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2.1 CSR FOR INGENICO GROUP

2.1.1 Commitments

2.1.1.1 Group CSR policy

Aware of the importance of sustainable development issues and the growing expectations of its stakeholders in terms of social responsibility, Ingenico Group has developed a CSR policy, which is tailored to its business model and environment and which draws on the description of the Group’s activities given in its Registration Document. The aim of the policy is to provide customers and partners with the most innovative and reliable payment solutions to generate responsible and transparent growth for all.

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 data 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 in harmony 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.

2.1.1.2 Other charters and policies

The Group has implemented policies to address the main non-financial risks it has identified (see Chapter 1). Some of these policies have been formally documented and are available to internal and even a number of external stakeholders on its website at ingenico.com:

- Group environmental policy;
- code of ethics and business conduct;
- gifts and hospitality policy;
- whistle-blowing policy;
- responsible purchasing policy;
- due diligence policy for external service providers;
- business continuity policy.

2.1.1.3 Membership of recognized international initiatives

Ingenico Group is a member of international initiatives, abiding by and applying the guiding principles they promote.

Main reference frameworks

<table>
<thead>
<tr>
<th>Reference frameworks</th>
<th>Ingenico Group commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations Sustainable Development Goals (SDG)</td>
<td>Ingenico Group will publish its contribution to the SDGs in the 2018 Registration Document and on its website.</td>
</tr>
<tr>
<td>International Labour Organization (ILO): Universal Declaration of Human Rights</td>
<td>Ingenico Group applies the key principles of the ILO Tripartite Declaration and the Universal Declaration of Human Rights through the principles outlined in its code of ethics and business conduct.</td>
</tr>
<tr>
<td>OECD</td>
<td>Ingenico Group follows the OECD’s tax guidelines, including those of the BEPS (base erosion and profit shifting) Project.</td>
</tr>
</tbody>
</table>
Focus on the United Nations Global Compact and Sustainable Development Goals

Ingenico Group’s support for the United Nations Global Compact since 2015 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. Each year, Ingenico Group reports on the progress made in respecting and promoting each of the ten principles. In 2018, the Group once again published its annual report (Communication On Progress) at GC Advanced level, which corresponds to a higher standard of social responsibility. This report is available on the Global Compact’s website (www.unglobalcompact.org).

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 this global movement. A survey of the Group’s main stakeholders in 2018 confirmed the importance of taking SDGs into consideration (see 2.1.4.3).

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).

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.

More broadly, Ingenico Group contributes both directly and indirectly to 14 SDGs and to 26 of their targets, as illustrated by the diagram below.
Contribution of Ingenico Group to SDGs and their targets across the value chain

Mitigation of risks for people and the environment

Raw materials

Manufacturing and Transport

Positive impacts for people and the environment

Employees, investors, regulators, other economic players

Mitigation of risks for people

Target 12.2 and 15.3
Anticipate the depletion of a number of materials used in designing our products

Target 8.7
Ensure that the 3TG ores and cobalt that are used in designing our products do not come from child labor and do not finance armed groups

Target 6.3
Ensure that no water pollution is caused within the supply chain by the manufacture of components used in the design of our products

Target 6.3
Ensure that no children work in the manufacture of components used in designing our products

Target 13.2
Favor maritime transport over air transport whenever possible

Target 3.8
Offer social coverage to our employees

Target 4.4
Offer training tailored to all Group employees

Target 5.b
Contribute to initiatives such as Women in Payments and Elles Bougent

Target 9.5
Improve our products and solutions through R&D

Corporate operations

Employees, investors, regulators, other economic players

Positive impacts for people

Target 16.5
Ensure that all our activities are carried out in accordance with the principles of integrity of internal and external standards on business ethics, including anti-corruption measures.

Target 5.5
Enable women to access management positions in a highly technical sector

Targets 10.2 et 10.3
Promote equal opportunities based on merit and skill, and prohibit discrimination

Target 7.2
Increase the share of renewable energies supplying our main sites

Target 3.8
Offer social coverage to our employees

Target 4.4
Offer training tailored to all Group employees

Target 5.b
Contribute to initiatives such as Women in Payments and Elles Bougent

Target 3.8
Improve our products and solutions through R&D

End-of-life

Customers

Corporate operations

Raw materials

Manufacturing and Transport

Customers

Mitigation of risks for people

Target 7.3
Improve the energy performance of our terminals

Target 13.2
Pool data centers to process transactions

Use

Customers

Mitigation of risks for people

Target 1.4
Enable access to new technologies and financial services via our financial inclusion solutions

Targets 8.3, 8.10 et 9.3
Drive the growth of small and micro businesses and promote access for all to banking and financial services via our financial inclusion solutions

Target 17.16
Develop solutions to collect donations in partnership with social enterprises and NGOs.

