

INTRODUCTION

We recognise that slavery in all of its forms, including servitude, forced or compulsory labour and human trafficking (**Modern Slavery**) continues to be a serious issue and we are fully supportive of efforts to eradicate these abhorrent crimes. This statement sets out the steps that we have taken towards eliminating the risk of Modern Slavery taking place in our organisation and in our supply chain.

INGENICO GROUP STRUCTURE AND SUPPLY CHAIN OVERVIEW

Ingenico Group SA, a French publicly listed company, is the parent of the Ingenico group of companies (“Ingenico Group”) including the main trading entity in the UK, Ingenico (UK) Limited (“Ingenico UK”). Ingenico Group is the global leader in seamless payment services, providing secure payment solutions across all sales channels. The Group is organised across two customer-centric business units – the Retail Business Unit and the Banks and Acquirers Business Unit. Ingenico Group employs over 8,000 people located in 46 countries. It has commercial operations in 170 countries, with sales revenues in 2018 of €2.6m.

As a global organisation, acting with integrity in all of our business activities is of paramount importance. We strive to maintain the highest ethical standards in all engagements with our various stakeholders. In particular we are committed to working only with suppliers and service providers who conduct business in a socially responsible manner. The most significant supply chain operations relate to the manufacturing of payment terminals, which is fully outsourced. This process is managed centrally by Ingenico Group and the payment terminals are then distributed to regional entities including Ingenico UK.

The assembly of the payment terminals is carried out by approved subcontractors who have been thoroughly evaluated and are regularly audited. Upstream from this assembly chain, Ingenico Group works with a community of suppliers to produce its various components. These product manufacturing and assembly activities are predominantly carried out in Hong Kong, China, Taiwan, Vietnam, Thailand, Malaysia and Brazil.

POLICIES AND PROCEDURES

Ingenico Group’s adherence to ethical working practices is demonstrated by its participation in the **UN Global Compact**. Each year, as a signatory to the Global Compact Ingenico Group reports on the progress it has made in respecting and promoting the Global Compact’s universal principles, including in relation to human rights and international labour standards. In 2018, the Group published its report at GC Advanced level, which corresponds to a higher standard of social responsibility.¹

Our commitment to ensuring that there is no Modern Slavery in our supply chains or in any part of our business is also enshrined in our **Code of Ethics and Business Conduct**, which is made available to all employees and states:

“Ingenico will not tolerate the use of forced or compulsory labour within its Group or by any of its service providers or suppliers, i.e. workers employed by coercion, force or blackmail.”

Ingenico Group is working on a revised Code of Ethics and Business Conduct in 2019, particularly in connection with the UK Modern Slavery Act and other recent regulations.

¹ Please see the Ingenico Group’s Communication on Progress 2018 document at:
<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/419898>

The Code of Ethics and Business Conduct is accessible in multiple languages to ensure that the Group's ethical culture is fully understood and adopted by all parts of the business. The global Human Resources network also ensures that ethical working standards are consistently applied across the business. This is supported by the Internal Control Manual and internal auditors verify compliance and ensure there are no abnormal situations, such as employees not receiving minimum wages or more people working on sites than there should be. Additionally, Ingenico Group operates a whistle-blowing mechanism, which can be used by any employee or external stakeholder to report any breach or potential breach of the Code of Ethics and Business Conduct.

Our rigorous approach to maintaining ethical business practices is further underlined by the existence of a dedicated Corporate Social Responsibility (CSR) function, who are responsible for managing the Group's CSR activities. The **CSR policy** includes specific commitments regarding labour rights and social justice standards.

In 2018 we also developed a new **Responsible Purchasing Policy**² (formally released in early 2019), to promote high labour and human rights standards through our supply chain including the prohibition of Modern Slavery:

“We are committed to ensuring a socially responsible management of our supply chain. And this is why we require that our suppliers respect at least the following principles: [...] prohibition on child and involuntary labour and human trafficking, [...] respect of a decent working time, and minimum legal wages and benefits.”

RISK MAPPING

In partnership with EcoVadis, a consultancy specialising in CSR in supply chains, Ingenico Group conducted a risk mapping exercise covering all its supplier categories in 2018. Various criteria were considered, including country risk, purchasing category or supplier dependency.

This mapping exercise covered social, environmental and ethical risks and had several objectives, including having a better knowledge of the supply chain and being able to prioritise the actions to be implemented according to the nature of our main risks and the supplier categories' risk levels.

This first analysis confirmed that our biggest exposure to Modern Slavery risks is in our terminal supply chains and that the actions must therefore be primarily deployed with production suppliers.

