest sites, representing 77.9% of the workforce of Fujian Landi, are included in the environmental reporting scope. Seven sites with more than 15 employees are excluded from the reporting scope.

The indicators to which these exclusions apply are listed below. Data related to water consumption are not available on sites that have not been fitted with water meters, and for which water consumption is billed as part of an invoice for all expenses.

Indicator	Exclusions
Water consumption	China (Fujian Landi excluding Fuzhou, Nanjing and Xiamen), Colombia (Fujian Landi excluding Fuzhou, Nanjing and Xiamen), Japan, the Netherlands (Global Collect), Singapore (including Global Collect), Thailand, and the United States (Global Collect) (14.6% of the workforce at December 31, 2017)
Electricity consumption	China (Fujian Landi excluding Beijing, Fuzhou, Nanjing, Shanghai and Xiamen) (2.1% of the workforce at December 31, 2017)
Paper consumption	China (Fujian Landi excluding Beijing, Fuzhou, Nanjing, Shanghai and Xiamen) and Singapore (Global Collect) (3.8% of the workforce at December 31, 2017)

All indicators are published according to the scope defined for the reporting year on a like-for-like basis to enable data to be compared from one year to the next.

2.3.3 Accounting for greenhouse gas (GHG) emissions

2.3.3.1 Methodology

The methodology used to calculate greenhouse gas or "GHG" emissions across Ingenico Group's entire value chain is based on the GHG Protocol's international accounting standard. The emission sources included in the calculation of GHG emissions are listed in section 2.5.3 entitled "Fight against climate change".

The three main sources of GHG emissions (which concern Scope 3) have been estimated as follows:

- component production: the GHG emissions have been estimated on the basis of the average weight of the main components representing more than 90% of the total weight of terminals (plastics, printed circuit board, printer, display, cables, battery, keyboard, packaging, thermal paper, and user guide). Measurements have been taken for the three most representative terminals produced in 2017;

- energy consumption of the terminals: the GHG emissions have been estimated on the basis of the total electricity consumption for all terminals installed on the market.

According to specific use cases, consumption measurements were carried out on the three most representative terminals that were used in 2017;

- receipt printing (transportation and consumption of thermal paper): the GHG emissions have been estimated on the basis of the total consumption of thermal paper over 2017 for all terminals (with printers) installed on the market.

The GHG emissions assessment was carried out based on the data collected for 2017 however, for some data, extrapolations were made on the basis of the 2016 data. These extrapolations represent less than 1% of the GHG emissions assessed in 2017.

2.3.3.2 Emission factors used

The emission factors used to quantify the GHG emissions come primarily from two sources: the GHG Protocol, particularly for business and international travel; and the *Base Carbone®* database produced by ADEME (the French Environment and Energy Management Agency) for the energy consumption of terminals, the impact of thermal paper and a portion of the component production. The emission factors from the Ecoinvent database (EI 3.1) were also used for the portion related to component production.

3 THE INGENICO GROUP COMMUNITY

To meet its growth ambitions, the Group should attract, retain and develop the best talents, whilst encouraging diversity within its workforce. The integration of teams coming from acquisitions is also essential as the Group is also expanding through external growth. Faced with these challenges, the Group has continued its efforts in terms of:

- promotion of a corporate culture of engagement;
- quality and effectiveness of recruitment and talent development;
- continuous improvement of the work environment;
- alignment of compensation policies with corporate objectives;
- diversity and gender equality.

In 2017, the Group put in place a new customer-focused organization with the creation of two divisions addressing the different needs of distributors and e-merchants, as well as those of banks and acquirers. Its deployment at all levels of the organization represented a major challenge.

Policies implemented on these various topics, as well as the resulting actions and outcomes, are presented below.

3.1 Corporate culture and employee engagement

3.1.1 A bedrock of common values

Ingenico Group promotes a corporate culture in line with the Group's challenges in terms of agility: speed and innovation, solidarity and benevolence, size and development are its pillars.

In 2017, this culture was reflected in a new employer brand uniting the pride of belonging to the Group and employee engagement. Naturally, this employer brand also defines the Group's image presented to external candidates.

The Group is also striving to develop a work environment built around four themes: giving direction, developing skills, providing a work environment based on respect and fairness, and recognizing results. This helps to encourage individual and collective engagement with the Group's ambitions.

Initiatives and events

In addition to regular events promoting fellowship and team spirit, Ingenico Group encourages solidarity initiatives that, as well as their positive societal impact, help to strengthen employee engagement. In France, for example, Ingenico Group offers the "Salary rounding" system, which enables employees to support associations of their choice. Ingenico Group has also been committed to equal opportunity alongside the NQT association (Nos Quartiers ont des Talents – our neighborhoods have got talent) since 2016 and encourages its employees to sponsor young graduates from disadvantaged areas by providing them with support to find their first job.

In France, "HR cafés" were also launched in 2017. They help to inform employees about current events and let them chat informally. Information and dialog meetings (Townhall sessions) are also arranged in many Group entities for sharing the Company's plans and results.

Five periodic Leadership Webcasts bringing together around 250 managers helped to share the Group's strategic vision internally and to present its new organization focused on its customers and its recent acquisitions.

A new intranet to promote collaboration

Investing in IT and digital tools to facilitate internal communication and collaboration allows Ingenico Group to disseminate its corporate culture more effectively.

The launch of the new global intranet, Skyway, in June 2017 indicated a desire to encourage cross-functional cooperation. The Skyway intranet pools all Group news related to its activities and its organization; it brings together 6,000 employees and facilitates the integration of employees coming from acquisitions.

Skyway is also a collaborative work space that pulls together many applications, including a space for the sharing and joint drafting of documents. Nowadays, when work is digital and

mobility is the norm, it is the prelude to a virtual office of the future.

3.1.2 Social dialogue

The Group respects the principles, charters and laws relating to the freedom of association and staff representation, whether it involves direct representation or through trade unions. It promotes constructive dialog with employee representatives and unions, based on mutual respect, responsibility, and the keeping of commitments.

A number of Group subsidiaries have active employee representative bodies, such as "works councils", which cover 33% of Ingenico Group's total workforce, or union representatives, which cover a total of 45% of the Group's workforce.

Collective bargaining agreements have been implemented in France, Germany, Spain, Italy, Brazil, the Netherlands, and Sweden, representing 34% of the Group's workforce. In the main, these agreements cover employment conditions: working hours and profiles, paid leave and public holidays, the minimum wage, etc.

Together, these collective bargaining agreements are investments that help to improve employees' working conditions and the Company's performance.

3.2 Recruitment and talent development

3.2.1 Recruitment policy

The Group is employing a variety of methods to ensure that Ingenico's recruitment policy is effective, including IT

tools, communications *via* social networks, cooptation, and partnerships with universities and schools. These measures enable Ingenico Group to recruit the best talent in the Fintech sector worldwide.

3.2.2 Hiring and departures

● **Hiring**

In 2017, workforces from acquisitions represented 46.2% of hiring.

	2016			2017		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Banks & Acquirers	831	192	1,023	1,035	109	1,144
Retail	383	91	474	741	128	869
NAR	59	5	64	59	57	116
Corporate Functions	223	74	297	231	67	298
TOTAL	**1,496**	**362**	**1,858**	**2,066**	**361**	**2,427**

Over the whole of 2017, Bambora Group hired 289 employees.

● **Departures**

	2016			2017		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Banks & Acquirers	340	112	452	478	112	590
Retail	214	40	254	303	37	340
NAR	45	-	45	59	11	70
Corporate Functions	139	48	187	189	80	269
TOTAL	**738**	**200**	**938**	**1,029**	**240**	**1,269**

Over the whole of 2017, 209 departures were recorded for Bambora Group.

● **Reasons for leaving**

	2016	2017
Resignation	519	766
Dismissal	106	122
End of fixed-term contract	191	189
Disposal	-	-
Mutual agreement	62	94
Redundancies	34	47
End of probationary period (by employer)	9	17
All others	17	34
TOTAL	**938**	**1,269**

3.2.3 Diversifying skills and career path management

To maintain its leadership in a changing sector, Ingenico Group places skills development at the heart of its Human Resources policy.

The Strategic Workforce Planning program, started in 2016, continued and was extended in 2017, particularly for technical functions. This program aims, in a structured way, to adapt the nature and number of skills to the needs of the Company, to ensure its long-term development.

The Group continued the expansion of its e-learning platform, called "Ingenico University", to which 5,000 Group employees have access. This platform offe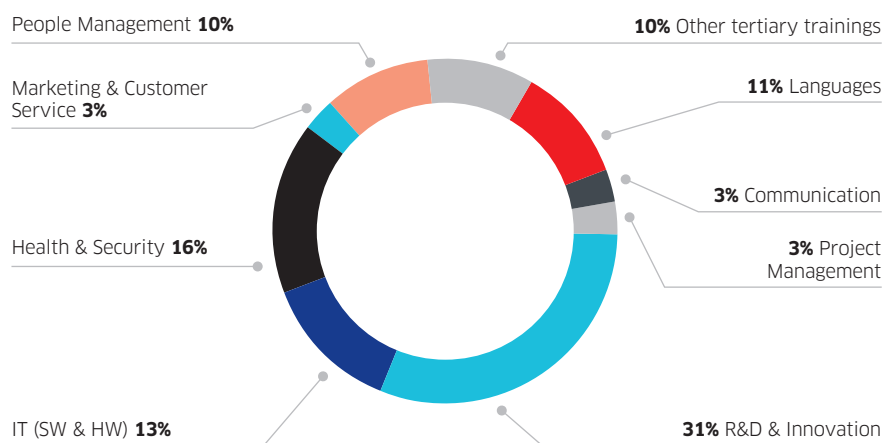rs a catalog of digital education materials comprising some 200 modules, in various fields: management, business training, product and solutions training, technical training, Ingenico Group strategy, sector-specific knowledge of payment systems.

Ingenico University supported the market launch of the Group's new product offerings through new modules dedicated to omnichannel, the "Marketplace", the "Ingenico Connect" offering, and operational risk management. Ingenico University also enhanced local programs.

The participation of Ingenico University in e-learning increased sharply in 2017 and almost 50% of employees with access to it completed at least one module. The most popular modules deal with subjects related to compliance and security.

● **Training topics in 2017**

In 2017, the Group continued its training initiatives in all its business areas. A total of 80,424 training hours were provided to employees in the Group's entities (94,196 in 2016 [1]). The average number of training hours per employee was 12.5 hours in 2017.

People Management **10%**
Marketing & Customer Service **3%**
Health & Security **16%**
IT (SW & HW) **13%**
10% Other tertiary trainings
11% Languages
3% Communication
3% Project Management
31% R&D & Innovation

The most popular training topics were the following: technical programs (R&D and innovation, computer hardware and software), team management, marketing and customer service, and language learning.

Two major training modules were rolled out in 2017: Agile training, at the initiative of the Technology & Platforms entity, provided primarily as classroom training by the software development teams of the Retail BU, and Android Hardware training, for the R&D teams of the Banks & Acquirers BU.

In France, "Learn & Lunch" sessions for managers were organized on the subjects of time management, meeting effectiveness, and training and development. For better integration of new arrivals, a new half-day internal training module was rolled out in 2017.

(1) The data from 2016 was revised upwards due to one entity reporting a correction of their data.

3.3 Optimal working conditions

3.3.1 Organization of working hours

● **Breakdown of full-time and part-time contracts**

The percentage of part-time staff remained stable between 2016 and 2017, representing 3.2% of the Group's total workforce in 2017.

	2016			2017		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Banks & Acquirers	3,276	41	3,317	3,846	53	3,899
Retail	1,984	118	2,102	2,567	140	2,707
NAR	386	1	387	433	1	434
Corporate Functions	991	56	1,047	898	65	963
TOTAL	**6,637**	**216**	**6,853**	**7,744**	**259**	**8,003**
	96.48%	**3.2%**	**100%**	**96.8%**	**3.2%**	**100%**

● **Temporary workers and outsourcing**

In 2017, the number of outsourced and temporary workers totaled 1,829 FTE (full-time equivalent employees). The bulk of the work that is outsourced consists of application development, call center, maintenance and repair work.

	2016			2017		
	Outsourced workers	Temporary workers	Total	Outsourced workers	Temporary workers	Total
Banks & Acquirers	428	69	497	806	243	1,049
Retail	198	273	471	225	179	404
NAR	159	64	223	133	108	241
Corporate Functions	102	31	133	119	16	135
TOTAL	**887**	**437**	**1,324**	**1,283**	**546**	**1,829**

3.3.2 Health and safety

Ingenico pays special attention to the health and safety of its employees.

Several Group entities have dedicated Health and Safety Committees, representing 100% of their respective workforces (and 28% of all the Group's employees in 2017). Through specific measures, these committees help to protect the health and safety of employees and so improve working conditions.

Health

The Group recorded an absenteeism rate of 2.27% in 2017, compared with 1.96% for 2016. In 2017, 59 occupational accidents, of which 40% were road traffic accidents, and 6 occupational illnesses were recorded at Group level.

In 2017, actions relating to well-being were deployed in several Group entities: sponsored courses, training, Health Weeks and Annual Health and Safety Assessments. Many entities make full medical examinations available for all employees.

Psychosocial risks are subject to particular attention. Several countries have implemented specific initiatives aimed at prevention, as in Belgium with the Corporate Vitality program launched in 2015 and in the United Kingdom with the Health Surveillance Program.

In France, collective bargaining agreements on health and welfare costs are in place.

Safety

To ensure the safety of employees, the Group's entities carry out evacuation exercises, make first aid training available, conduct on-site safety audits, etc.

The business travel safety policy (prevention of risks linked to travel and expatriation, particularly in countries considered to be high-risk) continued in 2017, under the same terms as before. This policy was presented to all Group regions in 2016.

In Mexico, a country regularly affected by earthquakes, Ingenico Group employees took part in preventive protection exercises against potential earthquakes.

In France, the Group has significantly strengthened its crisis management procedure since 2016, specifically by adopting dedicated communication tools: mass SMS alerts and the setting-up of an employee information hotline, allowing them to take measures necessary for their safety in the case of a

major event. An impact analysis campaign is conducted each year. An update of the business continuity plan and regular drills help to validate the new safety measures. This procedure, which has been integrated into Ingenico Group's management system, received ISO 22301[1] certification following an external audit.

3.3.3 Development of telecommuting

The Group continues to develop and support telecommuting on a part-time basis, which enables its employees who can work in this way to achieve a work-life balance. Currently, 59% of the Group's entities give their employees the opportunity to work remotely. In 2017, an average of 392 employees were telecommuting each month, representing a 55% increase.

In France, the charter relating to telecommuting, which entered into force in 2013, was revised in 2017 to relax the conditions of telecommuting for employees and to simplify the administrative processing of requests.

3.3.4 Employee compensation and recognition

Because its people are crucial to Ingenico Group's success, its compensation policy aims to support their commitment, recognize their individual and collective contributions, win their loyalty, and attract new talents.

To sustainably support this dynamic approach, the Group's overall compensation policy is based on several core principles:

- a competitive and fair compensation policy based on a tailored job evaluation and classification system. In each of

the Group's entities and countries of operation, compensation packages are benchmarked annually with Ingenico Group's market and calibrated in-house in order to assess and ensure fairness of pay within the Group;

- a compensation policy that aims to support and recognize employees' contributions to the Group's performance. This is achieved through annual pay review campaigns and a bonus policy governing the process for the setting and achievement of annual individual and collective objectives;

- a responsible compensation policy that aims to offer welfare benefits for all Group employees in line with local practices and regulations.

In most countries, these three core principles are tailored to local parameters and markets, such as social legislation and legal developments, as well as the economic conditions, the labor market and competition.

