

## Ingenico Group – Modern Slavery Statement 2020

### INTRODUCTION

We recognise that slavery in all of its forms, including exploitative work practices, 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.

### 1. INGENICO GROUP STRUCTURE AND SUPPLY CHAIN OVERVIEW

#### On October 28, 2020, Ingenico joined Worldline

Worldline is the largest European player in payment services and the fourth largest player worldwide. Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain and offers best-in-class payment services ranging from POS, online payments, omnichannel solutions to issuing & acquiring and digital banking to nearly one million merchants and 1,200 banks and financial institutions. With 20,000 employees and powered by the dedication of some of the brightest talents in the payments industry, Worldline is shaping new ways of paying, living and doing business.

This statement constitutes Ingenico Group's slavery and human trafficking statement for the financial year ending December 31<sup>st</sup>, 2020. Worldline will publish a separate statement for the financial year 2020.

Ingenico Group SA, a French company which was publicly listed until November 4<sup>th</sup> 2020, is the parent of the Ingenico group of companies ("Ingenico Group") including the two main trading entities in the UK, Ingenico (UK) Limited and Ingenico Retail Enterprise (UK) Limited ("Ingenico UK") and the main trading entity in Australia, Ingenico International (Pacific) Pty Limited ("Ingenico AUS"). Until December 31<sup>st</sup>, 2020, Ingenico Group was organised across two customer-centric business units – the Retail Business Unit and the Banks and Acquirers Business Unit. Ingenico Group employed nearly 8,000 people located in 46 countries with commercial operations in 170 countries, and sales revenues in 2020 of €2.9 billion.

As a global organisation, acting with integrity in all 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 by Ingenico Group's French and Chinese entities, and the payment terminals are then distributed to regional entities.

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.

## 2. POLICIES AND PROCEDURES

Ingenico Group's adherence to ethical working practices is demonstrated by its participation in the UN Global Compact<sup>1</sup>. 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 2020, the Group published its report at GC Advanced level, which corresponds to a higher standard of social responsibility.

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 (the "Code")<sup>2</sup>, which is made available to all employees.

In 2020, Ingenico Group published a revision of this Code, particularly in connection with Modern Slavery and other recent regulations. The Code emphasizes the ethical standards and values Ingenico's employees and partners must abide by and includes a specific commitment relating to Modern Slavery.

**“Ingenico will not tolerate any form of modern slavery, including servitude, forced or compulsory labour or human trafficking, including for example workers employed by coercion, force or blackmail.”**

The Code 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. New employees are expected to acknowledge the Code. 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.

In 2020, the Code was included in the onboarding pack of documents for new employees and sub-contractors with 97.2% of new employees and sub-contractors signing the Code. 100% of Australian employees acknowledged the Code in 2020.

Additionally, Ingenico Group has an Alert Policy, which provides a mechanism for any employee or external stakeholder to report any breach or potential breach of the Code. The Alert Policy establishes a confidential Ethics Line for issues to be reported and this is administered by the Chief Executive Officer and Chief Compliance Officer of Ingenico Group. Ingenico AUS

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<sup>1</sup> <https://www.unglobalcompact.org/what-is-gc/participants/62441#cop>

<sup>2</sup> <https://cdn.ingenico.com/binaries/content/assets/corporate-en/about-ingenico/code-of-ethics---2020---vf---eng.pdf>

additionally has a Whistle-blower Policy consistent with the disclosure provisions of the *Corporations Act 2011 (Cth)*, which is complementary to the Group Alert Policy.

Our rigorous approach to maintaining ethical business practices is further underlined by the existence of a dedicated Corporate Social Responsibility (CSR) function, which is responsible for managing the Group's CSR activities. The CSR charter<sup>3</sup> includes specific commitments regarding labour rights and social justice standards.

In 2019, Ingenico implemented a responsible purchasing policy based on five commitments summarised in Ingenico Group's Responsible Purchasing Charter<sup>4</sup>. The second commitment of the charter promotes high labour and human rights standards through our supply chain. The fifth strengthens the transparency of our supply chain, avoiding conflict minerals and controversial substances in our terminals.

**“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.**

**As a member of the electronics industry, we are committed to further strengthening the transparency of our supply chain and ensuring that the materials that go into our terminal components are not linked to human rights abuses.”**

### 3. RISK MAPPING

In partnership with EcoVadis, a consultancy specialising in supply chains' CSR assessment, we conducted a social and environmental risk mapping for Ingenico suppliers at the end of 2018. No indirect supplier was categorized severe or high-risk suppliers and 65.8% of component suppliers were categorized as severe or high-risk suppliers. Focus was made on the component suppliers categorized severe or high-risk for the deployment of CSR assessment and audits and regular campaigns are processed to continuously monitor the CSR performance of our suppliers.

In 2020, the suppliers for Ingenico China were also categorized according to their CSR risk and 34 of them were listed to be assessed by EcoVadis.