Targets 16.4 et 17.1
Develop solutions that promote financial traceability and transparency

Target 12.5
Allow our customers to use Ingenico terminal recycling solutions at end-of-life

(1) More information on the 17 SDGs and their 169 targets can be found at the following address: https://www.globalcompact-france.org/images/un_global_compact/page_odd/Liste_des_17_ODD_et_169_cibles_-_web.pdf
2.1.2 CSR strategy

2.1.2.1 Impacts, risks and opportunities

Ingenico Group is aware that the world is changing and constantly evolving. Strong global trends are set to change our lifestyles and behaviors by 2030:

- a demographic explosion is underway;
- the increasing pace of urbanization will change our behaviors;
- hyper-globalization is growing;
- innovation is set to soar.

We are now in a new era in terms of trade, where payment methods are completely separated from the location where purchases are made. The payments sector is one of the fastest-growing sectors and is experiencing rapid change, driven by innovations in technology and operations.

These new technologies are changing the businesses and redrawing the map of established payment players, with the advent of new Fintech systems in response to emerging trends. This technological development also raises questions about the challenges associated with data protection and information system security. Potent threats are emerging (fraud, corruption, money laundering, cyberterrorism, and so on) that pose risks to the business model. It is also essential to prepare employees for the business lines of the future, by enhancing their skills and increasing their engagement.

Thanks to innovation, systems reliability and data security, Ingenico Group aims to be an integral part of the transformation in payment methods. Taking a forward-looking, future-oriented approach, the Group has analyzed the main impacts, risks and opportunities associated with its growing businesses. In this technological revolution, it aims to find new ways of bringing progress to bear that will maximize the positive, sustainable impacts for its stakeholders while reducing the drawbacks.

The Group’s CSR approach follows the guidelines for its business model and lends its full support, both in terms of strengthening technological, industrial and human capabilities, and in developing innovative products that meet the needs of a more inclusive, more responsible and more sustainable society. Digital payments have the potential to change the lives of many people in developing countries, by providing financial services to unbanked populations. In a context where two billion people in the world are unbanked, more than half of them women, financial inclusion can make a vital contribution to achieving the 17 United Nations Sustainable Development Goals (SDGs) by reducing poverty and hunger, as well as gender and income inequality.

2.1.2.2 Materiality analysis

Supported by BSR (Business for Social Responsibility), a global network of companies and expertise dedicated to sustainable development, Ingenico Group conducted an initial materiality analysis in 2015, enabling it to develop a first version of its CSR strategy.

This analysis was updated in 2018 using the responses to a survey of the Group’s stakeholders that asked them to give their opinion on the importance of a number of social, societal, environmental and governance issues (see 2.1.4.3 Stakeholder consultation). At the same time, members of the Executive Committee assessed the impact of these issues on the commercial success of the Company.

The results of this new analysis, which are generally in line with the results from 2015, confirmed the importance of information security, data privacy and ethical matters. It also highlighted the importance of customer satisfaction and human resources issues (professional development and talent retention, and employee satisfaction and engagement).

This analysis allowed the Group to refine its CSR strategy and develop an action plan focused on its most material issues, which will be shared in 2019. Objectives for 2023 are currently being developed.
- **Representation of the main issues according to their importance for stakeholders and their influence on Ingenico Group’s commercial success**

<table>
<thead>
<tr>
<th>Importance for stakeholders</th>
<th>Minor</th>
<th>Average</th>
<th>Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elimination of forced labor and child labor in the supply chain</td>
<td></td>
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</tr>
<tr>
<td>CSR risk management</td>
<td></td>
<td></td>
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<tr>
<td>Sustainable development partnerships</td>
<td></td>
<td></td>
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<tr>
<td>Electronic waste</td>
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</tr>
<tr>
<td>Financial inclusion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable supply chain management</td>
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<tr>
<td>Raising employees’ awareness of environmental protection</td>
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<td></td>
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<tr>
<td>Financial transparency</td>
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<td></td>
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<tr>
<td>Data privacy</td>
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<td></td>
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<tr>
<td>Information security</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Product safety</td>
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<td>Intellectual property</td>
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<tr>
<td>Non-discrimination, equality and diversity</td>
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<tr>
<td>Health and safety, well-being at work</td>
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<tr>
<td>Antitrust</td>
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<tr>
<td>Employee satisfaction and engagement</td>
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<td></td>
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<tr>
<td>Customer satisfaction</td>
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<td>Business performance</td>
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<tr>
<td>Professional development and talent retention</td>
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<tr>
<td>Financial performance</td>
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<td>Environmental performance</td>
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<td></td>
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<tr>
<td>Social performance</td>
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<tr>
<td>Operational performance</td>
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</table>

This study helped identify the key opportunities, along with the major risks. The results of the Group’s risk mapping, which incorporates these risks as listed below, are set out in Chapter 1 of this Registration Document.

- Risks linked to the environmental and social practices of suppliers and subcontractors;
- Risks linked to the Group’s transformation in terms of human resources;
- Risks related to changes in legal environmental requirements;
- Financial risks linked to climate change effects;
- Risk of unethical conduct;
- Risks related to intellectual property;
- Risks related to IT security;
- Risks related to data protection;
- Risks related to information technology systems.

- **Key issues**

Stakeholders’ key expectations are covered by three of the four spheres of action of the Group’s CSR strategy (see 2.1.2.3).