This policy is reinforced by an expanding communications approach aimed at helping employees to clearly identify and understand each component of their compensation.

Since 2015, all employees in France receive an individualized report in which their total compensation is broken down and explained. Through its communications, the Group also aims to make employees aware of various employment-related issues such as health, benefits and retirement, and to encourage their use of all the tools available to them.

Payroll costs are presented in Note 6 "Employee benefits" to the consolidated financial statements at December 31, 2017 (see section 5 of the Registration Document).

3.4 Promotion of diversity

3.4.1 Anti-Discrimination practices

Ingenico Group has put in place a Code of Ethics and Business Conduct which formalizes the core guidelines common to all Group entities. This code is based in particular on equal opportunity on the basis of merit and skill, and the prohibition of discrimination. By adhering to these principles, Ingenico Group is able to provide its employees with a fair and safe working environment.

The Group's subsidiaries use these guidelines to implement local initiatives, such as the implementation of policies specific to the fight against all forms of discrimination and promoting equal opportunity. The fight against discrimination is also highlighted in guides distributed to employees (Employee Handbooks) within several entities. Others have put training in place to prevent the risks of discrimination and harassment.

Some Group entities offer employees the opportunity to consult dedicated people, as in Germany with the appointment of a legal representative on fair treatment, or the Netherlands with the existence of an external adviser acting in total confidentiality.

In general, the Group endeavors to create all the conditions of an environment encouraging integration and preventing any discriminatory practices.

In the Netherlands, for example, diversity awareness sessions are conducted for young employees.

In 2017, the Economic and Social Unit (UES Ingenico in France) signed an agreement promoting the integration, retention and development of disabled persons. This agreement involves actions in four specific areas: recruitment, job retention, training and awareness, as well as stronger collaboration with the protected and disability-adapted sector. Several awareness days were conducted during the year on the various Group sites in France, to inform and talk about the subject of access and the continuing employment of disabled persons.

In other Group entities, actions are also undertaken to encourage the integration of disabled persons into the world of employment: implementation of partnerships with specific providers, allowing the easier integration of disabled persons, provision of adapted workstations and an action plan encouraging the employment of disabled persons.

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(1) *"Application scope: business continuity management for the production of payment terminals and associated support, the provision of services and associated support, and the cross-functional activities of the head office."*

● **Workforce by age range**

The average age of Group employees is 37.9 years, a figure that is relatively stable year-on-year.

	2016				2017			
	<30	30 to 50	>50	Total	<30	30 to 50	≥50	Total
Banks & Acquirers	1,229	1,862	226	3,317	1290	2321	288	3,899
Retail	292	1,473	337	2,102	447	1,807	453	2,707
NAR	67	220	100	387	64	238	132	434
Corporate Functions	179	707	161	1,047	136	676	151	963
TOTAL	**1,767**	**4,262**	**824**	**6,853**	**1,937**	**5,042**	**1,024**	**8,003**
	25.8%	**62.2%**	**12.0%**	**100%**	**24.2%**	**63.0%**	**12.8%**	**100%**

3.4.2 Efforts to promote gender equality at work

In a highly technical business sector, where men are traditionally over-represented, Ingenico Group is promoting professional gender equality (SDG 5[1] through a variety of initiatives.

Ingenico Group strives to create the conditions for an even better representation of women in its workforce, and initiatives are being developed to this end at Group entities and around the world. These initiatives focus on recruitment, career advancement, compensation, and work-life balance.

For example, the Australian entity is committed to including at least one woman in the final shortlist for a job. The Chinese entity encourages the feminization of research and development teams. An internal women's network is in place in the Netherlands.

● **Workforce by gender**

The number of women increased by 17.2% against 2016 compared to 16.6% for men. The proportion of women remained stable between 2016 and 2017, representing 29.9% of the total workforce in 2017 and close to parity within Corporate Functions (women 47.9% - men 52.1%).

	2016			2017		
	Women	Men	Total	Women	Men	Total
Banks & Acquirers	808	2,509	3,317	944	2,955	3,899
Retail	639	1,463	2,102	852	1,855	2,707
NAR	106	281	387	138	296	434
Corporate Functions	491	556	1,047	461	502	963
TOTAL	**2,044**	**4,809**	**6,853**	**2,395**	**5,608**	**8,003**
	29.8%	**70.2%**	**100%**	**29.9%**	**70.1%**	**100%**

(1) *For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/ sustainable-development-goals/*

3.5 A dynamic workforce for a dynamic Group

Ingenico Group continues to grow internationally. This expansion is reflected by strong growth in its workforce – from 2,830 employees in 2010 to more than 8,000 employees, spread across 44 countries, at the end of 2017.

● **Total headcount per country (permanent & fixed-term contracts)**

With 85 nationalities represented in its workforce, Ingenico Group boasts a highly diverse talent pool as a result of the increasing internationalization of its business.

Ingenico Group's total workforce increased by 16.8% between 2016 and 2017, reaching 8,003 people on December 31, 2017. This increase is due to the organic growth of the Group and the acquisition of four new companies in 2017: Secure Transaction LLC in Ukraine, TechProcess PS Ltd in India, ICIESA in Spain, and Bambora in Scandinavia and Australia.

Other consequences of acquisitions on the workforce: Sweden and Denmark appear in the Top 20 largest countries in terms of workforce and Australia went up 9 places.

Country	2016		2017	
	Total	%	Total	%
China	1,798	26.2%	1,773	22.2%
France	1,043	15.2%	1,043	13.0%
India	173	2.5%	532	6.6%
Germany	554	8.1%	527	6.6%
Netherlands	485	7.1%	479	6.0%
United Kingdom	388	5.7%	463	5.8%
United States	381	5.6%	377	4.7%
Belgium	347	5.1%	331	4.1%
Australia	75	1.1%	289	3.6%
Sweden	-	-	253	3.2%
Canada	100	1.5%	223	2.8%
Russian Fed.	180	2.6%	174	2.2%
Turkey	157	2.3%	169	2.1%
Italy	144	2.1%	167	2.1%
Spain	129	1.9%	155	1.9%
Singapore	131	1.9%	140	1.7%
Brazil	151	2.2%	115	1.4%
Indonesia	125	1.8%	104	1.3%
Thailand	96	1.4%	93	1.2%
Denmark	-	-	80	1.0%
Malaysia	71	1.0%	53	0.7%
Other	325	4.7%	463	5.8%
TOTAL	**6,853**	**100%**	**8,003**	**100%**

● **Workforce at December 31, 2017 (breakdown between permanent and fixed-term contracts)**

Following the reorganization that was conducted in 2017, the workforce is now split into four organizations: Banks & Acquirers, Retail, North America, and Corporate Functions.

The latter brings together all workforces in cross-company functions, such as finance, human resources, communication, and IT structures.

	2016			2017		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Banks & Acquirers	2,863	454	3,317	3,636	263	3,899
Retail	2,019	74	2,093	2,575	132	2,707
NAR	381	6	387	387	47	434
Corporate Functions	973	83	1,056	917	46	963
TOTAL	**6,236**	**617**	**6,853**	**7,515**	**488**	**8,003**

4 INGENICO GROUP'S CONTRIBUTION TO SOCIETY

As a global company growing in influence and impact, Ingenico Group is increasingly committed to managing the societal impacts that stem from its operations, products and business relationships.

In a constantly changing and complex ecosystem, not only does the Group have to face a number of societal risks but it must also make the most of any opportunity that will enable it to evolve in a sustainable way. As a responsible corporate citizen, Ingenico Group seeks to maintain and enhance professional ethics, prevent corruption and respect human rights, both in terms of its own business activities and within its supply chain. Some of its activities expose Ingenico Group to risks associated with both the security of its information and the safety of its products. It must prevent security breaches and ensure the protection of personal data. It must also guarantee that its products have no adverse effects on the health of their

users. In order for the Group to fulfill its ambition to become the global leader in omnichannel payment acceptance, it needs to meet the expectations of its various stakeholders and adapt to its environment, by taking into consideration the specific characteristics of certain local markets.

To meet these challenges, in 2017 the Group continued to develop its policies in the following areas:

- business ethics;
- ensuring the protection of personal data;
- ensuring the safety of its products and solutions;
- developing responsible practices within its supply chain;
- engaging stakeholders.

These policies and the actions taken as a result of them are set out below.

4.1 Promoting ethical business practices and respect for human rights

Ingenico Group is committed to ensuring that all its operations are conducted with honesty, integrity, and respect for human rights across the globe (SDG 16[1]).

Ingenico Group is aware of its responsibilities across all its activities and its production chain, and started to formalize its due diligence measures in 2017. This includes mapping the principle societal and ethical risks inherent in its supply chain.

4.1.1 The Code of Ethics and Business Conduct

The Group's scrupulous ethical commitments are laid out in its Code of Ethics and Business Conduct, which is designed to create common principles that comply with all applicable laws and regulations. This is made available to all Ingenico Group employees in all the countries in which it operates.

The Code of Ethics and Business Conduct covers a broad range of topics that the Group sees as of crucial importance to operating ethically: protecting the environment, its employees' fundamental rights (equal opportunities, prohibition on harassment and on child and forced labor, occupational health and safety, freedom of association, and collective bargaining), and good corporate governance rules. Group suppliers are required to accept the Code of Ethics and Business Conduct before they can be listed.

If any Ingenico Group staff members or stakeholders have any questions or wish to report any grievances or suspicions, the procedure to follow is laid out in the Code of Ethics and Business Conduct, as are the details of the relevant members of staff to be contacted (whistle-blowing hotline). To take specific local or cultural features into consideration and ensure that the procedure is effective and efficient, new tools have been rolled out since 2015, including a list of local contacts for compliance-related issues. Potential issues raised *via* local in-house hotlines are handled with care and confidentiality.

For Ingenico Group, it is vital that its rigorous ethical culture is fully understood and put into practice throughout the Group. That is why the Code of Ethics and Business Conduct is available in most of the languages used by the Group's employees (French, English, Chinese, Spanish, Turkish, German, Dutch, Russian, Portuguese, Italian, Indonesian and Japanese).

Collaborative tools have also been rolled out to promote the Code, establish a Group-wide culture and facilitate the process for escalating information on the topics it covers. The Code of Ethics and Business Conduct is available on the Group intranet and website.

Ingenico Group launched the review of its Code of Ethics and Business Conduct in 2017, particularly in connection with the latest regulations published in the United Kingdom (Modern Slavery Act of 2015) and France (anti-corruption measures introduced by the *Sapin 2* law).

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(1) *For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals/*

4.1.2 Membership of the United Nations Global Compact

Ingenico Group chose to formally set out its commitment to developing in line with internationally recognized ethical guidelines by joining the world's largest sustainable development initiative in 2015. Each year, Ingenico Group reports on the progress made in respecting and promoting each of the Global Compact's ten principles relating to human rights, international labor standards, the environment, and anti-corruption. In 2017, the Group decided to publish its annual report (Communication On Progress) at the level GC Advanced, which corresponds to a higher standard of social responsibility. This report is available on the Global Compact's website (www.unglobalcompact.org).

In addition to this support for the UN Global Compact, Ingenico Group is also a member of its French network: Global Compact France.

4.1.3 Other initiatives promoting ethical practices

At Group level, the Code of Ethics and Business Conduct is supplemented by a gifts and hospitality policy.

The Group is also committed to ensuring its anti-corruption procedures, including a corruption risk map, are kept up to date and aligned with its activities.

Lastly, an online document repository provides access to various resources and guidance on compliance issues for employees, including information on relevant regulations.

Some of the Group's entities have put in place measures tailored to the specific requirements of their local environment to supplement the Group's Code of Ethics and Business Conduct, such as external whistle-blowing hotlines in countries where this is permitted, or training programs on specific issues in high-risk countries, such as India, where employees receive training regarding sexual harassment at work.

Within the ePayments Division, since 2015, all employees have been required to enroll in and complete a certain number of e-learning courses each year on various topics including the fight against money laundering, corruption, and harassment.

The Bambora Group is particularly active in the fight against money laundering. It introduced a policy on this subject that was enhanced in 2017 to meet the requirements of new local regulations on money laundering and combating the financing of terrorism, and it fulfills the reporting requirements imposed on it this year by the Swedish supervisory authority (the Finansinspektionen). It has also rolled out a number of awareness-raising initiatives to reduce risks in this area. During the year, several training courses were delivered to targeted groups of people within the company to increase awareness of the issues of money laundering and combating the financing of terrorism.

In China, Fujian Landi has set up an Anti-Fraud Committee, as well as a policy and hotline for reporting unethical or illegal practices, particularly for corruption-related issues. Similarly, in accordance with local legislation in Italy, an oversight body supervises the business model, in order to combat corruption.

Some entities have internal regulations or an employee handbook that set out employees' rights and obligations regarding ethics and working conditions. In addition to these various tools, the Canadian entity complies with legislation on the rights of the person (The Ontario Human Rights Code) and its own code of ethics.

In the United Kingdom, specific whistle-blowing and anti-corruption policies have been rolled out. New employees are required to complete the e-learning module the Group has developed about its code of ethics.

In India, dedicated committees have been set up in each entity to fight against the sexual harassment of women in the workplace in accordance with local regulations. TechProcess Payment Services has also rolled out programs to raise awareness of corruption.

Finally, a training course on combating discrimination and harassment has been mandatory for managers in the United States since 2016.

4.2 Data privacy

As digital technology develops, it is essential that personal data is protected and individuals' privacy is respected (SDG 16 [1]).

In 2017, the Group increased its efforts to raise employees' awareness of issues regarding the protection of personal data by means, specifically, of a dedicated intranet page offering information on the associated regulations, "Frequently Asked Questions", and links to the relevant internal procedures.

A Group-wide project to ensure compliance with the General Data Protection Regulation (GDPR) aims to implement GDPR obligations and provides the opportunity to reinforce best practice on the protection of personal data within the Group. A

review of the Group's Data Privacy Officers network has been launched, to ensure it complies with the regulatory requirements and is in keeping with the Group's business activities.

Locally, the Group's entities are committed to ensuring that they comply with applicable regulations and to raising awareness amongst their employees.

In Colombia, for example, a specific policy covering the subject of the protection of personal data and the privacy of individuals is in place in response to local legislation.

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(1) For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals/

In the United Kingdom, training on the protection of personal data and respect for privacy was delivered to members of the Executive Committee and the Operations Division, while in the Netherlands, all employees were given training on the protection of personal data.

In 2017 in Turkey, a law firm conducted an audit of our subsidiary's practices to ensure that they are consistent with the new Turkish regulation on data protection. This audit gave rise to recommendations and a project has been launched regarding ISO 27001 and the protection of personal data.

4.3 Information security

Information security is a key issue for Ingenico Group and is part of its DNA (see Chapter 1.1.5 of the Registration Document). The Group assesses information security risks on a regular basis and implements bespoke measures to combat them (see

Chapter 1.2.3 of the Registration Document). It has also rolled out security awareness training available as an e-learning module, which aims to identify the risks associated with information security.

4.4 Protecting the health and safety of customers and users

To protect the health and safety of its customers and the end users of its solutions, Ingenico Group provides detailed user guides that include, for example, information on terminal emissions and voltage levels, in line with the regulations in force in the various countries.

Ingenico Group's environmental requirements for its suppliers and subcontractors concerning the composition of its terminals also help protect user health and safety. In particular, the Group ensures that its products do not contain substances that are defined as hazardous by European legislation.

In addition, Ingenico Group is committed to rigorously testing its products and applications, not only during the research and development phases, but also when terminals are sent for repair.

Training is provided on product health and safety, particularly for staff in customer contact centers.