SUPPLIER DUE DILIGENCE, CONTRACTUAL CONTROLS AND AUDITS

Based on the risk mapping carried out, Ingenico Group have implemented a range of due diligence measures to assess and manage any risks of Modern Slavery within our supply chains:

- Suppliers are required to comply with our Code of Ethics and Business Conduct. These standards are enforced by contractual mechanisms and should the supplier fail to comply, Ingenico will exercise its rights, including termination of the supplier contractual relationship.
- Ingenico Group's two main assembly subcontractors have signed the Responsible Business Alliance (RBA) Code of Conduct. This commits participants to uphold the human rights of workers and to treat them with dignity and respect as understood by

² <https://cdn.ingenico.com/binaries/content/assets/corporate-en/about-ingenico/responsible-purchasing-policy.pdf>

the international community. These standards apply to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

- A Supplier Quality Agreement is routinely entered into by component suppliers. This agreement states:
“Employment should be freely chosen. Under no circumstances will the supplier make use of forced or bonded labour [...] to design, manufacture or assemble components.”
- Additionally, component suppliers are requested to sign a CSR Agreement to commit them to socially responsible practices including the prevention of involuntary labour and human trafficking and cascade the Group’s conditions down their own supply chains. Among the 110 strategic component suppliers, 87% had either agreed to comply with the CSR Agreement or demonstrated RBA membership. Specific actions (which may include onsite audits) are taken with suppliers who are not RBA members and have not signed a CSR Agreement, to understand the blocking points (which may not be related to Modern Slavery) and to analyse and address the associated risks. Any failure to comply with the forced labour and anti-slavery prohibitions in a CSR Agreement will allow Ingenico to terminate its relationship with that supplier.
- Dedicated teams from Ingenico Group are based at the main assembly sites to continuously monitor production activity.
- For electronic component suppliers, Ingenico Group ensures close supervision and performs regular quality audits. Since 2018, ten specific CSR topics have been verified during these audits, including working conditions: maximum number of working hours, minimum age of the employees, respect of minimum wage rules. In case of any non-conformity, suppliers are required to implement corrective actions plans. 34 audits covering CSR topics were conducted in 2018.
- A detailed CSR assessment questionnaire is used in addition to the audits to evaluate the supplier’s policies and controls relating to CSR issues. A particular assessment point relates to whether the supplier has a written policy, endorsed by its senior management, covering freely chosen employment, avoidance of child labour, working hours, wages and benefits and humane treatment of all employees. Among 110 suppliers, 67% had been assessed by 31 December 2018.
- Our supply chain is periodically assessed on conflict minerals presence to ensure that the minerals that go into our terminal components do not benefit armed groups that violate human rights. In 2018, this assessment was carried out in close collaboration with one of Ingenico Group’s assembly subcontractors using the reporting tool provided by the RMI (Responsible Minerals Initiative) and information was obtained from 100% of suppliers of the components used in Ingenico terminals and 98% for Landi³ terminals. Suppliers that work with smelters identified as high risk will be requested to implement measures to ensure that Ingenico Group’s supply chain is free of conflict minerals.

Although we consider that the main Modern Slavery risks relate to component manufacturing activities, we are aware of the need to remain vigilant in all supply chain operations. Procurement not related to the core manufacturing products (e.g. logistics, courier services, waste management etc.) is controlled at a local business level. Prior to use of any significant new suppliers by Ingenico UK a due diligence questionnaire, including an ethics section and a question on employment of child or forced labour, must be satisfactorily completed. In 2018 Ingenico UK launched remote audits to better monitor supplier compliance. This will be supplemented by Modern Slavery due diligence.

³ Ingenico Group’s Chinese subsidiary

TRAINING AND AWARENESS

To ensure a high level of understanding of the risks of Modern Slavery in our business, we provide training to our staff, including a comprehensive training course on our Code of Ethics and Business Conduct that is accessible online via the Ingenico University platform. This training includes a section on forced labour, coercive practices, unpaid work and wages below legal standards and emphasises that these practices would not be tolerated. It also provides details on how to confidentially report any non-compliance and clarifies that those reporting issues would be fully protected.

This training is mandatory for any new employees joining Ingenico UK.

FURTHER STEPS

Our commitment to preventing slavery and human trafficking is demonstrated by ensuring the continuous review and improvement of our systems and processes.

Further steps to be implemented will include:

- CSR assessment through the EcoVadis platform of direct suppliers identified as high risk following the risk mapping, as well as our main indirect suppliers;
- Introduction of CSR criteria in Request for Proposals, including criteria related to working conditions and human rights;
- Fully implementing the Responsible Purchasing Policy within our business and supply chains; and
- Review our existing controls, policies and procedures from a Modern Slavery perspective and consider what changes may be appropriate;

We will report on progress made in future statements.

This statement is made on behalf of Ingenico Group SA and its relevant subsidiaries, including Ingenico (UK) Limited, pursuant to section 54(1) of the Modern Slavery Act 2015 and has been approved by the Executive Committee of Ingenico Group SA. This statement constitutes our Group's slavery and human trafficking statement for the financial year ending 31 December 2018.

Nicolas Huss
INGENICO GROUP – CEO
Date: 14.06.2019