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Key issues</th>
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</thead>
<tbody>
<tr>
<td><strong>CORPORATE CITIZENSHIP</strong></td>
<td>Data privacy, Information security, Product safety, Elimination of forced labor and child labor in the supply chain, Financial transparency</td>
</tr>
<tr>
<td><strong>GOVERNANCE &amp; MANAGEMENT</strong></td>
<td>Ethics, Prohibition of anti-competitive practices, Protection of intellectual property, Transparency and reporting</td>
</tr>
<tr>
<td><strong>EMPLOYEES</strong></td>
<td>Talent development and retention, Employee satisfaction and engagement, Non-discrimination, diversity and equality, Health, safety and well-being at work</td>
</tr>
</tbody>
</table>

Customer satisfaction, which is a central issue for the Group, is covered by a dedicated program, Ingage, which is outlined in section 2.4.10.2.
A number of initiatives have already been implemented to meet these expectations.

<table>
<thead>
<tr>
<th>Category</th>
<th>Initiatives and Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer satisfaction</strong></td>
<td>• Customer satisfaction survey&lt;br&gt;• Ingage program</td>
</tr>
<tr>
<td><strong>Data privacy</strong></td>
<td>• Raising employee awareness of data privacy&lt;br&gt;• Project to bring the Group into compliance with the obligations of the GDPR</td>
</tr>
<tr>
<td><strong>Information security</strong></td>
<td>• Compliance with the security standards developed by PCI SSC&lt;br&gt;• Regular intrusion and backup testing by the Ingenico ISD</td>
</tr>
<tr>
<td><strong>Talent development and retention</strong></td>
<td>• Ingenico University&lt;br&gt;• Training programs&lt;br&gt;• Retention of key talent</td>
</tr>
<tr>
<td><strong>Employee satisfaction and engagement</strong></td>
<td>• Employee satisfaction survey&lt;br&gt;• Several engagement schemes available to employees by region</td>
</tr>
<tr>
<td><strong>Ethics</strong></td>
<td>• Code of ethics&lt;br&gt;• Gifts and hospitality policy&lt;br&gt;• Whistle-blowing system&lt;br&gt;• Conflict of interest questionnaire</td>
</tr>
<tr>
<td><strong>Non-discrimination, diversity and equality</strong></td>
<td>• Prohibition of discrimination in the code of ethics&lt;br&gt;• Initiatives to promote the integration of people with disabilities&lt;br&gt;• Partner of Women in Payments</td>
</tr>
<tr>
<td><strong>Prohibition of anti-competitive practices</strong></td>
<td>• Code of ethics and business conduct</td>
</tr>
<tr>
<td><strong>Health, safety and well-being at work</strong></td>
<td>• Health and Safety Committees&lt;br&gt;• Programs dedicated to health&lt;br&gt;• Evacuation exercises and on-site safety audit&lt;br&gt;• First aid training</td>
</tr>
<tr>
<td><strong>Product safety</strong></td>
<td>• Quality control procedure for terminals</td>
</tr>
<tr>
<td><strong>Protection of intellectual property</strong></td>
<td>• Monitoring of prior art claims on patents&lt;br&gt;• Use of specialist firms for intellectual property</td>
</tr>
</tbody>
</table>
2.1.2.3 Four spheres of action

To uphold the commitments of its CSR policy while accounting for trends in its ecosystem and its stakeholders’ expectations, Ingenico Group has developed a strategy based around the following spheres of action:

- **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
• Fair compensation practices

Employee engagement and development
• A positive corporate culture
• Employee involvement through surveys and actions
• Professional development
• A global e-learning platform
• Training programs tailored to the digital sector

ENVIRONMENT

Preserving natural resources

Eco-friendly products
• Development of eco-design practices
• Programs for end-of-life product collection and recycling

Management of greenhouse gas emissions
• Assessment of our value chain’s impact on the environment
• A range of actions to minimize our carbon footprint

CORPORATE CITIZENSHIP

Setting the example

Secure, reliable payment solutions
Products that comply with the highest safety standards
• Leading-edge information security practices to ensure that sensitive data is protected
• A strict data privacy policy

Responsible supply chain management
• High environmental and social requirements on suppliers
• Better material content traceability for terminal manufacturing to safeguard human rights

Positive impact solutions
• Electronic payment as a means to combat informal economy
• Innovative technologies that facilitate the collection of donations and provide unbanked people with access to financial services

GOVERNANCE & MANAGEMENT

Leading through engagement and responsibility

A dedicated governance structure for CSR
• A CSR strategy supported by management, led by the CSR team and deployed via a network of ambassadors to provide a consistent approach at Group level
• Campaigns to raise employee awareness and promote corporate social responsibility

Responsible business practices
• Consolidation of procedures relating to ethics and compliance, including the fight against corruption
• Stakeholder engagement to foster collaboration and innovation
2.1.3 CSR governance

To provide a structure for its overall approach in terms of CSR, Ingenico Group set up a dedicated department that coordinates the Group’s main activities in this area. In 2018, the department was moved to the Strategy and Transformation Division, which has direct representation on the Group’s Executive Committee. It seeks ad hoc assistance from the CSR Core Team, a cross-disciplinary group of business experts which represents the main departments with a stake in environmental, social, and societal topics. Together, they are responsible for driving the implementation of Ingenico Group’s CSR strategy.