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<sup>3</sup> <https://cdn.ingenico.com/binaries/content/assets/corporate-en/about-ingenico/ingenico-group-csr-charter-v2.0-with-nhu-signature.pdf>

<sup>4</sup> <https://cdn.ingenico.com/binaries/content/assets/corporate-en/about-ingenico/responsible-purchasing-charter-v2.0-with-nhu-signature.pdf>

#### 4. SUPPLIER DUE DILIGENCE, CONTRACTUAL CONTROLS, ASSESSMENTS AND AUDITS

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

- A CSR criterion is present in all Requests For Proposals and Request For Information prior to selecting component suppliers, accounting for 5% of the supplier's global score. Respondents are also required to describe measures on their premises to prevent involuntary and child labour as well as human trafficking.
- The outsourced electronic manufacturing services (EMS) and component suppliers are required to comply with our Code. These standards are enforced by contractual mechanisms and should they fail to comply, Ingenico will exercise its rights, including termination of the supplier contractual relationship.
- Ingenico Group's main EMS supplier in charge of assembling Ingenico terminals (excluding Ingenico China) is a member of the Responsible Business Alliance (RBA). Hence, it commits to uphold the human rights of workers and to treat them with dignity and respect as understood by the international community. These standards apply to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.
- Additionally, EMS and component suppliers are requested to sign a CSR Agreement committing them to respecting socially responsible practices including the prevention of involuntary labour and human trafficking and cascading the Group's conditions down their own supply chains. At the end of 2020, among 116 strategic component suppliers, 94% 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, and to analyse and address the associated risks. Any failure to comply with the forced labour and anti-slavery prohibitions mentioned in the 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.
- In 2020, Ingenico Group continued to perform a CSR-performance assessment with EcoVadis of all severe and high-risk suppliers involved in the production of Ingenico terminals (excluding Ingenico China). A first assessment campaign commenced in October 2020 addressed 22 of the 34 high risk suppliers of Ingenico China to evaluate their CSR performance. The remaining high-risk suppliers are planned to be assessed in early 2021. The CSR assessments cover environment, ethics, sustainable procurement and labour and human rights including child labour, forced servitude and human trafficking. Among 96 severe and high-risk suppliers, 68% were assessed by 31 December 2020. Any non-conforming suppliers are required to implement corrective actions plans.
- The EcoVadis assessments are regularly reviewed and low performers are requested to adjust and execute the corrective action plans. Good execution of these action plans are monitored through the EcoVadis platform to verify the overall improvement of the electronic components suppliers in terms of CSR performance.
- For electronic component suppliers, Ingenico Group ensures close supervision and performs regular quality audits. CSR topics verified during these audits include the respect of Ingenico's requirements regarding the maximum number of working hours, the minimum age of the employees and minimum wage rules. In case of any non-conformity, suppliers are required to implement corrective actions plans. In 2020, the health restrictions

associated with COVID 19 prevented us from conducting all planned supplier audits, but 7 audits covering CSR topics were able to be conducted by Ingenico Group.

- All electronic component suppliers are required to report on their Conflict Minerals usage since extraction of these minerals is known to be a possible source of Modern Slavery. As a result of this 98% of all component suppliers are providing reports regarding the smelters that are used to produce their components. Suppliers using non-conformant smelters are urged to set action plans with their smelters and discard these smelters.

Although we consider that the main Modern Slavery risks mostly 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 contracting with any significant new suppliers, Ingenico UK uses a due diligence questionnaire, which includes an ethics section and a question on employment of child or forced labour.

## 5. TRAINING AND AWARENESS

A webinar is accessible to all employees on the alert mechanism and the Code of Ethics and Business Conduct. It provides details on how to confidentially report any non-compliance and clarifies that anyone reporting issues will be fully protected. This webinar was promoted during an internal Learning Week in 2019 and repeatedly in 2020.

In addition to the dedicated Compliance Intranet site that has been established with relevant policies and guidance in 2019, local awareness campaigns displaying information relating to the Code and Alert Policy on office screens.

In 2020, Ingenico recruited 24 CSR ambassadors which locally relay the global expectations in terms of CSR objectives. They received monthly information on CSR activities and possible actions to set in place in the regions and are helping to raise the global awareness regarding the responsible purchasing approach and the ethical commitment of the company, promoting both the Code of Ethics and sustainable practices at a local level.

## 6. FURTHER STEPS

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

Further steps to be implemented will include:

- Revisiting due diligence on major suppliers including in relation to Modern Slavery aspects
- Merging the CSR programme from Ingenico into the Worldline CSR Programme
- Widening the CSR ambassadors' network within the Worldline perimeter to implement local CSR actions associated with the above mentioned Worldline programme
- Increase the coverage of Ingenico suppliers and extend the EcoVadis assessment not only to high risk suppliers but to all strategic suppliers.
- Train suppliers on Worldline's level of expectation regarding Conflict Minerals and Modern Slavery.

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 and Ingenico AUS and has been approved by the Executive Committee of Ingenico Group SA. The statement was prepared in consultation with, and reviewed by the executive management and responsible compliance officers of Ingenico UK and Ingenico AUS. This statement constitutes our Group's slavery and human trafficking statement for the financial year ending 31 December 2020 pursuant to section 54(1) of the Modern Slavery Act 2015 for Ingenico UK, and constitutes the modern slavery statement pursuant to section 13 of the Modern Slavery Act 2018 (Cth) for Ingenico AUS.

This statement was approved by the board of directors of Ingenico Group SA as the principal governing body of the Ingenico group of companies on the 21st of July 2021.

Gilles Grapinet,  
INGENICO GROUP – Chairman of the Board