In Canada, Ingenico Group's local health and safety policy also covers its customers and suppliers, in accordance with the Ontario Health & Safety Act.

In the United States, Ingenico Inc. has set up a Safety Committee, which is working on a set of measures, including a dedicated safety manual and safety visits.

Lastly, the safety measures in place at the Group's various sites enable the protection of both employees and visitors. In Belgium and Mexico, for instance, safety guidelines are provided to all visitors.

4.5 Solutions for financial transparency and inclusion

Ingenico Group develops products and solutions for financial transparency and inclusion that are customized to meet local market needs. By providing highly accessible electronic payment services, the Group is helping to develop financial services in emerging economies and to strengthen fraud risk management in both developed and developing economies.

4.5.1 Solutions for transparency and traceability

By its very nature, electronic payment contributes to the reduction of fraud and illicit financial flows (SDG 16[1]). Ingenico Group has also launched solutions to improve the traceability of monetary transactions and the transparency of the financial system in line with governments' anti-fraud requirements, both in emerging economies and in G20 countries.

Thus, Ingenico Group offers its customers compact devices combining a payment terminal, POS software, and a fiscal memory, or a secure procedure for transferring tax records that meet the requirements of local tax authorities. Each solution implemented is tailored to national regulations, as illustrated by the offerings designed for Turkey and Croatia.

The solution designed for Turkey enables merchants' transactions to be reported to the tax authorities in real time. At the point of sale, the product supplied to merchants combines cash register, payment terminal and printer features. All the merchants' card or cash sales are stored indelibly in a fiscal memory and electronic sales register, enabling the authorities to have better control over financial transactions and combat VAT fraud. This development was introduced after the adoption of a law in 2012 requiring all merchants to have a payment terminal with a fiscal module connected *via* the internet to the

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(1) For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals/

Ministry of Finance. At the time, Radisson Blu Şişli Hotel, one of the nine Radisson Blu Hotels in Turkey, wanted to set up a payment solution that met the new legal requirements. Ingenico Group, therefore, worked with Radisson Blu to implement its iWE280 solution. Since this first initiative, Ingenico Group has extended its range of financial traceability solutions with a new product, the IDE280, to cover larger numbers of merchants. Nearly 75,000 terminals were distributed in 2017, bringing the number of installed terminals to over 225,000. The potential replacement market of two million devices highlights the stakes involved with such a solution for Turkey.

As a further example of its commitment in this area, the Group launched an innovative fiscal solution in 2013 for a Croatian customer, Hrvatski Telekom, to equip its customers in line with this country's new legislation. Ingenico Group developed an all-in-one cash register solution that combines the Group's latest generation of payment terminals with a fiscal application developed by Etranet Group, a Croatian electronic payment transaction system specialist. The solution was embraced by Hrvatski Telekom's customers, making the new solution one of its most popular ICT[1] services.

The phenomenon is spreading. New solutions are expected to be deployed in other countries over the coming years, in line with the regulations adopted. For instance, in the Dominican Republic, the government has launched an initiative to equip all merchants, while in Poland and the Czech Republic, the specifications for the automatic recording of tax data are in the process of being drafted.

4.5.2 Solutions for financial inclusion

Because of the limited number of bricks-and-mortar bank branches in developing countries and the high cost and complexity of banking services, two billion people were still excluded from financial services in 2014[2]. Financial inclusion, defined as a series of arrangements to combat banking exclusion, is a key factor in societal integration. Indeed, it contributes to poverty reduction (SDG 1[3]), the development of decent work and economic growth (SDG 8), and facilitates the access of small enterprises to financial services (SDG 9), particularly in developing countries.

Ingenico Group's payment solutions help make financial services more widely available and affordable to the unbanked, supporting the shift from a cash-based environment to a cashless ecosystem. These solutions also promote the development of microbusinesses.

In West Africa, Ingenico Group has been rolling out a simple payment solution since 2013 in partnership with eMoney, making it easier to access and use banking and financial services. This solution, which enables users to transfer money, pay bills and access banking services, as well as purchase mobile phone top-up credit, has been launched in several countries including Benin, Ivory Coast, Burkina Faso, Niger, the Republic of the Congo (Brazzaville), Cameroon, Togo, and Guinea. The solution is easy to install on Ingenico Group's iWL mobile terminals and

offers simple, secure transactions, while giving families access to financial services at a lower cost. Based on this solution, a roaming savings and account-opening service was launched nearly four years ago with a microfinance institution (MFI) in Cameroon.

In East Africa, Ingenico Group provides Branchless Banking technology for local banks looking to expand their customer base to include unbanked populations in rural areas, through a network of "agents" that are recruited among local merchants and trained by the bank. Using a mobile device, "agents" can register new customers, activate their cards and enable customers to make deposits or withdraw money. This branchless banking solution is giving financially excluded people access to banking services in remote areas, at a lower cost, thereby overcoming the barriers of geographic access, basic financial knowledge and language.

In South Africa, Ingenico Group has set up a welfare benefits payment system with its partner Net1. This solution, which uses biometric terminals, aims to tackle issues of fraud and identity theft. Every month, the beneficiaries visit a government agent, identify themselves with their fingerprints and receive their benefits directly onto their bank cards. This system currently delivers benefits to 10 million people.

In 2017, Ingenico Group continued to work with its local partner Tracom, to provide a fee collection solution in the County of Nyeri in Kenya. This initiative was sponsored by Equity Bank and reinforces the emerging culture of electronic payments in the country. Agents equipped with Ingenico terminals and an app developed for the collection of fees and taxes (parking fees, property taxes, market stall fees, etc.) can now collect payments directly from taxpayers. This system enables better traceability of the funds collected and effective cost reduction thanks to its fully electronic process. In this way, residents can pay local government fees from their workplace, without wasting time commuting or waiting in line.

In recent years, Ingenico Group has expanded its partnership with FINCA, an international microfinance institution that provides microfinance services to low-income populations. To mitigate the risk of fraud, FINCA has equipped its agents with Ingenico biometric terminals, which capture applicants' fingerprints when they apply for a loan and confirm their identities through a finger scan prior to the loan disbursement and at each repayment. This program is expanding rapidly in several African countries such as Malawi, Nigeria, Democratic Republic of the Congo, Tanzania, Uganda, and Zambia. As part of a similar initiative, Ingenico Group is working with FINACOM, a microfinance institution in Burkina Faso. The solution deployed there relies on iWL mobile terminals connected to a secure platform. This platform allows FINACOM agents to register new customers and enables them to save, withdraw or deposit cash, and to receive confirmation receipts and account statements.

In Iraq, Ingenico Group is helping to roll out a payment solution and a mechanism for paying pensions and wages using biometric terminals, in collaboration with its local partner QiCard. Since

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(1) ICT: Information and communications technology.

(2) Source: Global Findex study published in April 2015 by the World Bank.

(3) For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals/

it was launched, this program has been a resounding success, as it has helped to reduce fraud significantly, while widening access to the service. At the end of 2017, there were more than 5 million biometric cards in circulation and Ingenico Group had equipped 5,000 approved agencies with 10,000 biometric terminals throughout Iraq.

In India, Ingenico Group worked in partnership with the Nana Nani Foundation to facilitate a workshop to encourage senior citizens to shift from a cash-based payment system to cashless

transactions. The aim was to promote electronic payment and raise older people's awareness of the measures they can take to protect themselves against fraud, since they are likely to be the main victims.

FINANCIAL INCLUSION

4.6 Supply chain management

Ingenico Group expects all its suppliers to meet the requirements set out in its Code of Ethics and Business Conduct, including the prohibition on child and forced labor, occupational health and safety, environmental protection, and the prevention of fraud and corruption.

In 2017, Ingenico Group began an exercise of mapping its suppliers to identify any societal, ethical and environmental risks within its supply chain. Launched in 2017 in response to the British legislation, the UK Modern Slavery Act, initial work to map the risks associated with modern slavery will be completed in 2018 and subsequently extended to other subjects.

4.6.1 Terminal supply chain

With the exception of one of its Chinese sites, the production of all Ingenico Group terminals is outsourced. That is why Ingenico Group is particularly committed to ensuring the responsible management of its terminal supply chain. By imposing social and environmental standards on its Tier 1 and Tier 2 suppliers, the Group is helping to create decent work and economic growth (SDG 8) and reduce environmental impacts (SDGs 12 and 13)[1].

4.6.1.1 Terminal assembly

Apart from Landi and Healthcare, Ingenico Group's two Tier 1 suppliers, known as EMS (Electronic Manufacturing Services), responsible for assembling its payment terminals, are the US firm Jabil and Singapore-based Flex. These two companies have signed up to the code of conduct of the RBA (Responsible Business Alliance, formerly known as the Electronic Industry Citizenship Coalition, or EICC), thereby ensuring a supply chain that meets the highest standards in terms of the environment, labor rights and social justice. These suppliers are also ISO 14001-certified.

Ingenico Group ensures rigorous control over these two suppliers' assembly plants and has dedicated teams of employees at the main sites in Brazil, Malaysia and Vietnam. Their role is to oversee the assembly lines on a daily basis and ensure that operations comply with the rules set forth by Ingenico Group. Their constant presence at the EMS production facilities allows more than 20 audits to be completed per year. In addition, Ingenico Group's Industrial Operations Division and its Quality Department visit the various plants at least once every quarter. When practices that breach the Group's principles

are identified, the supplier is immediately informed. This is followed by a process of discussions and the implementation of corrective actions.

In China, the site owned by Ingenico Group and the two EMS facilities that handle the assembly of some Landi terminals are also ISO 14001-certified. Consequently, in 2017, all Ingenico Group terminals were once again assembled at industrial sites with ISO 14001 environmental certification.

4.6.1.2 Component manufacturing

Upstream from this assembly chain, Ingenico Group works with a community of Tier 2 suppliers based primarily in Hong Kong, China, Taiwan, Vietnam, Thailand, Malaysia and Brazil to produce its various components. Ingenico Group expects these component suppliers to comply with the same standards that the Group sets for itself.

Ingenico Group is committed to further strengthening its supply chain processes. It has provided its suppliers with a number of tools, including a Supplier Quality Handbook and a Supplier Quality Agreement, which set out the Group's social and environmental requirements, and a CSR agreement that commits suppliers to socially responsible practices. This agreement has been designed to establish Ingenico Group's expectations vis-à-vis suppliers regarding labor and human rights, health and safety, environmental protection, ethics, and their internal organization with regard to these issues. It lays out the minimum requirements that all suppliers must meet when working with Ingenico Group. This agreement also requires suppliers to cascade the Group's requirements down their own supply chains. 108 suppliers of strategic components to Ingenico Group have been required to sign this agreement (or provide proof of membership of the RBA). At December 31, 2017, 85% of these suppliers had signed the agreement and 5% had provided proof of membership of the RBA.

The Quality Department continuously audits the various component suppliers around the world. In 2017, a total of 64 audits were carried out. These audits, conducted when assessing potential new suppliers or launching new projects, provide opportunities to ensure supplier compliance with the principles of the CSR agreement.

To assess the CSR performance of these Tier 2 suppliers, Ingenico Group has developed an assessment questionnaire,

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(1) For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals/

which includes social, environmental, ethical, health and safety criteria. At December 31, 2017, 45 out of 108 suppliers had been assessed using the questionnaire.

4.6.1.3 Sourcing of minerals

Ingenico Group seeks to increase the transparency of its supply chain beyond its Tier 2 suppliers. Specifically, the Group ensures that the minerals that go into its terminal components do not benefit armed groups that violate human rights in the Democratic Republic of the Congo and neighboring countries (conflict minerals).

As initially requested by certain customers in the context of the US Dodd-Frank Act, the Group periodically assesses the supply chain with regard to the origins of "3TG" minerals (tin, tantalum, tungsten, and gold) in its products. In 2017, this assessment was carried out in close collaboration with one of Ingenico Group's two EMS using the reporting tool provided by the RMI (Responsible Minerals Initiative) and information was obtained from 99% of suppliers of the components used in Ingenico terminals (Tier 2 suppliers).

Aware 3TG minerals are not the only controversial ones, the Group wishes to strengthen its oversight of the source of substances that may be present in its terminals, such as cobalt, which is controversial due to the use of child labor and dangerous working conditions at some mines. Driven by the RBA and the RMI, a standardized reporting template for cobalt will be available in 2018. Ingenico Group will use this to conduct a risk assessment on the use of cobalt in its terminals.

The Group is in the process of developing a responsible procurement policy, which includes a dedicated section on minerals sourced from conflict zones and other controversial substances.

4.6.2 Other procurement

For Ingenico Group, indirect procurement is procurement that is not integral to the process of producing terminals. Amounting to approximately €900 million in 2017, it is essential to the proper functioning of the Group. Indirect procurement covers various goods and services, from IT or office equipment to the services of external consultants.

4.6.2.1 Rule applicable to the whole Group

In addition to its Code of Ethics and Business Conduct, Ingenico Group has set up an internal policy to check the integrity of its service providers, further strengthening the resources deployed to combat any illegal or unethical practices.

4.6.2.2 Managing local subcontractors and suppliers

Reasonable due diligence measures have been put in place by the different entities in the Group: evaluation of potential suppliers, application of social and environmental criteria as part of the selection process, CSR agreements or clauses and audits. The intention is that these will be standardized gradually. Some examples of best practice are set out below.

In Germany, the Group risk assesses its 70 biggest suppliers. Suppliers must also comply with the local procurement policy, which includes observing the principles of the United Nations Global Compact, the conventions of the International Labor Organization, and the Group's code of ethics.

In India and the Netherlands, background checks are carried out before any contract is signed with a new supplier.

In the United States, Roam Data ensures that all agencies providing services offer adequate working conditions.

In China, suppliers wishing to work with Fujian Landi have to complete a questionnaire that includes a section dedicated to social responsibility. These suppliers are thus evaluated on a number of criteria relating to the environment, health and safety, child labor, working conditions or fraud. This is also the case in the UK, where certain potential major suppliers have to complete an evaluation that includes a section on social, environmental, and ethical issues.

Some Group entities have implemented specific CSR agreements or CSR clauses, which their suppliers undertake to comply with.

None of Ingenico Group's suppliers or subcontractors were considered to represent a risk of breaching the International Labor Organization conventions in 2017.

4.7 Contributing to local development

By prioritizing the hiring of local residents, Ingenico Group is committed to boosting employment in the countries in which it operates. The Group is also committed to supporting the development of communities around its facilities through a range of initiatives, as presented below.

4.7.1 Supporting innovation

The payment ecosystem is constantly evolving. To meet the need for constant innovation, Ingenico Group created a dedicated Innovation Department, called Ingenico Labs, three years ago. Composed of marketing experts, engineers, researchers, and decision-makers from strategic partners, this unit works closely with all Group entities to define the merchant practices of tomorrow. This agile structure works with start-ups and experiments with other key stakeholders in the development of payment systems, such as Fintech corporations and leading digital technology firms. These start-ups are sometimes financed either by the Partech Ventures venture capital fund or by Ingenico Group directly, as was the case in 2016 with Think & Go, a specialist in connected screens, and conversational commerce expert Joinedapp in 2017.

In 2016, Ingenico Group organized a series of hackathons all over the world to attract HTML5 developers to its Tetra platform. In 2017, the "Marketplace" service, rolled out in Europe, enabled eight startups from these hackathons to market their services to banks and acquirers and also to merchants with Tetra terminals. Ingenico ePayments also organized a hackathon in partnership with Google and the agency In The Pocket, inviting developers, designers and other originators to take a journey into the future of shopping.

4.7.2 Technology for fundraising

Ingenico Group supports several initiatives that help charities to collect donations, by sharing its technical expertise and solutions.