Contact: csr@ingenico.com
2.1.4 Stakeholder engagement

2.1.4.1 Stakeholder mapping
Ingenico Group's various stakeholders are represented on the mapping below. They are grouped by broad categories and are positioned according to their degree of proximity to the Group.

Ingenico Group strives to maintain open, transparent and regular dialogue with all its stakeholders.

2.1.4.2 Methods of stakeholder dialogue

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Communication channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Trade shows for Fintech and the payments sector, satisfaction surveys, after-sales service</td>
</tr>
<tr>
<td>Employees</td>
<td>Skyway Intranet, satisfaction surveys, announcements, performance reviews</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Self-assessment questionnaires, audits and monitoring, guidelines via e-mail</td>
</tr>
<tr>
<td>Investors</td>
<td>Telephone conferences, investor meetings, roadshows, general meetings</td>
</tr>
<tr>
<td>Other economic players</td>
<td>Working groups, participation in charitable activities, round tables, presence on governance bodies</td>
</tr>
<tr>
<td>Civil society</td>
<td>Press releases, voluntary work, events, collections</td>
</tr>
<tr>
<td>Regulators</td>
<td>Regular direct contact</td>
</tr>
</tbody>
</table>

The Group's interactions with its stakeholders are described in section 2.4.10. Interactions with stakeholders.
2.1.4.3 Stakeholder consultation

In 2018, Ingenico Group conducted a global survey of its key stakeholders – employees, customers, suppliers, investors, and partners – to gain a better understanding of their expectations in terms of CSR.

Based on more than 1,200 responses, the main learning points of this survey are as follows:

- all stakeholders expect the Group to deal with CSR matters. Taking account of CSR is considered important or very important by 84% of stakeholders, some of whom believe that Ingenico Group must “lead by example in the market” and set itself “ambitious goals and achievements”;
- furthermore, the Group must increase the level of communication about its CSR policy and action undertaken. In fact, these are areas that are still unclear for the majority of stakeholders who would like “greater visibility in all countries of operation” and “to be able to share information on CSR with the end users of solutions”;
- lastly, for most of the parties surveyed it is also important that the Group strategy be in line with the UN Sustainable Development Goals.

**How important is it for Ingenico to take CSR issues into account?**

- 2% Not important
- 14% Somewhat important
- 39% Very important
- 45% Important

**Assessment of Ingenico Group’s CSR policy**

- 42% Satisfactory
- 6% Unsatisfactory
- 45% Policy unknown
- 7% Other

The results of the survey were shared with all employees and other stakeholders that requested them. They are also available on the website at ingenico.com.
2.1.5 Performance

2.1.5.1 Main internal monitoring indicators

**SOCIAL**
- 7,840 employees of whom 96% are permanent employees
- 7 training hours on average per employee
- 73% of employees have access to the Ingenico University platform
- 2.11% Group absenteeism rate
- 71% rate of participation in the People IN! survey

**SOCIETAL**
- Code of Ethics translated into 12 languages and accessible to 100% of employees on Skyway
- €137 million collected for charity using our payment solutions
- 87% of strategic components suppliers have signed the CSR agreement or are members of the RBA
- 100% of Ingenico components suppliers have been assessed with regard to traceability of the origins of minerals

**ENVIRONNEMENT**
- 16,127.1 MWh of electricity used
- 342.1 tons of end-of-life terminals collected and processed
- 13% energy optimization for the Lane/5000 terminal
- 100% of terminals are RoHS2 and REACH compliant
- GHG emissions: 30.3 kgCO2einstalled terminal

2.1.5.2 External assessments

**EcoVadis assessment**

To ensure a more effective response to the growing number of requests for information on CSR-related issues from prospective and existing customers, since 2014 the Group has been assessed by EcoVadis, a platform that specializes in evaluating the CSR performance of suppliers. This is improving with an overall score of 66 out of 100 in 2018. Ingenico Group is among the top 6% of companies assessed by EcoVadis in its sector. It also won recognition for its CSR commitment, achieving Gold standard for the first time.

**SRI Indices**

Ingenico Group has featured in the following SRI indices, since 2016:
- Euronext Vigeo Eurozone 120;
- Dow Jones Sustainability Europe;
- Ethibel Sustainability Excellence Europe;
- FTSE4Good.

In 2018, the Group was also included in the following SRI indices:
- Euronext Vigeo Europe 120;
- MSCI ESG Indexes;
- Gaia Index.

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.

(1) SRI: Socially Responsible Investment.
2.2 REPORTING SCOPE AND METHOD

2.2.1 CSR reporting protocol

The social, societal and environmental reporting process is described in an internal document entitled “2018 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, 2018, 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 2018 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.

