

Ingenico Group - Modern Slavery Statement

INTRODUCTION

We recognise that slavery in all of its forms, including servitude, forced labour and human trafficking (Modern Slavery) is a serious and growing issue. Ingenico Group does not tolerate Modern Slavery in our organisation or in our supply chain and is fully supportive of efforts to eradicate these abhorrent crimes. This statement sets out the steps that we have taken to eliminate, as far as possible, the risk of Modern Slavery taking place.

INGENICO GROUP STRUCTURE AND SUPPLY CHAIN OVERVIEW

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 - and four geographical regions - North America, Latin America, Asia Pacific and Europe, Middle East & Africa. Ingenico Group employs over 7,000 people located in 36 countries. It has commercial operations in 170 countries, with sales revenues in 2016 of €2,312m.

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 an activity that is almost exclusively outsourced. 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, Ingenico Group reports on the progress made in respecting and promoting the Global Compact's universal principles, including in relation to human rights and international labour standards.

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”.

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.

SUPPLIER DUE DILIGENCE, CONTRACTUAL CONTROLS AND AUDITS

We consider that our biggest exposure to Modern Slavery risks is in our product supply chains. This is due to the component manufacturing and assembly activities being undertaken by suppliers and also because some of the locations where such suppliers are based are considered to be higher risk. For this reason, we implement a range of due diligence measures to prevent any unethical behaviour within these 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 Electronic Industry Citizenship Coalition (EICC) Code of Conduct. This commits participants 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.

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 Supplier Agreement to commit them to socially responsible practices. These include the prevention of involuntary labour and human trafficking. The suppliers cascade the Group’s conditions down through their own supply chains.

Dedicated teams from Ingenico Group are based at the main assembly sites to continuously monitor production activity. In 2016, 20 audits were carried out on these sites.

For component suppliers, Ingenico Group ensures close supervision and performs regular audits, including evaluation of CSR practices. Audits are also regularly conducted when considering new suppliers or when initiating new projects. In relation to the 97 components suppliers that were active in 2016, 68 quality audits were carried out and 78 had either agreed to comply with the CSR agreement or demonstrated EICC membership. Specific actions (which may include onsite audits) are taken with suppliers who are not EICC 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.

A detailed CSR assessment questionnaire is used in conjunction with 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. In relation to the 97 component suppliers that were active in 2016, 48 had been assessed using the CSR assessment questionnaire.

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.

TRAINING

To ensure a high level of understanding of the risks of Modern Slavery in our business, we provide training to our staff. Throughout 2015 and 2016 a comprehensive training course on our Code of Ethics and Business Conduct was rolled out across all business units and made accessible online via the Ingenico University platform. This training included a section on forced labour, coercive practices, unpaid work and wages below legal standards and emphasised that these practices would not be tolerated. It also provided details on how to confidentially

report any non-compliance and clarified that those reporting issues would be fully protected.

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 may include:

- Update our Code of Ethics and Business Conduct to further reinforce our commitment to combat Modern Slavery;
- Review our existing controls, policies and procedures from a Modern Slavery perspective and consider what changes may be appropriate;
- Introduce improved processes relating to analysing risks of Modern Slavery.

A multi-disciplinary team including representatives from Legal, Compliance, Supply Chain, Human Resources, CSR and Quality Operations has been set-up to review and update our processes. We will report on progress made on these steps 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 constitutes our Group's slavery and human trafficking statement for the financial year ending 31 December 2016.



Philippe Lazare
INGENICO GROUP - Chairman and CEO
Date: 9 June 2017