Connected screens from Think & Go enable a passer-by with a contactless payment card or an NFC (near field communication) smartphone to make a gift or a donation. In 2017, Ingenico Group and its customers led various campaigns in favor of the *Institut Curie*, the French Federation of Cardiology, the various charities supported by *Société Générale* during the Solidarity month it organized and those that the *BNP* encourages the customers of its digital branch to support and the charity The Smith Family, supported by ANZ, which works on behalf of disadvantaged children in Australia. In France, one of these screens has also been installed in the basilica at Lisieux to enable visitors to make donations. Thanks to this solution, which combines an interactive, dynamic and multi-content interface with multi-sum and multi-merchant payment capabilities, it has never been so quick and easy to donate to charity.

In France, various different forms of micro-donation have been developed in recent years. Ingenico has entered into partnership with MicroDON and this has made it possible to deploy the Arrondi solution on the payment terminals used by many of Ingenico Group's retail customers. Nearly 7 million micro-donations that have been made in total since the project launched in 2015, amounting to more than €1.3 million raised for the benefit of the associations supported by the four partner retailers. Ingenico Group has developed the "GoodTransaction" donation solution from HeoH on its standalone terminals. Its products for the self-service sector are also used to equip HeoH kiosks designed to accept contactless donations in public places. Finally, it provides HeoH with a secure online payment service for the Twitter-based donation solution it launched in 2017: the "GoodTweet".

In the United Kingdom, the Pennies solution has been rolled out to nearly 6,000 standalone terminals operated by more than 30 partner retailers. This enables customers to make fixed donations of less than one pound or to round up the total transaction value to the next pound.

In 2017, on World Autism Awareness Day in France, a digital sign with a payment terminal, developed by JCDecaux in collaboration with Ingenico Group, meant that people with contactless payment cards were able to donate to the French charity *Vaincre l'Autisme* ("Overcoming Autism").

The Group also lends terminals to support various fundraising initiatives. For example, in 2017, the French entity renewed its support for AMREF, the largest public health NGO in Africa, by providing payment terminals for events in Paris and Monaco. Once again, the Group sponsored the Cards & Payment Awards in the UK and, thanks to the terminals it provided, helped to raise nearly £10,000 for the charity MS Society, which funds research and supports those suffering from multiple sclerosis. Since 2010, Ingenico Group has helped to raise more than £70,000 for various charities during this event.

In the Czech Republic, the Group again supported the fundraising campaign of Světluška, a major charity in the country that helps blind and visually-impaired individuals to remain active in society. For this initiative, it developed a donation app on its Tetra Telium payment platform and provided terminals to the organization free of charge. In Hungary, Ingenico Group has developed two contactless donation solutions for charities: embedding an iUC 180B terminal within a JCDecaux advertising screen and a mobile solution.

Ingenico Group makes an active contribution to fundraising through its online payment services, which it offers to NGOs at preferential rates. It is the market leader in online donations in France. Since 2012, the Group has joined forces with iRaiser, an online fundraising platform for non-profit-making organizations, providing a payment solution which makes it possible to accept one-off or recurring donations in France and internationally. There are more than 150 NGOs on the platform, primarily located in France, Belgium, and in England. The number of transactions varies from 30,000 to 300,000 in December, when most online donations are made. In addition to its partnership with iRaiser, Ingenico Group also provides online donation services to 52 other NGOs, including Greenpeace and *Médecins sans frontières* (Doctors Without Borders).

4.7.3 Philanthropic activities and support for charities

Ingenico Group supports various local associations through donations or at events and fundraisers.

Every year, Bambora raises funds for charitable organizations at events run by local ambassadors in the various countries in which it operates. In Canada, the Group supported the Toronto Food Bank (a charity benefiting local communities), while in Australia, it supported the Cancer Council, which provides help for people with cancer.

In France, Ingenico Group employees also showed their support for the fight against cancer by taking part in three races in 2017: the *Course de la Jonquille* event for the *Institut Curie*, a leading cancer research organization, and the *La Parisienne* and Odyssea races in support of the fight against breast cancer. Six teams from Ingenico Group also took part in the Paris Triathlon and supported the charity *1, 2, 3 Un Livre pour Samira* (1, 2, 3 A Book for Samira) in its project to construct a library in Ivory Coast. The Group also renewed its financial support to Stop Hunger, a non-profit that fights against hunger and malnutrition around the world, during its donor gala.

In Singapore, Ingenico Group participated in the Bloomberg Square Mile Relay charity run for the fifth time and sponsored a charitable golf tournament organized by Focus on the Family, a non-profit that works to support families.

In the United States, Roam Data supports the toy collection drive organized each year by Action for Boston Community Development (ABCD). Ingenico Inc. supports various charities, including Habitat for Humanity, Toys for Tots, Atlanta Mission for Homeless Men, and Adopt-A-Family. Global Collect made a donation to the Red Cross in aid of hurricane victims in 2017.

In the United Kingdom, the Group has supported charities for many years. In 2017, it raised funds during in-house events for the following charities: Cash For Kids (providing clothing or medical treatment for children in local communities), The Duchenne Research Fund (supporting people with muscular dystrophy), the Edinburgh Children's Hospital Charity (supporting children in hospital), and The Blue Cross (finding homes for abandoned animals). This year, Ingenico Group has implemented a matched contribution system to maximize the funds raised for these four charities. The Group is also a member of local associations, and of the steering group for HADIE (Hillend and Donibristle Industrial Estate) which promotes a major industrial estate that is a hub for employment and the local economy.

Finally, in India, Ingenico Group made donations to the Akshaya Patra association (fighting childhood hunger), the Smile Foundation (working for the education of disadvantaged children), and the Ambattur Rotary Charitable Trust, a fund to build a school for disadvantaged children.

4.7.4 Education-related initiatives

Education is of the utmost importance in our work environments. That is why Ingenico Group builds close relationships with the education and student sectors, illustrated by its funding for doctoral students, its scholarships, its participation in careers events, partnerships and programs, as well as its opportunities for apprentices and interns.

In France, the Group strengthened its relations with schools and targeted training programs. Beyond simply attending job fairs and speaking at business conferences, Ingenico Group wants to provide real added value in the educational arena. In 2017, therefore, it continued to support five engineering students from the ECE electronic engineering school with their final-year project on home automation. This project, called Knocklet, was awarded both the first prize by the selection panel and the people's choice award at the ECE INNOV AWARDS in June. In an effort to develop its CSR approach, the Group also forged relationships with the MBA program in CSR Management and Organizational Performance at the Institut Léonard de Vinci. In 2017, it again entrusted students with a project to be completed as a group assignment on stakeholder dialogue. This reciprocal relationship between business and academia helps Ingenico Group to establish its employer brand, and allows students to put theory into practice. In 2017, the Group organized a half-day workshop in which students can find out about aspects of the payments industry. It is also a member of the Skills Development Committee of a new partner school, ESILV, providing a professional expert perspective so that teachers can adapt their programs according to developments in the business world and the school can adapt its training to match the expectations of future employers.

Taking this approach a step further, the Group allowed an employee from its Valence site to be seconded to the ESISAR engineering school at Institut national polytechnique de Grenoble in Valence for a teaching assignment. Ingenico Labs is also providing funding to three doctoral students from the IT Security and Cryptology Department at the École normale supérieure.

The various entities of the Group regularly take on interns and those on work/study programs so that they can acquire new skills and develop their knowledge. In France, for example, 42 interns and work/study placements were taken on during the year 2017.

In Italy, Ingenico Group works closely with the Management School at Politecnico di Milano, which provides consultancy services and market research. Ingenico Group supports the research programs undertaken at Politecnico di Milano's Digital Innovation Observatories (*Osservatori*) on mPayment, mCommerce, distribution innovation and the promotion of electronic payments in Italy. Ingenico Group has also liaised with Politecnico di Milano to recruit junior engineers and supported its Career Day event in 2017.

In Germany, Ingenico Marketing Solutions has established a partnership with the Hamburg-based Nordakademie Graduate School. The project Future of Fashion Retail, which was completed in 2017, was entrusted to six Master's students and aimed to identify the technological developments that will impact the customer experience in the fashion industry. In 2017, the Group provided a student with support for their thesis on Marketing and Sales Management.

In Turkey, Ingenico Group provided scholarships once again this year for five university students from Istanbul Technical University.

The local entity in the United Kingdom has taken on students on several occasions as part of the partnership known as Developing Youth Workforce in order to provide them with tools that they may use in their future professional lives. These students were able to work on a new payment system, which was unanimously approved by the relevant services.

In Canada, Ingenico Group takes part in co-op programs with local organizations. These programs are primarily aimed at people who arrive in Canada and need to update their skills to find a job. Students spend around three months in a work environment in order to earn their diploma.

In the United States, Ingenico Inc. takes part in a program at a university in Georgia to promote careers in the payment industry.

4.7.5   Local sourcing

Several Group entities are committed to using local suppliers.

For instance, 30% of Group purchases in Canada are from Canadian suppliers.

In the Philippines, Ingenico Group promotes purchasing from suppliers in the metropolitan district (national capital region). Purchases from these suppliers accounted for 85% of all purchases in 2016 and 90% in 2017.

Ingenico Prepaid France SAS works primarily with local suppliers (based in the Caen area) to buy its merchandising items: local suppliers represented around 80% of purchases of this type of product in 2017.

The Australian entity endeavors to work with providers located within a restricted radius of its facilities to organize its team events, which helps to raise awareness among its employees of the importance of working with small local firms to support the economy.

4.7.6   Support for communities with specific needs

In 2017, the Group launched two projects to help visually-impaired or blind people access its solutions. It applied for a patent for the development of an innovative solution of accessories for entering a PIN code on any capacitive touch screen. It has also made the unusual choice to include mechanical keyboards with its new product range, which is expected to be on the market in 2018. This will also incorporate a jack for a headset and a speaker to facilitate the development of applications suitable for visually-impaired or blind people.

In Germany, DI Deutsche Ingenico Holding GmbH is one of the founding members of *Unternehmen integrieren Flüchtlinge*, a network launched by the Düsseldorf Chamber of Commerce and Industry. This network of more than 1,600 companies provides consultancy services and enables the sharing of information on best practices regarding the integration and vocational training of refugees. In Sweden, Bambora took on two interns who are immigrants in 2017.

In the United States, Ingenico Inc. ensures that all its job offers are published not only with the Labor Department, but also on employment sites for veterans and people with disabilities. Ingenico Inc. also works with businesses that are owned by people from minority backgrounds or women.

In France, Ingenico Group launched a partnership in 2016 with the association Nos Quartiers ont des Talents ("Our Neighborhoods Got Talent"), which promotes the professional integration of young job seekers from priority neighborhoods and disadvantaged backgrounds. Through this initiative, Group employees can sponsor young graduates and support them in their job search. Six young people found jobs through this program in 2017. Under this partnership, Ingenico Group hosted a coaching workshop in 2017 for seven young graduates who were looking for employment. The aim of the workshop was to help them with their job search and prepare them for interviews. In another area, through its work with specialist organizations such as Cèdre, the social enterprise in charge of the office waste sorting system in France, Ingenico Group contributes to the professional integration of people with disabilities.

4.7.7   Fighting against food waste

Although Ingenico Group is not directly concerned with food waste, given the nature of its business, measures have been put in place to limit food waste in employee restaurants and cafeterias in 40% of the Group's entities.

For example, in the Netherlands, dishes prepared daily are stored in accordance with hygiene standards until the use-by date. If these dishes are not eaten by that date, they are offered free of charge to employees. In addition, some foods are processed so that they can be eaten, for example bread is made into croutons.

In China, the employee restaurant prepares food for 90% of the total workforce, in order to avoid any surplus. During meal times, the restaurant staff may cook more to meet actual demand.

In the United Kingdom, the amount of food waste is now measured, which will lead to effective measures to fight against it.

4.8   Stakeholder engagement

Partners, distributors, shareholders, the financial community, customers, suppliers, participants in the payment industry, NGOs and public authorities are among the many external stakeholders with which Ingenico Group maintains regular, open dialogue.

EMS* : sub-contractors for terminal assembly.
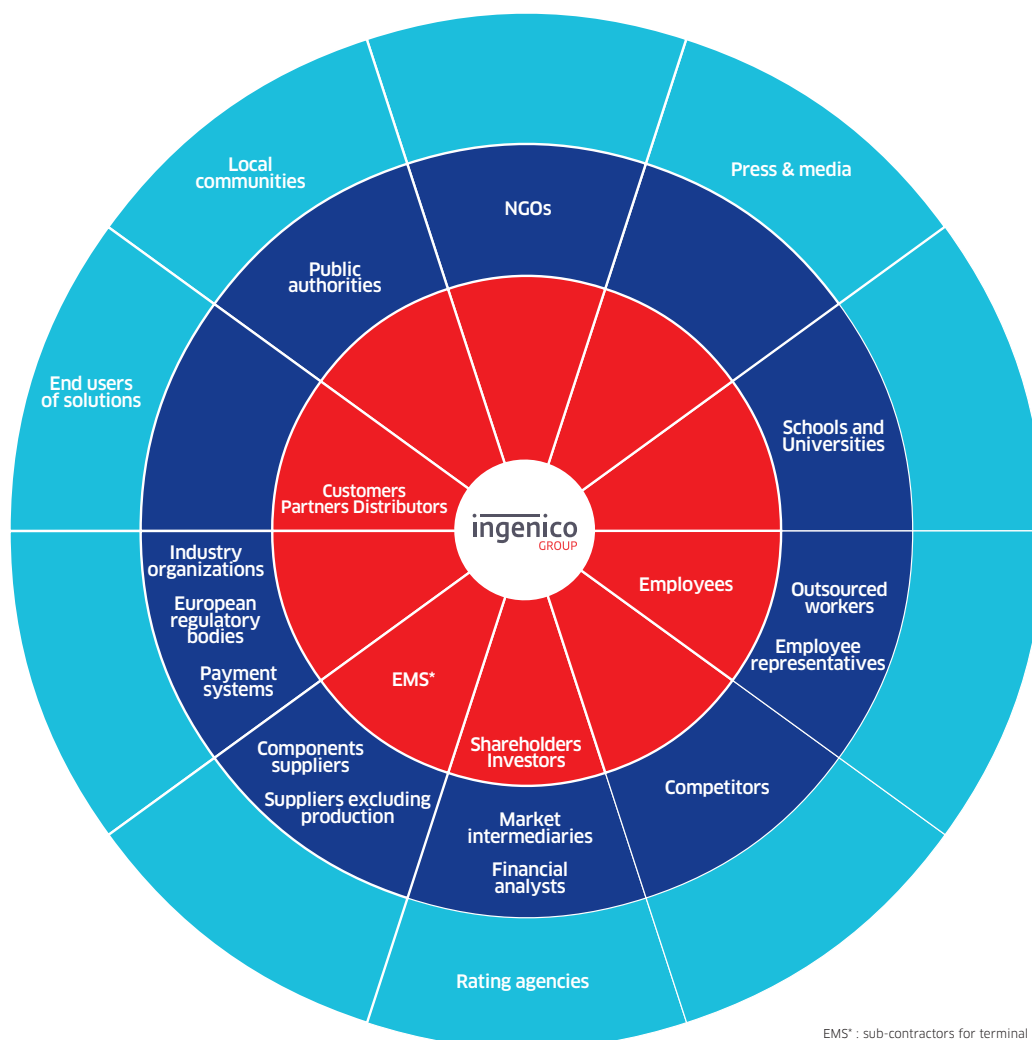
The Group's website is intended to become a platform on which these stakeholders can exchange their points of view about Ingenico Group and about the payment industry in general.

4.8.1   Events

Ingenico Group organizes a number of events to head out and meet its stakeholders.