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

The 2018 CSR reporting scope covers 33 countries: Argentina, Australia, Belgium, Brazil, Canada, China, Colombia, Denmark, Finland, France, Germany, India, Indonesia, Italy, Japan, Latvia, Malaysia, Mexico, the Netherlands, Norway, the Philippines, Poland, Russia, Singapore, Spain, Sweden, Switzerland, Taiwan, 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 Ingenico Group’s workforce;
- other social and societal indicators: more than 98% of the workforce and more than 95% of Ingenico Group’s revenue;
- analysis of greenhouse gas emissions: 100% of Ingenico Group’s workforce;
- environmental indicators: more than 93% of Ingenico Group’s workforce.

The exclusions are specified in section 2.2.3.2 for social data and in section 2.2.4.2 for environmental data.

Ingenico Group’s CSR reporting is managed by a project team that draws on a network of more than 60 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.

In accordance with the regulatory requirements arising from the transposition of the European Non-Financial Reporting directive, Ingenico Group’s business model and the main risks related to its activities are set out in Chapter 1 of the 2018 Registration Document and further detail is given in Chapter 2. The policies adopted and the due diligence procedures implemented to prevent, identify and mitigate the occurrence of the main risks, together with the results of these policies, are set out in this chapter. Where relevant, the report includes the information required by Article R.225-105 of the French Commercial Code. However, the report does not cover the topics of the fight against food insecurity, the fight against food waste, respect for animal welfare or sustainable food production as set out in Article L.225-102-1 of the French Commercial Code because these subjects are not considered relevant. In fact, given the nature of its business, these issues do not involve Ingenico Group at all, or do so to only a very limited degree.

2.2.2 Declaration of compliance with the GRI

The GRI (Global Reporting Initiative) sets out a framework of indicators that measure the progress of companies’ sustainable development programs and its guidelines are essential to high-quality CSR reporting. To ensure that its quality assurance process meets the expectations of the GRI, Ingenico Group is working with Materiality-Reporting, the GRI’s DATA PARTNER for France, to ensure that the tests set out for each principle are applied.

The Group’s report has been prepared in compliance with the GRI standards: CORE COMPLIANCE.

The GRI content index can be found on page 302.
2.2.3 Social reporting

2.2.3.1 Definitions

Workforce
There are six types of employment contract:

- permanent employees: employees on an open-ended employment contract with Ingenico Group, whose salary is ascertained via an Ingenico Group pay slip;
- fixed-term employees: employees on an Ingenico Group employment contract with a specified beginning and end date, whose salary is ascertained 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 by external providers, but excludes e-learning (including on the Ingenico University platform) and internal coaching.

Absenteeism
Absenteism 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:

\[
\text{Number of days of absence during a given time frame} \times 100
\]
\[
\text{Number of scheduled workdays during that same time frame} \times \text{Number of employees}
\]

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.
In 2018, the data relating to the annual rate of absenteeism in the Global Collect Services entity in the Netherlands was estimated on the basis of a monthly average.

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.
2.2.3.2 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.

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, Ireland, Malta, Morocco, New Zealand, Portugal, Serbia, Slovakia and South Korea. Although there were more than 15 employees in Vietnam at December 31, 2018, this country is also excluded as it had only 14 employees when the annual reporting procedure was launched.

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

2.2.4 Environmental reporting

2.2.4.1 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 Company;
- 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.

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. 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.

### Table: Exclusions

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Exclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of hours of training</td>
<td>Argentina (Global Collect), United States (Global Collect), Singapore (Global Collect), China (Global Collect) (1.6% of the workforce at December 31, 2018)</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>Argentina (Global Collect), United States (Global Collect), Singapore (Global Collect), China (Global Collect) (1.6% of the workforce at December 31, 2018)</td>
</tr>
<tr>
<td>Number of occupational accidents and illnesses</td>
<td>Argentina (Global Collect), United States (Global Collect), Singapore (Global Collect), China (Global Collect) (1.6% of the workforce at December 31, 2018)</td>
</tr>
<tr>
<td>Telecommuting</td>
<td>Argentina (Global Collect), United States (Global Collect), Singapore (Global Collect), China (Global Collect), the Netherlands (Global Collect) (7% of the workforce at December 31, 2018)</td>
</tr>
</tbody>
</table>

### Table: Exclusions

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Exclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>Colombia, Finland, Japan, Singapore (including Global Collect), Thailand, and the United States (Global Collect) (4.7% of the workforce at December 31, 2018)</td>
</tr>
<tr>
<td>Electricity consumption</td>
<td>China (Fujian Landi excluding Beijing, Chongqing, Fuzhou, Ji Nan, Shanghai, and Xiamen) and Singapore (Global Collect) (3.9% of the workforce at December 31, 2018)</td>
</tr>
<tr>
<td>Paper consumption</td>
<td>Singapore (Global Collect) (1.8% of the workforce at December 31, 2018)</td>
</tr>
</tbody>
</table>
2.2.4.3 Accounting for greenhouse gas (GHG) emissions

2.2.4.3.1 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 “Group greenhouse gas emissions”.