Global Collect, from the ePayments Division, brings together 15 to 20 of its key customers on its Global Collect Advisory Board (GCAB). Members of the GCAB have the opportunity to discuss current events and the future of payment services at an annual event which, in 2017, was held in Dubai. They also participate in quarterly conference calls wherein Ingenico ePayments updates them on the progress of GCAB initiatives. In 2017, 40 prospective customers were invited to discuss the payment industry and opportunities for growth during an Insights meeting held in Amsterdam.

In Germany, all of Ingenico Marketing Solutions' customers and key prospective customers are invited to take part in a "Loyalty Day" conference each year, devoted to business topics and networking activities.

In Italy, "PayLab" events are organized twice a year. For these events, around 30 customers are invited to share their opinions on key topics, such as mobile payments, point-to-point (P2P) security or person-to-person financial flows.

Ingenico Group also takes part in a variety of trade shows and events in the different countries in which it operates in order to present its products and to meet prospective and existing customers and key players. In France, Ingenico Group was represented at the Paris Fintech Forum, at Viva Technology, and at Paris Retail Week. In the United States, the Group participated in NRF Retail's Big Show and in Money2020. It also attended the

second Money2020 in Europe, which was held in Copenhagen. Finally, the Group presented its mobility-related innovations at the Mobile World Congress in Barcelona.

In total, the Group took part in nearly 180 events in 2017.

4.8.2 Customers

4.8.2.1 Customer relationship management

Launched in 2015, the CAP 2017 program helped to kick off the transformation of the customer experience within the Group. In order to pursue this goal while providing long-term support to all departments of the Company (marketing, sales, and services), Ingenico Group decided to rename the program INGAGE, with the aim of enhancing and improving operational excellence, digitizing the customer experience, and harmonizing teams across the world around shared practices and a common culture.

By converging and gradually supporting all the Group's customer-facing employees on the CRM (customer relationship management) platform Salesforce.com, the INGAGE program makes it possible to build a 360-degree view of Ingenico Group customers, while automating and consolidating information, enabling the Group to better serve its customers and respond to their needs.

ingage

In 2017, 850 people in over 15 countries covering the five geographical regions of Europe & Africa, NAR, LAR, APAC, and India migrated to this new CRM platform. The sales and management teams now manage customer portfolios, the business opportunity pipeline and sales forecasts in exactly the same way. This enables Ingenico Group to significantly improve sales forecasts and better identify growth opportunities in order to tailor the Group's investments.

In 2018, the expansion of this solution will continue with it being rolled out in new countries and to new users, and enhanced with new functionalities, such as a partner portal for distributors of Ingenico solutions.

4.8.2.2 Satisfaction surveys

In March 2017, Ingenico Group conducted its fifth annual Customer Experience Feedback satisfaction survey. This year the survey was sent to all Group countries and regions, except for China, and was available in 16 languages. The information collected from the 5,179 questionnaires received (a 15% response rate) made it possible to analyze customers' loyalty, their perception of the brand and their satisfaction with the relationship, looking at aspects such as innovation, performance, terminals and applications, sales and support.

The "Net Promoter Score [1]" (NPS) shows that Ingenico Group is seen as a strong brand globally, with quality products that are easy to use. The survey also enabled the Group to carry out concrete initiatives to continue its work on customer relationship management, by identifying opportunities for development.

The NPS analyzed by market rose significantly year-over-year. This score measures not only the impact of the Group's initiatives but, first and foremost, the quality of the relationships established over the years with its customers, and their confidence in the Group.

In Australia, Ingenico Group conducted a shared satisfaction survey with customers of Ingenico International and Bambora in October 2017.

4.8.2.3 CSR assessment

To ensure a more effective response to the growing requests for information from its prospective and existing customers on CSR-related issues, the Group has been part of the EcoVadis platform, which specializes in assessing the CSR performance of suppliers, since 2015. With a total score of 57 out of 100 in 2017, up from 54 in 2016, Ingenico Group is among the top 15% of companies assessed by EcoVadis, across all sectors, and its CSR commitments are therefore confirmed.

4.8.3 Partners

Ingenico Group has a large number of partners, including product distributors and technology partners. The Group believes that it is essential to share its expertise and know-how with them so that they can develop alongside Ingenico.

In order to share the latest innovations and inspirational initiatives of the B&A Business Unit with its partners and customers, Ingenico Group distributes an e-newsletter called in-Live NEWS.

For the fifth year running, the Europe & Africa region brought its partners together for three days to share information on the Group's latest innovations and key market trends. The highlight of the 2017 event, which took place in Barcelona, was a plenary meeting illustrated by role-plays of practical uses of Ingenico solutions, followed by learning sessions which not only aimed to explain the Ingenico solutions but also to provide turn-key processes for implementing them.

In Italy, Ingenico Group takes part in events organized by its partners and by the associations it belongs to. In 2017, therefore, the Group once more supported its partner Lasersoft by giving presentations on POS systems at marketing events organized by Lasersoft in several Italian cities.

In the Netherlands, Ingenico Group works in close collaboration with nearly 600 strategic partners. These interactions make it possible to promote Ingenico ePayments within its ecosystem and keep up to date on market developments.

In Canada, the Group partnerships have been widened in order to keep in step with developments in the payment ecosystem, particularly in the Fintech and retail sectors. For example, it has developed partnerships with MaRS, a specialist in digital transactions, virtual shopping and enhanced experience, and Communitech, a specialist in providing support to technology companies. It is also a partner of the Retail Council of Canada, which represents more than 45,000 retail stores in the country.

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(1) NPS: An indicator of customer loyalty that consists of asking customers: "How likely is it that you would recommend Ingenico?" The answer is given on a scale of 0 ("Highly unlikely") to 10 ("Highly likely"). The NPS is obtained by taking the percentage of customers who have answered 9 or 10 (promoters) and subtracting the customers who have answered 0 to 6 (detractors).

In 2017, Ingenico ePayments, Ingenico Group's dedicated Mobile and E-Commerce Division, set up a partnership with The Family, a pan-European platform for startups and entrepreneurs. The Group uses its technology and expertise to help these companies to monetize their business models and optimize payment acceptance.

In the last few years, Ingenico Group has also developed strategic partnerships with key players in their respective fields to collaborate on mutually beneficial initiatives.

Ingenico Group has developed a partnership with Samsung with a view to creating and distributing integrated mobile payment services. This alliance is global in scale and, by bringing together Samsung's mobile devices and tablets and Ingenico Group's mobile platform and card readers, it enables customers and retailers to benefit from a seamless mobile payment system.

Similarly, Ingenico Group is working with Intel to enable new connected devices to accept secure payments, thereby consolidating its expertise in the Internet of Things.

Lastly, Ingenico Group has been collaborating with Google since 2015 to facilitate international online sales. The Market Finder platform, based on the combined expertise of Google and Ingenico ePayments, enables merchants to explore and identify new opportunities for growth, establish their business internationally, and sell their products more easily outside of their home country. In 2017, this partnership generated business for the Group, with several opportunities for cross-border sales, and the Group also took part in the event to launch Market Finder.

4.8.4 Shareholders and investors

The support and loyalty of its private and institutional shareholders are crucial to Ingenico Group's long-term development. The Group's relationship with its shareholders is built around mutual confidence and trust, open dialogue, and regular contact.

4.8.4.1 Extensive meetings with the financial community

Ingenico Group holds regular conference calls and investor meetings when publishing its interim and full-year financial statements (after close of trading). In addition, the Group frequently takes part in technology and payment conferences and roadshows, particularly in Europe and North America. In 2017, in the United States and Europe (Paris, London, Frankfurt, Milan, Nordic countries, etc.), Ingenico Group took part in 15 investor conferences, 24 roadshows, and one trade show (Money 2020 Europe). In total, more than 380 face-to-face meetings or conference calls were held, enabling the Group to meet more than 510 financial institutions and 670 investors.

4.8.4.2 Stronger financial communications tools

The Finance section of the website www.ingenico.com is regularly updated and is home to all financial documentation (publications, management reports, investor presentations) and regulated information (Registration Document). Here, investors can also find the Group's key figures in Excel format, as well as the consensus estimate, which is regularly updated. In addition, shareholders can also access a tool for calculating their average annual performance.

At the shareholder relations awards in 2017, Ingenico Group was awarded the SBF 120's silver medal for Best Digital Communication, which recognizes the quality of digital communications to shareholders.

4.8.4.3 SRI Indices[1]

Ingenico Group has been included in the following SRI indices since 2016:

- Euronext Vigeo Eurozone 120;
- Dow Jones Sustainability Europe;
- Ethibel Sustainability Excellence Europe;
- FTSE4Good.

These indices identify the companies with the best performance in terms of ESG (Environment, Social and Governance). Ingenico Group's inclusion rewards its commitment to sustainable development and its work in the area of sustainable development communications.

4.8.5 Ingenico Group's industry collaborations

Since its creation, Ingenico Group has been an active member of the Card Stakeholders Group (CSG), an organization linked to the European Payment Council (EPC) and responsible for the definition and maintenance of the main operating and security principles for card payments in the Single Euro Payments Area (SEPA). In 2016, CSG became independent of the EPC and was renamed European Card Stakeholders Group (ECSG); however, Ingenico Group maintains a very active role in its work and is a member of its Management Committee.

In addition, Ingenico Group continues to collaborate on the development of new standards for SEPA payments, *via* its active participation in working groups on Nexo standards. The year 2017 was marked by the continued mass deployment in several European countries of solutions that meet Nexo standards and by the introduction, at the end of the year, of a new version of these standards that may be rolled out during 2018.

(1) SRI: Socially Responsible Investment.

For several years, Ingenico Group has served on the Board of Advisors of the PCI (Payment Card Industry) Security Standards Council, an open international forum on the development, improvement, storage, dissemination, and continuous implementation of safety standards to protect bank card data. The mission of the PCI security standards Board is to improve the security of this payment-related data by promoting education and raising awareness of the PCI security standards and conducting certification programs such as PCI PTS for payment terminals and PCI DSS for transactional platforms. The organization was founded by American Express, Discover Financial Services, JCB International, MasterCard and Visa Inc.

The Group is also a member of the World Wide Web Consortium (W3C), which sets web standards, especially for HTML5.

Since 2014, Ingenico Group has been part of Global Platform, a group that aims to improve the security and interoperability of multiple applications embedded in microprocessor technology. The Group aims to support the needs of smart device suppliers, such as smartphone and tablet application developers, and device manufacturers. The development of this technology is crucial for mobile wallets, NFC (near field communication) payments, premium content protection and "bring your own device" (BYOD) initiatives.

In connection with its business, the Group maintains regular dialogue with international payment schemes on regulatory and technical matters (Visa, MasterCard, American Express, CUP, etc.), both through its local entities and centrally.

In each country, the Group's local entities are also in contact with various key players in the payment and new technology sectors.

In France, Ingenico Group has been a member of France Digitale since 2017. This is an association which brings together entrepreneurs and investors to promote the dynamism of French digital entrepreneurship and convert France into a country that encourages the development of startups, within the country or abroad.

Ingenico ePayments is also a member of the *Fédération du e-commerce et de la vente à distance* (FEVAD, the French e-commerce and distance selling federation), a non-profit-making organization that aims to support the ethical and sustainable development of e-commerce and distance selling in France. In 2017, Ingenico ePayments also supported FEVAD by sponsoring the Nuit des Favor'i, which rewards the best e-commerce sites of the year.

Ingenico ePayments has also been a member of ACSEL for more than ten years. ACSEL is the association for online commerce and services and the French digital transformation hub. With an active, cross-sector network of 1,200 professionals and nearly 150 large corporations, mid-market companies and service providers, ACSEL has become the key interface of the digital ecosystem, bringing together and galvanizing all companies, institutions and public authorities involved in digital transformation. ACSEL's mission is to create the conditions required for the success of the digital transformation of the French economy. Within ACSEL, Ingenico ePayments is active on the FinTech & Payment Methods Commission, which addresses strategic payment issues for merchants, and has been a member of the ACSEL Board of Directors since 2011, where it contributes to the smooth running of the association.

In the Netherlands, Ingenico ePayments is a member of the association Thuiswinkel.org and of Ecommerce Europe which comprises nearly 80,000 companies from the online sale of goods or services sector.

In Australia, the Group is in contact with various industry organizations, including the Australian Payment Clearing Association (APCA).

In Canada, the CEO of Ingenico Group co-chairs ACT Canada, an association of key players in the secure payment and identity sector. She is also a member of the Consultative Committee of the Women in Payments network in Canada, which aims to promote the career development of women in the payment industry, and a member of the Board of the global mentoring program, of which Ingenico Group is one of the founding sponsors. Furthermore, the Group has a consultative role on the Steering Committee of the IAB (Interactive Advertising Bureau of Canada), an association that promotes interactive marketing and the advertising industry, where it takes part in discussions on including payment in Digital Out of Home advertising campaigns. Finally, the Group acts as advisor to the annual conference Canadian innovation Exchange.

In Germany, Ingenico Group is a member of or in contact with the following organizations: BZVI (federal association of payment institutions), EFA (body representing the strategic interests of Fintech companies in Europe), EPIF (European Payment Institutions Federation), ELV-Forum (a technical body for ELV-type direct debit payments), GICC AK (research group for German buyers), and EHI Retail Institute GmbH (retail industry research institute). Ingenico Group is also a founding member of the Network Service Providers (NSP) association for electronic payment operators in Germany: *Bundesverband der electronic cash-Netzbetreiber.*

In India, E-Billing Solutions is a member of the PCI (Payment Council of India) within the IAMAI, the Internet and Mobile Association of India. Through this organization, it meets with other industry operators to discuss shared business and commercial issues. TechProcess Payment Services is a member of the CII (Confederation of Indian Industry) which represents various industries in India vis-à-vis the government.

5 INGENICO GROUP'S ENVIRONMENTAL APPROACH

As a global leader in payment services, Ingenico Group has a key role to play in controlling the environmental impact of the payment chain. Given its core business, Ingenico Group helps to further the development of payment services that have less impact on the environment (especially in terms of the consumption of natural resources and greenhouse gas emissions) than other means of payment, such as cash or checks.

Nevertheless, the omnichannel approach developed by Ingenico Group coupled with global coverage of its payment services inevitably have environmental impacts that the Group strives to control.

The environmental challenges highlighted by the materiality analysis that the Group has conducted are as follows:

- use of chemical substances that are potentially hazardous to human health and protection of the environment;
- appropriate treatment of electronic payment terminals at end of life;
- energy efficiency of electronic payment terminals that the Group puts onto the market.

The environmental policy deployed by Ingenico Group helps to address these various environmental challenges. In fact, signed by the Group's management and applicable to all employees, it is based on four guiding principles:

- **exemplary compliance with environmental regulation**

  Ingenico Group monitors the legal requirements relating to the environment and takes action to ensure the compliance of its business, products, and services with the applicable regulations;

- **considering environmental impact from the product design stage**

  Ingenico Group promotes eco-design because the primary elements affecting the environmental performance of products are found at the development and design phase;

- **implementing a responsible purchasing policy that incorporates environmental criteria**

  Ingenico Group incorporates environmental criteria into the procurement requirements it applies to its various suppliers and subcontractors;

- **increasing environmental awareness among employees**

  Ingenico Group encourages its employees to adopt and develop an eco-responsible approach in all their activities.

Ingenico Group is convinced that natural resources should be used responsibly and that the integration of environmental issues within the Group's activities is reflected by environmental as well as economic benefits, whilst meeting stakeholders' expectations.

5.1 Environmental Management System

Environmental protection is now an indisputable concern and controlling the environmental impact of a company's activities requires a structured approach if it is to be sustainable.

This is why Ingenico Group uses an Environmental Management System that is ISO 14001:2015-certified. As the recognized international standard for environmental management, ISO 14001 provides the framework for determining the program

of measures and procedures that can help companies gain better control over the environmental impact of their business, products, and services.

It in fact lays down a number of environmental practices, such as compliance with the applicable regulations, the identification of environmental impacts, and the definition of objectives.

5.2 Environmental impacts

The environmental impacts of Ingenico Group are linked:

- first, to facilities the Group uses to carry out its business that have a direct impact in terms of their energy and natural resource consumption, and the direct and indirect impacts in terms of greenhouse gas emissions;
- secondly, to marketing activities, distribution and use of the Group's products and related services that have an impact on the environment in terms of natural resource consumption, indirect greenhouse gas emissions, and waste production.

Ingenico Group is working to lessen its environmental impact through the initiatives and measures described below. These are reported annually at the highest level of the Company in the scope of an environmental management review.

5.2.1 Impacts related to infrastructure

Energy consumption

A study of data relating to energy consumption was performed at Group level. In 2017, the quantity of electricity used amounted to 15,305.8 MWh. while the amount of natural gas consumed amounted to 3,615.4 MWh HHV over the same period.

(in MWh)	2017	2017 (like-for-like)	2016 (like-for-like)	Change
Electricity consumption[1]	15,305.8	14,184.8	14,041.6	+1%
Natural gas consumption	3,615.4	3,615.4	3,389.6	+7%

(1) *Excluding some sites in China (Fujian Landi excl. Beijing, Fuzhou, Nanjing, Shanghai and Xiamen) (2.1% of the workforce at December 31, 2017).*

Energy consumption (electricity and natural gas) increased slightly in line with the growth of the Group's business (9% revenue) and the increase in the number of employees (17%) between 2016 and 2017.

Where possible, Ingenico Group uses high energy efficiency buildings only. This is the case for the Paris building (France), which is HQE (High Quality Environmental standard) certified, and the Valence building (also in France), which is BBC certified (low-energy building) by an external certifying body, ensuring that energy performance levels are well above those of standard buildings. In the US (Alpharetta, GA), Ingenico Group also works out of a LEED-certified (Leadership in Energy and Environmental Design) and Energy Star-certified building, guaranteeing high energy efficiency.

Thanks to a "green energy" agreement signed with its energy supplier, Ingenico Group was able to guarantee that in 2017 all of the energy used by its main site in Ratingen, Germany, came exclusively from renewable sources, thereby reducing the corresponding greenhouse gas emissions.

For its IT services, Ingenico Group deploys a cloud computing strategy. This helps to optimize the energy efficiency of data centers. Actions of this type have notably been instigated within the Bambora entity based in Sweden.

Other initiatives aimed at reducing energy consumption have been deployed at many Group sites, such as the use of high-efficiency electrical equipment, low-consumption light bulbs, LED lighting, and movement detectors.

In the building located in Brussels, Belgium, the office lights are switched off automatically from 9pm and only emergency lighting is used to avoid any unnecessary lighting.

Lastly, in 2017, Ingenico Group installed an air treatment plant at its UK site, which is more effective in terms of energy consumption.

Water consumption

Ingenico Group is not aware of any local constraints relating to water resources. Moreover, given the Group's business activities, the consumption figures recorded for this resource are related to food and sanitary use only. However, the quantities of water consumed are monitored locally at the different sites. The Group's total water consumption in 2017 was 62,600 m³.

(in thousands of m³)	2017	2017 (like-for-like)	2016 (like-for-like)	Change
Water consumption[1]	62.6	52.5	51.2	+3%

(1) *Excluding some sites based in China (Fujian Landi, excluding Fuzhou, Nanjing and Xiamen), Colombia, Japan, the Netherlands (Global Collect), Singapore (including Global Collect), Thailand (14.6% of the workforce at December 31, 2017), and the United States (Global Collect).*

Group entities have undertaken various initiatives to reduce water consumption, such as automatic faucets and dual flush toilets.

Paper consumption

Paper consumption related to Ingenico Group's activities represented 62.8 tons in 2017.

(in tons)	2017	2017 (like-for-like)	2016 (like-for-like)	Change
Paper consumption[1]	62.8	54.2	56.1	-3%

(1) *Excluding some sites in China (Fujian Landi excl. Beijing, Fuzhou, Nanjing, Shanghai and Xiamen) and Singapore (Global Collect) (4.9% of the workforce at December 31, 2017).*

The Group's efforts to reduce paper consumption are reflected by printer configuration, the use of documentation in electronic rather than paper format and the reuse of paper. Electronic invoicing solutions have been deployed in Belgium.

In Belgium, France, Sweden and soon Brazil, employees need to log in to be able to confirm their printouts, thereby avoiding unnecessary printing.

Employee transportation and business travel

To reduce the environmental impact of business travel, Ingenico Group uses videoconferencing systems for meetings. Such systems are now installed at all of the Group's facilities.

A "carbon offset" transaction was again conducted in 2017 at the forum organized for Ingenico Group's partners in Barcelona (Spain). The Group thus fully offset the 170 tons of CO_2 equivalent corresponding to approximately 780,000 kilometers traveled by the 198 participants from 50 countries. The initiatives financed by the Group, in partnership with the GoodPlanet Foundation, helped to support an organic waste recycling project in the form of compost for agriculture in Lomé, Togo.

In Germany, Ingenico Group takes account of the level of CO_2 emissions in selecting its rental vehicles (maximum 134 gCO_2/km in 2017). A meaningful plan to reduce these emissions has been in place since 2015 and extends until 2020 (to reach 110 gCO_2/km). In Belgium, the use of hybrid and/or electric vehicles is also a solution under review.

In Sweden, business travel was reduced and the use of trains was preferred over planes, which helped to reduce travel costs by around 30% in 2017.

Telecommuting arrangements have also been put in place, enabling any employees who wish to do so to work from home for one or two days a week. This is especially the case in France and Belgium.

Lastly, in France, allowances are paid to Group employees who choose to go to their place of work by bicycle or *via* carpooling in order to reduce the use of vehicles and the associated environmental footprint.

All of these initiatives help to limit the impacts generated by employee transportation to work.

Preventive measures, recycling and waste disposal

Most of Ingenico Group's entities have set up sorting systems to collect and recycle internal waste such as electrical and electronic equipment, printer toners and cartridges, batteries and accumulators, plastic, glass, aluminum, paper, and cardboard.

In France, at the Paris site where the Group's head office is located, a comprehensive office waste sorting and recycling solution was put in place in partnership with a social enterprise in which workers with disabilities comprise 90% of the workforce. This end-to-end bespoke service enables traceability of the following forms of waste: paper, plastic cups, plastic bottles, and drinks cans. In 2017, this service collected 21.0 tons of waste, including 17.8 tons of paper, and so enabled the saving of 313 trees, 552.4 m^3 of water, 10 tons of CO_2, and 73.7 MWh of elctricity.

In the United Kingdom, a weekly waste report has been established. The results are displayed to the personnel, which helps raise employees' awareness and promote waste recycling.

In China, a partnership is in place with a recycler to collect and process the electronic waste related to the assembly activities of the Fujian Landi entity. Thus in 2017 more than 25 tons of electronic waste were collected.

Substance and noise pollution

In order to evaluate the greenhouse gas emissions generated by the Group's business, a Group-wide analysis of these emissions is carried out annually. This analysis is presented in detail in section 2.5.3.1, "Analysis of greenhouse gas emissions".

As the noise and odors caused by Ingenico Group's activities are insignificant, they are not subject to specific reporting.

Land use

As Ingenico Group's business activity has a limited impact on soil, there is no specific reporting on ground soil pollution.

Biodiversity conservation

Ingenico Group's business activity has not revealed any direct negative impact on biodiversity as its sites include very few green spaces or open ground.

5.2.2 Impacts linked to the products and services offered

Eco-design

Eco-design is a preventive approach that factors in environmental concerns right from the product design and development phase. It requires that consideration be paid to environmental requirements (regulations, customer expectations, Group policy, etc.) as well as to the products' environmental impacts (energy and raw materials consumption and waste production).

Ingenico Group takes steps to reduce the environmental footprint of its terminals at each stage of their life cycle, from design to end-of-life. To this end, the Group has developed an eco-design process that aims in particular to reduce the consumption of resources and the production of waste (SDG 12[(1)]).

The process implemented by Ingenico Group is based on the "life cycle" approach to products, as shown in the following diagram:
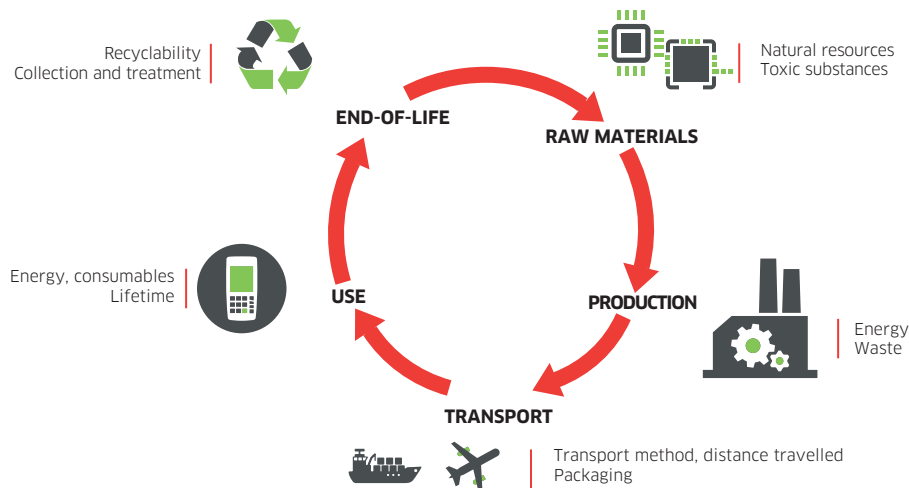
To further embed this approach, the Group has developed an eco-design questionnaire derived from the most stringent international standards for electronic products (EPEAT, TCO, ECMA-341, etc.). With this tool, the environmental performance of the products is evaluated:

- by measuring a number of design indicators (weight, energy consumption, number of components, surface area of printed circuits, etc.);

- by verifying compliance with current regulatory requirements (WEEE, RoHS2, REACH, etc.);

- by identifying best design practices (compatibility of plastic materials with a view to recycling, number of different materials, the marking of parts, disassembly, etc.).

This evaluation of environmental performance provides the basis for an "eco-declaration", an environmental product profile that highlights its ecological aspect while meeting customers' expectations.
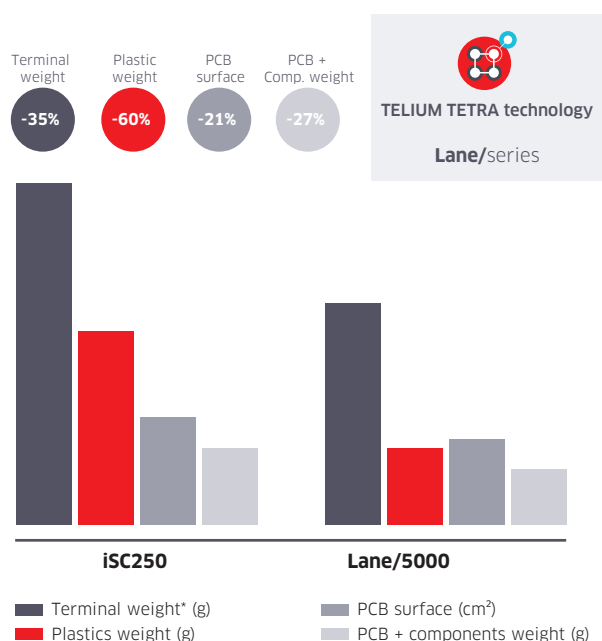
● **Example of an eco-declaration on a product (Lane/5000)**

(1) For more information on the United Nations Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals/

● Raw materials

The optimization of the design of new generations of terminals allows Ingenico Group to reduce its environmental footprint not only by limiting the use of natural resources but also indirectly by reducing the impacts due to transport. This eco-design approach is all the more relevant since the use of raw materials required for manufacturing the Group's terminals is in third place on the analysis of GHG emissions (for more detailed information, please refer to section 2.5.3.1, "Analysis of greenhouse gas emissions").

Notable improvements have been made with the latest generation of the Telium Tetra range of terminals as, for example, in the case of the Lane/5000 terminal, where significant improvements have been made in terms of the quantities of raw materials used compared to the previous range (iSC250).

Terminal weight **-35%** | Plastic weight **-60%** | PCB surface **-21%** | PCB + Comp. weight **-27%**

TELIUM TETRA technology
Lane/series

iSC250 | Lane/5000

- ■ Terminal weight* (g)
- ■ Plastics weight (g)
- ■ PCB surface (cm²)
- ■ PCB + components weight (g)

* Excluding cables, power supply and thermal paper roll.

Manufacturing

With regard to the manufacturing of critical components supplied to it, the Group concludes agreements with its suppliers that clearly set out its requirements in terms of environmental protection. Regarding the assembly of its terminals, the two main Ingenico Group partners have signed the Responsible Business Alliance code of conduct (formerly EICC – Electronic Industry Citizenship Coalition), affirming their commitment to incorporate environmental concerns into the operation of their businesses (for more details, please refer to section 2.4.6, "Supply chain management").

These two partners are also ISO 14001-certified, as is Fujian Landi and the two subcontracted factories that assemble a portion of Landi terminals. This means that, in 2017, all Group terminals were assembled at industrial sites with ISO 14001 environmental certification.

Transport

The Group works with two transport firms that are market leaders in logistics. Both firms are ISO 14001-certified, enabling Ingenico Group to help ensure an environmentally friendly supply chain. They provide the Group with expertise regarding the development of logistics networks, the consolidation and optimization of loads, and the selection of means of transport, thereby ultimately helping to reduce the Group's carbon footprint.

In Brazil, the two main local carriers with whom Ingenico Group works use only biodiesel for their entire truck fleet.
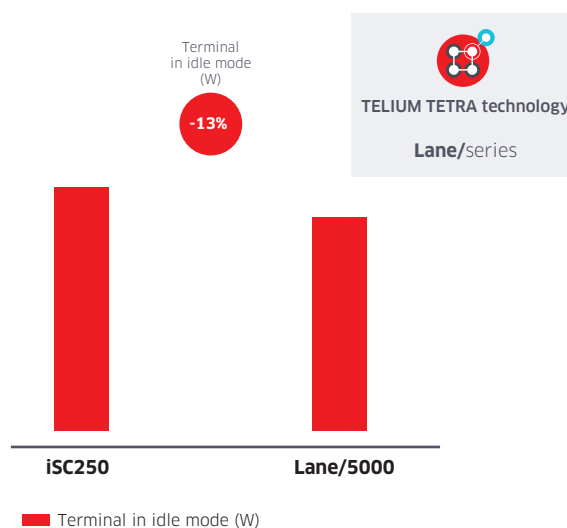
Use

A significant part of the environmental impact of electronic products comes from their energy consumption during the use phase. Optimization of the energy efficiency of terminals has a dual benefit: first by reducing the Group's eco-footprint in marketing less energy-hungry products and secondly by alleviating that of end users, who benefit both economically and ecologically.

Thus, for the latest generation of the Telium Tetra range of terminals and particularly Lane/5000, the terminal's energy consumption in 'idle' mode has been optimized compared to the previous range (iSC250).

Another area where Ingenico Group seeks to be a pioneer is in paperless electronic payment receipts. Here again, the benefit is twofold as, through this solution, the Group is helping to minimize the environmental footprint of each transaction by replacing the paper receipt with a digital one, and is also helping to reduce operating costs for the merchant.