The following assumptions are used to calculate GHG emissions:

Energy consumption of buildings and employee business travel

Direct emissions (Scope 1) associated with natural gas are calculated on the basis of information reported by entities with more than 15 employees and which use this resource, namely: Belgium, Canada, Denmark, Germany, Italy, Latvia, the Netherlands, Switzerland, Turkey, the United Kingdom and the United States.

Indirect emissions (Scope 2) associated with the production and distribution of the electricity used by the Group are calculated on the scope of the 33 countries listed previously. If a Group entity only partially occupies a building (alongside other companies) and does not directly purchase the energy it consumes, the share allocated to Ingenico Group is estimated in proportion to the floor area it occupies.

The distances flown (Scope 3) by employees based in France, Australia, China (except Landi), Italy, Poland and the United Kingdom are provided by the travel agency with which the Group has a partnership. Journeys are classified into three categories: short-, mid- and long-distance. For each distance, the class of travel is also identified (economy, business, first and premium), so that an emissions factor specific to the class of travel can be used.

Data regarding train travel (Scope 3) is provided by train companies or travel agencies. Distances traveled by train are currently available for entities in Belgium, France, Germany, India and the Netherlands.

Direct emissions (Scope 1) associated with the fuel consumed by vehicles owned or under the operational control of the Group are calculated on the scope of business of entities located in Belgium, France, Germany, India, the Netherlands and Taiwan. The data collected relates directly to fuel consumption or to associated costs. In the second case, fuel consumption is estimated on the basis of the average cost of the fuel (diesel and petrol).

Other business travel includes the following modes of transport: taxis, rented cars and employees’ own vehicles (Scope 3). For taxis, the raw data collected relates either to expenses, or to distances traveled. In the first case, the distance traveled is estimated on the basis of an average cost (euros/km). Car rentals are managed by one agency, which provides a report of the total distance traveled. For travel using employees’ own vehicles, the distance traveled in km is collected directly (on the basis of expense claims).

GHG emissions associated with business travel for the other Group entities are extrapolated in proportion to the workforce.

Production of terminals, including the production and transportation of raw materials

GHG emissions associated with component production (Scope 3) 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 2018.

Transportation of the nine main components is taken into account when assessing the impact of transporting components between suppliers and assembly plants (Scope 3): plastics, printed circuit board, printer, display, battery, cables, power supply, keyboard, and packaging. For each component, the main suppliers’ plants are identified and the transportation distances are then estimated. The transported weight of each component is estimated on the basis of an average weight per terminal multiplied by the total number of terminals manufactured by each assembly site. The transported tons/km are calculated for each mode of transport.

GHG emissions associated with the activities of the terminal assembly plants (Scope 3) have been calculated on the basis of information provided by the facilities in Brazil, Malaysia, Russia and Vietnam. They include total energy consumed, refrigerant gas emissions and on-site transportation. The contribution associated with Ingenico Group business is estimated using a surface area ratio (surface area dedicated to the manufacture of terminals/total surface area). GHG emissions associated with assembly plants located in China are extrapolated on the basis of production volumes.

Transportation of terminals from assembly plants to customers

International transportation from assembly plants is by air and sea (Scope 3). Detailed information (quantity, weight, distances) is provided by the two service providers with which Ingenico Group works. GHG emissions are calculated on the basis of the tons/km of terminals dispatched from assembly plants.

To calculate the GHG emissions associated with energy consumption at the storage sites (Scope 3), a consumption ratio in kWh/m² is calculated using the information obtained for two storage sites (in France and the United Kingdom). This ratio is used to calculate the electricity consumption of all storage sites worldwide on the basis of the storage surface area occupied.

In terms of delivery to customers (Scope 3), flows are analyzed using the data provided from France and the United Kingdom. In the first case, information on tons/km is provided by the road haulage company. For terminals dispatched from the United Kingdom, the quantity of terminals dispatched by country is used, together with the type of transportation (air or road). Based on this information, the tons/km by type of transportation are estimated and used to assess GHG emissions. Emissions associated with the delivery of terminals to other countries in which the Group markets its products are assessed on the basis of the number of terminals sold by country, an average national distance and a ratio in kgCO₂/terminal delivered, calculated using data from France and the United Kingdom.
Use of terminals and services provided by the Group

The in-service terminal population is estimated on the basis of the volumes of terminals sold over the last five years (with the average useful life of a terminal estimated at five years). GHG emissions associated with terminal energy consumption (Scope 3) are estimated on the basis of the confirmed energy consumption of three of the most widely used terminals (1 Countertop, 1 Wireless and 1 Pinpad) in 2018. Energy consumption and the associated GHG emissions are calculated on the basis of usage scenarios for each type of terminal (number of days’ use per year, average number of transactions per day, etc.).

To calculate the GHG emissions associated with the data centers used by the Group (Scope 3), electrical consumption for each data center is either reported by the service provider (in kWh), or estimated by multiplying the contractual kVA (theoretical maximum capacity) by the estimated operating time. This includes the power used by electrical equipment and cooling systems.