This solution is already being used by many Italian banks, thanks to the iCMP mobile terminals supplied by Ingenico Group. With its Link/2500 range, Ingenico Group consolidates this ambition with a portable terminal that combines flexibility and versatility whilst offering a digital receipt solution.

Terminal in idle mode (W) **-13%**

TELIUM TETRA technology
Lane/series

iSC250 | Lane/5000

- ■ Terminal in idle mode (W)

These two initiatives are all the more relevant since the energy consumption of terminals and receipt printing are in second and first place respectively on the analysis of GHG emissions (for more detailed information, please refer to section 2.5.3.1, "Analysis of greenhouse gas emissions").

End-of-life

In accordance with the WEEE (Waste Electrical and Electronic Equipment) directive, recycling solutions for end-of-life Ingenico terminals are in place in EU member states.

In keeping with its commitment to the circular economy, the Group supports this initiative by implementing it beyond the European Union, in countries such as Australia, Brazil, Canada, China, Colombia, Mexico, the Philippines, Singapore, Thailand, and the United States.

In France, a partnership is in place with a local recycler (itself ISO 14001-certified) to streamline the entire process of collecting and recycling end-of-life terminals from Group customers. Another benefit is that this partner provides work for three establishments for disabled people and one prison, *i.e.* a total of 80 people.

The quantity of terminals collected and recycled is monitored at Group level, and reached a total of 338.9 tons in 2017.

(in tons)	2017	2017 (like-for-like)	2016 (like-for-like)	Change
End-of-life products (WEEE) collected and treated	338.9	337.6	246.6	+37%

5.3 Fight against climate change

5.3.1 Analysis of greenhouse gas emissions

In 2017, Ingenico Group updated its analysis of greenhouse gas (GHG) emissions. This initiative goes beyond mere compliance with the legal obligations under the Grenelle II law, broadening the scope of GHG emissions reporting to encompass the whole of Ingenico Group's value chain, including Scopes 1, 2 and 3.

The analysis of the Group's GHG emissions included the following elements:

- energy consumption of buildings occupied by the Group;
- business travel by Group employees;
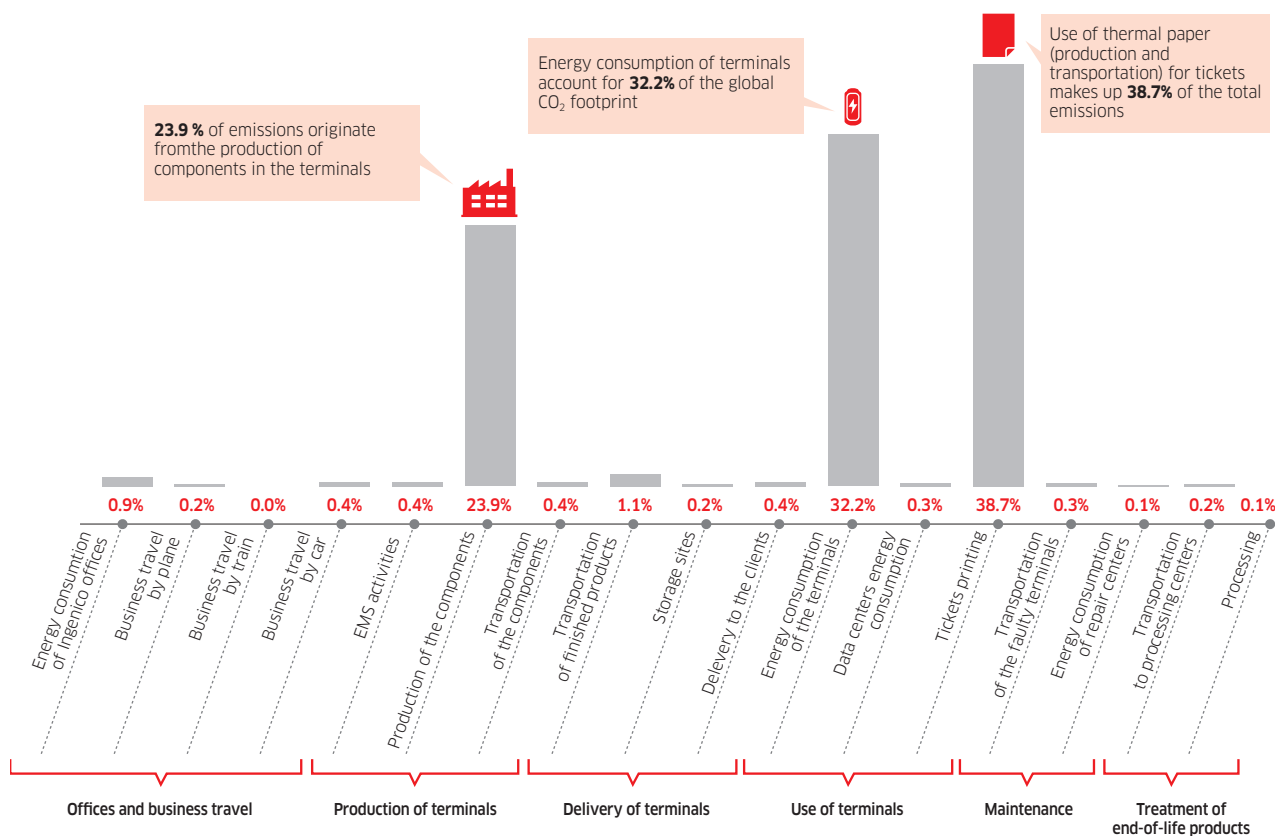- production and transportation of assembled components in terminals;
- energy consumption of assembly plants;
- international transport and delivery of terminals from assembly plants to customers;
- energy consumption of terminals sold on the market;
- production and transport of the paper needed to print receipts when transactions take place;
- energy consumption of data centers (for services operated by Ingenico Group);
- collection and delivery of terminals for repair;
- energy consumption of repair centers;
- transport of terminals to their place of disposal;
- processing of end-of-life terminals.

● **Diagram of the elements included in the GHG emissions analysis**

This analysis identified the elements with the highest GHG emissions so that preventive action could be taken in the areas where it would make the greatest impact. The results presented in the analysis below help Ingenico Group to refine

and augment its action plans for reducing GHG emissions within its approach toward progress and the continuous improvement of environmental performance.

● **Principal sources of CO$_2$ emissions in Ingenico Group's value chain in 2017**

23.9 % of emissions originate fromthe production of components in the terminals

Energy consumption of terminals account for **32.2%** of the global CO$_2$ footprint

Use of thermal paper (production and transportation) for tickets makes up **38.7%** of the total emissions

| Offices and business travel | Production of terminals | Delivery of terminals | Use of terminals | Maintenance | Treatment of end-of-life products |

Values: 0.9% | 0.2% | 0.0% | 0.4% | 0.4% | 23.9% | 0.4% | 1.1% | 0.2% | 0.4% | 32.2% | 0.3% | 38.7% | 0.3% | 0.1% | 0.2% | 0.1%

Categories: Energy consumtion of Ingenico offices; Business travel by plane; Business travel by train; Business travel by car; EMS activities; Production of the components; Transportation of the components; Transportation of finished products; Storage sites; Delevery to the clients; Energy consumption of the terminals; Data centers energy consumption; Tickets printing; Transportation of the faulty terminals; Energy consumption of repair centers; Transportation to processing centers; Processing

● **Details of emissions in CO$_2$ equivalent per scope and per year**

(in tons of CO$_2$ equivalent)	2017	2017 (like-for-like)	2016 (like-for-like)	Change
Scope 1 (direct emissions from the combustion of fossil fuels)	7,930	6,911	7,455	-7%
Scope 2 (indirect emissions from electricity)	11,218	9,621	9,360	+3%
Scope 3 (other indirect emissions)	1,585,602	1,581,675	1,411,158	+12%
TOTAL	**1,604,750**	**1,598,207**	**1,427,973**	**+12%**

● **Details of emissions in CO$_2$ equivalent per item and per year**

(in tons of CO$_2$ equivalent)	2017	2017 (like-for-like)	2016 (like-for-like)	Change
Buildings energy and business travel	23,586	20,344	23,959	-15%
Terminal production	397,578	397,578	318,858	+25%
Terminal delivery	27,920	27,920	25,037	+12%
Use of products and services	1,144,718	1,141,417	1,044,267	+9%
Maintenance	6,533	6,533	11,125	-41%
Processing of end-of-life terminals	4,415	4,415	4,727	-7%
TOTAL	**1,604,750**	**1,598,207**	**1,427,973**	**+12%**

GHG emissions related to buildings energy consumption and business travel were reduced (-15%) primarily due to the fall in business travel recorded in 2017. The various measures detailed in the paragraph relating to business travel (see 2.5.2.1, "Impacts related to infrastructure") largely contributed to this significant reduction.

GHG emissions related to terminal production rose in proportion to the number of terminals manufactured by the Group in 2017 (+25%).
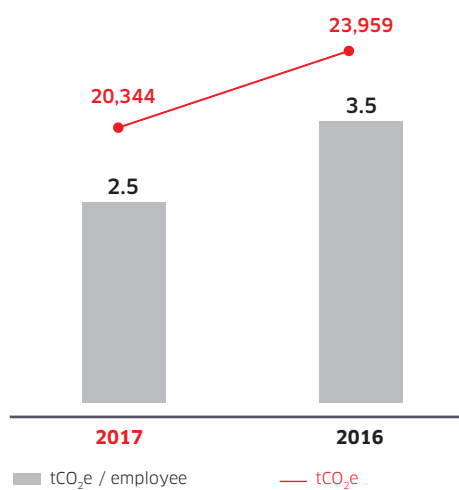
GHG emissions related to the transport of terminals rose markedly (+12%) despite the significant increase in deliveries (+22%). This result shows the relevance of the initiatives detailed in the section relating to transport in paragraph 2.5.2.2, "Impacts linked to the products and services offered".

GHG emissions related to the use of the Group's products and services increased slightly (+9%). However, this increase is lower than the growth of the installed terminal base (+16%). This demonstrates the effectiveness of measures detailed in the section relating to eco-design in paragraph 2.5.2.2, "Impacts linked to the products and services offered".
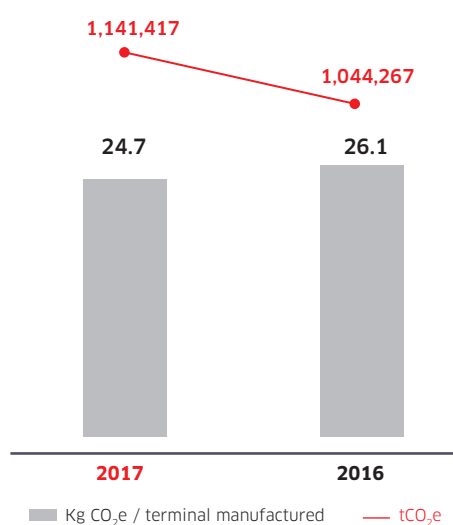
The graphs below, which display the data in absolute values but more importantly in relative values, highlight the Group's ability to minimize its GHG emissions in spite of the growth of its business. In fact, expressed in relative values, the emissions detailed in the preceding table follow an overall downward trend.
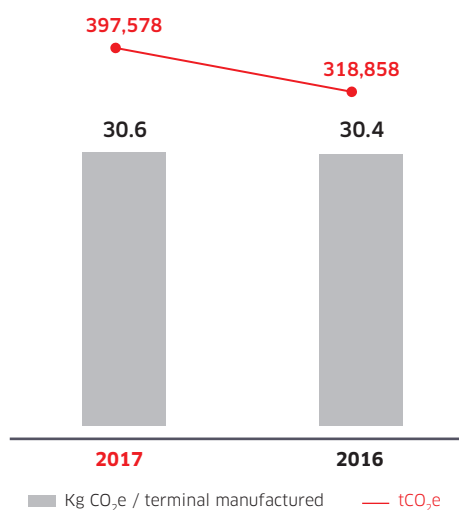
● **Buildings energy and business travel**

23,959

20,344

3.5

2.5

2017   **2016**

■ tCO$_2$e / employee   — tCO$_2$e

● **Terminal production**

397,578

318,858

30.6   30.4

2017   **2016**

■ Kg CO$_2$e / terminal manufactured   — tCO$_2$e

● **Terminal delivery**

27,920

25,037

2.1   2.4

2017   **2016**

■ Kg CO$_2$e / terminal manufactured   — tCO$_2$e

● **Use of products and services**

1,141,417

1,044,267

24.7   26.1

2017   **2016**

■ Kg CO$_2$e / terminal manufactured   — tCO$_2$e

In 2017, the growth of the Group's business incurred a rise in GHG emissions in absolute value (on a like-for-like basis). However, this increase (+12%) is less significant than the increase in the installed terminal base (+16%) as shown by GHG emissions trend in relative values (in kgCO$_2$e per installed terminal).

● **Total GHG emissions**

1,598,207

1,427,973

34.6   35.8

2017   **2016**

■ Kg CO$_2$e / terminal installed   — tCO$_2$e
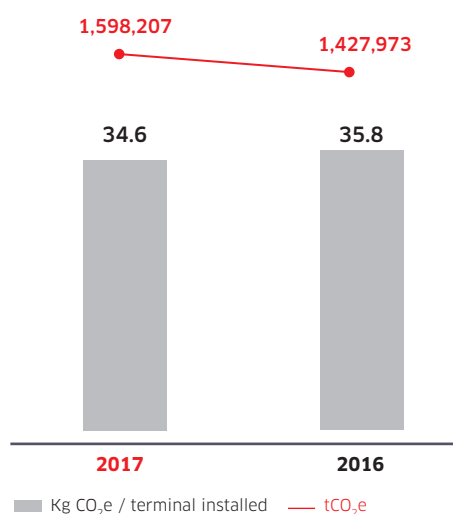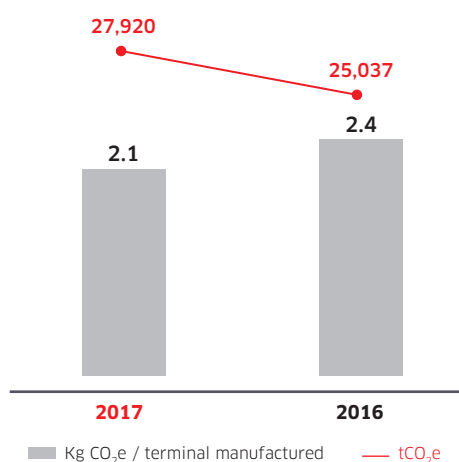
5.3.2 Greenhouse gas reduction targets for 2020

Ingenico Group is keenly aware of the progression and impact of climate change across the globe and wanted to participate in the collective drive to keep global warming below 2°C between now and 2050. It has therefore decided to set targets for reducing its GHG emissions by 2020. In doing so, Ingenico Group is also contributing to SDG 13 [1] ("Take urgent action to combat climate change and its impacts").

Through the measures described below, the Group has committed to the fight against climate change whilst demonstrating its leadership in managing its GHG emissions.

Scope	2020 targets (compared with 2015)*	Actions
Energy consumption of offices (Scope 2)	Reduce CO_2 emissions related to offices occupied by Ingenico Group in France by 50%	Increase the share of renewable energy supplying the main sites located in France
Energy consumption of data centers (Scope 3)	Reduce CO_2 emissions related to data centers used by Ingenico Group by 40%	Consolidate the number of servers used by Ingenico Group in its outsourced data centers
Use of terminals (Scope 3)	Reduce the CO_2 emissions per Ingenico terminal installed worldwide by 10%	Increase the energy efficiency of terminals and promote the use of paperless electronic payment receipts
Terminal transport (Scope 3)	Reduce the CO_2 emissions per Ingenico terminal transported by 5%	Increase maritime transport and consolidated freight *via* the installation of a transport hub in Europe

*   *All targets are set on a like-for-like basis.*

Through the various initiatives listed above and other actions, Ingenico Group aims to reduce its CO_2 emission intensity per euro of revenue by 10% across its entire value chain (Scopes 1, 2, and 3).
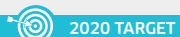
HOW DO WE ACT
ON CLIMATE CHANGE?

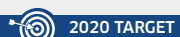**1.** **REDUCING** GREENHOUSE GAS EMISSIONS AS FAR AS POSSIBLE

Proposing **ENERGY EFFICIENT TERMINALS** and solutions to implement **PAPERPLESS PAYMENT RECEIPTS**

2020 TARGET

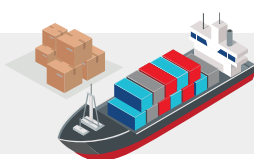**-10 %** GHG emissions per Ingenico terminal installed

Réduire **THE NOMBER OF SERVERS** used in our outsourced data centres

2020 TARGET

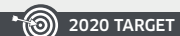**-40 %** GHG emissions related to data centers

Favouring **SEA FREIGHT** over air freight to transport our terminals

2020 TARGET

-5 % GHG emissions per Ingenico terminal transported

Increasing the share of **RENEWABLE ENERGY** supplying our main sites

2020 TARGET

-50 % GHG emissions related to offices in France

2. **OFFSETTING** EMISSIONS WHEN REDUCING THEM ISN'T POSSIBLE by supporting **GREEHOUSE GAS REDUCTION PROJECTS**

Since 2015, we have offset **1,030 TONS OF CO_2e** for major business events.

E&A PARTNERS FORUM ATHENS 2016

CARTES SECURE CONNEXIONS PARIS 2015

CHALLENGE STRESA 2016

TRUSTECH CANNES 2016

E&A PARTNERS FORUM BARCELONA 2017

E&A PARTNERS FORUM BUDAPEST 2015

Through voluntary carbon offsetting, Ingenico Group supports a WASTE COMPOSTING PROJECT IN TOGO.

RECYCLING THE ORGANIC WASTE of the city of Lomé, by structuring the waste collection sector

PRODUCING AND SELLING COMPOST with a high nutrient content for use in farming

5.4 Other environmental commitments

United Nations Global Compact

By supporting the world's leading corporate social responsibility initiative, Ingenico Group commits to disclose the ways in which the Group is aligning its strategy and operations with the UN's universal principles relating to the environment:

- applying the precautionary approach faced with problems affecting the environment;
- taking initiatives that tend to promote greater responsibility in terms of the environment;
- promoting the development and dissemination of technologies that respect the environment.

Ingenico Group's 2017 report (Communication on Progress) is available on the website of the United Nations Global Compact.

We Mean Business

In 2015, Ingenico Group also committed to one of the initiatives proposed by the "We Mean Business" coalition to combat climate change. This voluntary commitment by Ingenico Group consists in providing public access to information on the impacts of the Group's business on climate change. This commitment is reflected by the information contained in section 2.5.3, "Fight against climate change".

CDP

In 2017, Ingenico Group once again took part in the CDP, an internationally recognized evaluation set up by an independent NGO that works with global investors to advance investment opportunities and mitigate the risks posed by climate change. This evaluation allows institutional investors in particular to assess the climate change policies, GHG emissions, and energy consumption of over 5,000 listed companies worldwide.

The Group confirmed its commitment to the fight against climate change, with a score of "B" (for "Management"). The average score for French and foreign companies and companies in the IT sector is "C" (for "Awareness"). In 2017, Ingenico Group maintained its support for this initiative by becoming an official "CDP Supporter".

Circular economy trajectories of the AFEP

Using the drivers of the circular economy defined by ADEME (the French Environment and Energy Management Agency), Ingenico Group was committed in 2017 through two actions: recycling and eco-design of products marketed by the Group. These two initiatives are part of the brochure published by the AFEP, which details the 100 commitments promoting the circular economy on the part of 33 French companies.

Partnership with SPIE

In the scope of its partnership with SPIE Group, Ingenico Group has deployed an identification and payment solution across 1,200 electric vehicle charging stations throughout France. Thanks to the performance of the self-service terminals range, Ingenico Group contributes to the success of SPIE Group, helping to make the recharging of vehicle batteries both easy and accessible.

5.5 Compliance with applicable environmental regulations

Growing environmental concerns of recent years have led to a strengthening of the regulations in terms of protection of the environment. That is why Ingenico Group uses regulatory intelligence to monitor the environmental regulations applicable to the Group's business and to ensure strict compliance with the statutory requirements in force.

For Ingenico Group, the main regulatory texts applicable to the design and marketing of electronic payment terminals are the following:

- the RoHS2 (Restriction of Hazardous Substances in Electrical and Electronic Equipment) directive, which aims to reduce the use of certain substances that are hazardous to health and the environment and that can be found in electrical and electronic equipment (lead, mercury, cadmium, hexavalent chromium, and brominated flame retardants). In 2017, all Ingenico brand terminals complied with this directive;
- the REACH (Registration, Evaluation, Authorization, and restriction of CHemicals) regulation, which requires that information be provided throughout the supply chain if any so-called Substances of Very High Concern (SVHC) are used, and that, above a certain tonnage, the ECHA (European Chemicals Agency) be notified accordingly. In 2017, Ingenico Group conducted independent laboratory tests to ensure that none of these substances was present in Ingenico products in a concentration that exceeds the disclosure and/or notification thresholds provided for in the regulation;
- the WEEE (Waste Electrical and Electronic Equipment) directive, applicable in the European Union, which requires manufacturers of electrical and electronic equipment to organize and finance the collection, treatment and disposal of their end-of-life products. Ingenico Group provides its customers with a specific process for the collection and recycling of their end-of-life terminals and complies with the requirements to inform users, recyclers, and local authorities in accordance with this directive.

In respect of its operations in France, Ingenico Group does not operate any facilities classified for environmental protection (*Installation Classée pour la Protection de l'Environnement* or ICPE).

5.6 Employee awareness

The Group intends to improve environmental awareness among its employees. To this end, Ingenico Group encourages its employees to adopt and develop an eco-responsible approach in all their daily activities to reduce paper consumption, travel, and energy consumption, and to promote waste sorting.

Campaigns to raise employees' awareness of the wastage of water were conducted in 2017 on sites located in Belgium, China, and India.

In Belgium, awareness actions relating to waste sorting, energy saving, and business travel are carried out twice a year, with more than 300 employees.

In China, an orienteering course was held in 2017 with all employees that helped raise participants' awareness about the protection of the environment.

In France, on the Valence site, Ingenico Group took part in the "sustainable mobility" day to promote alternative solutions to the private car, particularly for commuting.

Finally, in the UK, all new employees are made aware of the protection of the environment when they join the Group.

6 ENVIRONMENTAL AND SOCIAL RISKS

The main environmental risks to which Ingenico Group is exposed derive from increasingly stringent environmental laws and regulations. However, the Group has not identified any environmental litigation or environmental situations that may negatively impact its assets or its results or affect the use of its property, plant and equipment. Consequently, no provision for environmental risks was recorded for the 2017 fiscal year.

The environmental and social risks for Ingenico Group are most notably within its supply chain.

Actions taken to address these risks are set out in Sections 2.5.5 "Compliance with applicable environmental regulations" and 2.4.6 "Supply chain management" of the Registration Document.

Risks related to changes in legal environmental requirements

Ingenico Group undertakes to apply the various environmental regulations in force. Given that they are constantly changing, the risk of non-compliance cannot be totally ruled out. In this case, Ingenico Group could be required to pay fines and the authorities could even prohibit the communication of its products.

To address such risks that could adversely affect the Group's reputation or its results, Ingenico Group has devised and developed a prevention policy for environmental risks as part of an environmental management system that is certified to ISO 14001:2015. This policy includes an environmental monitoring mechanism to help it anticipate regulatory changes that affect the way it does business.

Ingenico Group has implemented contractual measures to prevent the use by its suppliers of six substances deemed hazardous to human health and the environment by the EU's Restriction of Hazardous Substances Directive (RoHS 2).

Under REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) rules, Ingenico Group requires that its suppliers do not deliver components that contain substances identified as "Substances of Very High Concern" (SVHC) by the European Chemicals Agency (ECHA).

Suppliers are asked to provide supporting documents and laboratory analysis are conducted on certain components or products.

In accordance with the Waste Electrical and Electronic Equipment (WEEE) directive, the Group provides collection and recycling programs for Ingenico products end-of-life for its customers in Europe. Programs of this type are also established on a voluntary basis, outside the European Union.

Financial risks connected with climate change effects

Ingenico Group has not identified any financial risks connected with climate change effects that may directly impact its activities. However, the Group has voluntarily committed to a low-carbon strategy (for more details please refer to section 2.5.3.1 "Analysis of greenhouse gas emissions").

Risks related to the social and environmental practices of suppliers and subcontractors

Ingenico Group requires its suppliers to abide by the rules set out in its Code of Ethics and Business Conduct, such as respect for human rights and protection of the environment.

In order to identify the social and environmental risks within its supply chain and implement suitable procedures, in 2017 Ingenico Group launched a mapping initiative for its suppliers and subcontractors.

Subcontractors responsible for the assembly of terminals (excluding Landi and Healthcare) are signatories to the RBA (Responsible Business Alliance, formerly EICC) code of conduct and all of the Group's terminals (including Landi and Healthcare) are assembled on industrial sites certified to ISO 14001, thus ensuring that social and environmental aspects are taken into account in the processes for assembling Ingenico products. The Group also has dedicated teams at key production sites who monitor the assembly lines on a daily basis, and ensure that subcontractors conduct their business activities in accordance with the practices prescribed by the Group.

Ingenico Group also incorporates social and environmental requirements in contracts that the Company signs with its industrial partners, whether with the assembly sites for Ingenico products or strategic component suppliers.

Lastly, to strengthen the transparency of its supply chain, the Group endeavors to trace the origin of so-called "3TG" minerals (tin, tantalum, tungsten and gold) that are included in the composition of its products to ensure that they do not benefit armed groups violating human rights in the Democratic Republic of the Congo and neighboring countries. It also intends to strengthen its control of the provenance of cobalt, a controversial substance used in the electronics industry.

Despite the policies instituted by the Group and because the risks of harming the environment and human rights are not limited to the Group's business activity, it is not always possible to guard against social and environmental risks. If one of these risks should arise, the Group's business, results of operations, financial position and ability to meet its objectives could be adversely affected.

7 REPORT BY THE STATUTORY AUDITOR, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Fiscal year ended December 31, 2017

To the Shareholders,

In our capacity as Statutory Auditor of the company Ingenico Group S.A., (hereinafter named the "Company"), appointed as independent third party and certified by COFRAC under number 3-1049[1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code *(Code de commerce)*.

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics *(Code de déontologie)* of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements..

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

● attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);

● express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

However, it is not our responsibility to pronounce on the compliance with the relevant legal provisions applicable if necessary, in particular those envisaged by article L. 225-102-4 of the French Commercial Code (Duty of care) and by the law n° 2016-1691 of December 9, 2016 known as Sapin II (fight against corruption).

Our work involved four persons and was conducted between October 2017 and February 2018 during a three weeks period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and with 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[2] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in 2.2 section of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

(1) Whose scope is available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted ten interviews with the persons responsible for preparing the CSR Information and, where appropriate, responsible for internal control and risk management procedures, in order to:

● assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;

● verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important [1]:

● at parent entity, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;

● at the level of a representative sample of entities selected by us [2] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 22% of headcount considered as material data of social issues and between 18% and 100% of environmental data considered as material data [3] of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, February 22, 2018

KPMG SA

Anne Garans

Associate

Sustainability Services

Frédéric Quelin

Partner

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(1) **Human resources indicators:** *Total headcount and breakdown of the workforce by gender, geographical area and type of contract; Percentage of part-time workers; New hires; Dismissals and redundancies; Total number of training hours.*

Environmental indicators: *Percentage of terminals assembled in ISO 14001 certified plants, greenhouse gas emissions, energy consumption (electricity and natural gas consumption), quantity of end-of-life products collected and processed.*

Qualitative information: *Policies implemented regarding training; Health and safety conditions at work Anti-discrimination policy; The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues; Resources devoted to the prevention of environmental risks and pollution; Inclusion of social and environmental issues in the company's purchasing policy; The importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility; Measures implemented against bribery; Measures implemented to promote consumers health and safety.*

(2) **Human resources indicators:** *Fujian Landi (China).*

(3) **Environmental indicators:** *Fujian Landi (China), Ingenico Group S.A. (France), Ingenico UK Ltd (United Kingdom). See the list of environmental indicators in footnote n°1 of this page.*

This CSR Report includes the information required under
Article L.225-102-1 of the French Commercial Code.

CROSS-REFERENCE TABLE FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

Environmental Information (pages 33 to 45)

General policy with regard to environmental matters	Pages
Organization of the Company toward addressing environmental issues and any environment-related assessment or certification initiatives	33-45
Training and information provided to employees on environmental protection	44-45
Resources devoted to preventing environmental risks and pollution	43-45
Amount of provisions and guarantees for environmental risks	46
Pollution and waste management	
Prevention, reduction or compensation measures for air, water or ground emissions that seriously affect the environment	33-44
Waste prevention, recycling and disposal measures	35-38
Consideration of noise pollution and of any other activity-related pollution	33-35
Actions to combat food waste	28
Sustainability	**28**
Water consumption and supply on the basis of local constraints	34
Consumption of raw materials and measures taken to make more efficient use of them	34
Energy consumption and measures taken to improve energy efficiency and use of renewable energies	34-37
Land use	35
Climate change	
Greenhouse gas emissions	38-41
Adaptation to climate change	44
Safeguarding biodiversity	
Measures undertaken to preserve or develop biodiversity	35

Human resources information (pages 13 to 19)

Employment	Pages
Total workforce and breakdown by sex, age and geographical region	18-19
Hirings and dismissals	14-15
Compensation and changes in compensation	17
Work organization	
Work time organization	16-17
Absenteeism	10
Labor relations	
Organization of social dialogue, particularly procedures for informing, consulting and negotiating with employees	14
Outcome of collective agreements	14
Health and safety	
Health and safety conditions at work	16-17
Outcome of occupational health and safety agreements signed with trade unions or employee representatives	16-17
Workplace accidents, including frequency and severity, as well as occupational illnesses	16
Promotion of and compliance with the ILO Fundamental Conventions regarding:	
● the respect of freedom of association and the right to collective bargaining	13
● the elimination of discrimination in employment and occupation	17
● the abolition of forced or compulsory labor	24
● the effective abolition of child labor	24
Training	
Training policy and implementation	15
Total hours of training	15
Equality in the workplace	
Measures adopted to promote equality between men and women	18
Measures adopted to promote the employment and integration of people with disabilities	17
Anti-discrimination policy	17

Society involvement (pages 20 to 28)

Territorial, economic and social impact of the Company's activity	Pages
● in terms of employment and regional development	26-28
● on local and neighboring communities	26-28
Relations with stakeholders, particularly associations promoting social inclusion, educational institutions, environmental protection associations, consumer associations, and community associations	
Conditions for dialogue with these stakeholders	29-31
Philanthropic or sponsorship actions	27
Subcontracting and suppliers	
Incorporation of social and environmental concerns in the procurement policy	25
Importance of subcontracting and of including social and environmental responsibility in relationships with suppliers and subcontractors	25
Fair trade practices	
Action taken to prevent corruption	20-21
Measures implemented to promote consumer health and safety	22
Other actions promoting human rights	