GHG emissions associated with the printing of payment receipts (Scope 3) are estimated on the basis of the number of terminals in the terminal population that are equipped with printers, a usage scenario and the average weight of a roll of thermal paper. GHG emissions associated with the production and transportation (average distance) of thermal paper to users is estimated using these quantities.

Maintenance of terminals

To calculate GHG emissions associated with maintenance (Scope 3), the transportation of terminals between maintenance centers and customers and the energy consumption of product maintenance centers in France, Italy and the United Kingdom are analyzed. It is assumed that nearly all transportation of defective terminals takes place by road from France, Italy and the United Kingdom to maintenance centers located in these same countries. In fact, only a fraction of the defective terminals from the French market are transported by air to the United Kingdom maintenance center. An average national distance is used for road haulage and GHG emissions are estimated on the basis of the volumes of terminals sent to maintenance centers in these three markets, before being extrapolated on the basis of the volumes of terminals sent to maintenance centers worldwide.

The electricity and natural gas consumption (Scopes 1 and 2) of the repair centers in Italy and the United Kingdom is used to calculate GHG emissions and thereby derive a standard value in kgCO₂e/repaired terminal. This value is then used to calculate global GHG emissions, based on the total number of terminals repaired by the Group’s maintenance centers worldwide.

Processing of end-of-life terminals

To determine GHG emissions associated with the processing of end-of-life terminals (Scope 3), the procedure for collection and processing in France was analyzed. In 2018, two partners were appointed to manage the transportation and processing of waste from terminals. This analysis includes transportation to the processing centers, then the processing of waste electronic and electrical equipment. The study does not include emissions from processing waste that are managed directly by customers.

The number of tons/km transported is calculated on the basis of the quantities received and processed by the centers in France and an average national distance. Emissions associated with transportation are extrapolated from the number of terminals collected and processed in countries in which Ingenico Group has set up a recycling scheme.

The calculation of emissions generated by processing terminals is based on the information provided by the two recycling service providers in France. The type of processing (recycling of materials, energy recovery, disposal) was identified for each type of component (metals, plastics, printed circuit boards, cables, etc.). In order to extrapolate these emissions for the Group, it is assumed that all of the Group’s waste processing procedures are similar to those in France, upon which the analysis was conducted. Group emissions are then extrapolated on the basis of the volumes of terminals that are collected and recycled worldwide. Terminals that are not collected and processed by an Ingenico Group recycling scheme are assumed to have been disposed of without processing or recycling.

2.2.4.3.2 Data and emission factors used

The GHG emissions assessment was carried out using the data collected for 2018. However, for some data, extrapolations were made on the basis of the 2017 data. These extrapolations represent less than 1% of the GHG emissions assessed in 2018.

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.
2.3 THE INGENICO GROUP COMMUNITY

Key indicators 2018

- 7,840 employees, of whom 96% are permanent employees
- 7 training hours on average per employee
- 73% of employees have access to the Ingenico University platform
- 2.11% Group absenteeism rate
- 71% rate of participation in the People IN! survey

As a major player in the new world of trade, the Group needs to attract, retain and develop the best talent, while promoting diversity within its workforce. The Group has expanded considerably through external growth in recent years, and it is essential that the teams resulting from acquisitions are integrated. Faced with these challenges, the Group adopted a new HR strategy in 2018 and continued its efforts in terms of:

- professional development and talent retention;
- employee engagement;
- health and safety and well-being at work;
- diversity and gender equality.

The key areas of the new HR strategy and the policies in place on these various topics, as well as the resulting actions and outcomes, are set out below.

2.3.1 New HR strategy

To be an employer of choice in its industry, Ingenico Group has adopted a new HR strategy based on three pillars:

- strengthening HR fundamentals by providing a clear, structured and well-aligned offering within the Group;
- developing the skills to manage change;
- improving the engagement of all employees.

As part of this strategy, a number of global initiatives and work launched this year will come to fruition in 2019.

2.3.1.1 Strengthening HR fundamentals

The new HR strategy aims to align and optimize the human resources function within the Group while maintaining its focus on corporate requirements. It begins with a clear, structured offering aligned within the different Group entities which revolves around a number of fundamentals implemented in 2018 that will be extended in 2019.

The Group's efforts in 2018 were focused on reviewing the overall compensation and benefits policy to ensure it is competitive and provides internal equality by recognizing individual performance. The policy is based on a jobs structure and grading that is being rolled out at Group level.

To step up the standardization of HR practices and policies within the Group, an overall budget for the HR function was consolidated for the first time, allowing resources to be optimized according to priorities.

A new HR information system, PeopleDay, was rolled out at the end of 2018 to support this transformation. To begin with, it is offering functionality for the administrative management of employees and organizations. Other functionality will be released gradually throughout 2019 and 2020, and will include features for setting objectives, managing performance and compensation, and access to job offers and training.

2.3.1.2 Developing skills

Leadership model

In 2018, the Group conducted interviews with more than 50 people from various nationalities, entities and countries, across all the management functions within the organization. These individuals were encouraged to share their views on current leadership behaviors, and the behaviors to be promoted within the Group. A working group was set up on the basis of these interviews to create a new leadership model for the Company. The model is applicable to all employees. It is based on five key behaviors and details three maturity levels for each behavior, seeking to inspire every employee, develop a culture based on shared values and foster dialog on performance and development.

Professional development 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.

In 2018, a new Talent Organization and Development function was created within the Group to implement a common talent management policy. One of the aims is to have an overall approach to development skills and requirements so as to offer common training to all entities and provide effective career path management.

Ingenico University

Launched in 2015, development of Ingenico Group’s Ingenico University e-learning platform continued, to provide the Group’s employees with the best possible support in meeting their training needs. The catalog of digital training materials continues to grow, with more than 300 Group e-learnings, including training on its businesses, its solutions, its strategy and on payment.
Special focus was given this year to training related to compliance and regulations, with new modules on the General Data Protection Regulation (GDPR). These will be joined at the start of 2019 by modules on the fight against corruption, to strengthen our anti-corruption program in accordance with France’s Sapin 2 law. Ingenico Group has also developed new e-learnings on its solutions (Refund by Web, Click&Collect, and Estate Manager).

At December 31, 2018, of the 5,700 employees with access to Ingenico University, 45% had accessed the platform and 38% had signed off on at least one e-learning module during the year. The most popular training this year again covered topics related to compliance and security.

Ingenico University will be given a new look and feel in 2019, improving the way that modules are organized, to open up more locally created training to the entire Group and provide better support for employees in sharing their knowledge.

### Training topics in 2018

In 2018, the Group continued its training initiatives in all its business areas. A total of 53,926 training hours were delivered to employees in Group entities (80,424 in 2017 and 94,196 in 2016). The average number of training hours per employee was 7 hours in 2018.

The most popular training topics were technical programs (R&D and innovation, computer hardware and software) and language learning.

Two major training modules rolled out in 2017 were continued in 2018: Agile training, at the initiative of the Technology & Platforms entity, delivered mainly as classroom-based training to the Retail BU’s software development teams; and Android Hardware training, for the R&D teams of the Banks & Acquirers BU.

In France, a Learning Week was convened for the second time, bringing together 240 participants for 20 workshops on three main topics: better insight into Ingenico Group’s business, personal and career path development, and fun activities to gain a better understanding of disability.

In Australia, Curious Fridays allow employees to undertake training over lunch.

In general, employees undertake various types of training according to the Company’s requirements and their own skills. Requirements are assessed and grouped together to create demand-based training sessions.

Within the Retail Enterprise business line, four Brown Bag Lunches were organized during 2018, providing training on technical topics such as continuous delivery, Spring Boot, Kubernetes and Istio with GoCD, as well as on distributed denial-of-service attacks.

The new employee induction program, roll-out of the Agile method within technical teams, compliance training and sales training will all be given special focus in 2019. These programs will be delivered via e-learning modules and classroom-based training.
2.3.1.3 Increasing employee engagement

People IN!

Any action in terms of engagement begins with listening to employees. As a result, a global internal survey, People IN!, was launched in October 2018. The survey comprised an assessment based on an overall score and 25 questions in three areas: Ingenico in general and the way its employees perceive the Company and its strategy, their interactions with their managers and, lastly, the working environment. More than 6,000 employees responded to the survey, a participation rate of 71%. This high level of participation is indicative of a desire to be involved in helping to progress the Company and shape its future.

Three positives came out of the survey. Ingenico Group is perceived as an employer that encourages equal opportunity by 72% of employees; they understand how they contribute to the implementation of its strategy; and they feel they receive constructive feedback from their manager. Among the areas of improvement mentioned, there was dissatisfaction with regard to resources to perform the work requested, the Company’s systems, tools and processes, and in terms of the competitiveness of compensation compared with the market.

A number of measures will be taken at global and local levels in 2019 to meet employees’ expectations as expressed in this survey.

Action plans will be implemented at the start of 2019 and another survey will be conducted in mid- to late 2019 to measure the change in employee engagement.

Internal communication

In order to involve its employees in its overall strategy, Ingenico Group is committed to developing regular, transparent internal communication. Numerous initiatives have been launched to boost the sharing of information with all employees.

Launched in June 2017, the Skyway global intranet indicates any action in terms of engagement begins with listening to employees. As a result, a global internal survey, People IN!, was launched in October 2018. The survey comprised an assessment based on an overall score and 25 questions in three areas: Ingenico in general and the way its employees perceive the Company and its strategy, their interactions with their managers and, lastly, the working environment. More than 6,000 employees responded to the survey, a participation rate of 71%. This high level of participation is indicative of a desire to be involved in helping to progress the Company and shape its future.

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Action plans will be implemented at the start of 2019 and another survey will be conducted in mid- to late 2019 to measure the change in employee engagement.

Internal communication

In order to involve its employees in its overall strategy, Ingenico Group is committed to developing regular, transparent internal communication. Numerous initiatives have been launched to boost the sharing of information with all employees.

Launched in June 2017, the Skyway global intranet indicates a desire to encourage cross-functional cooperation and to disseminate Group corporate culture more effectively. It pools all Group news related to its businesses and its organization; it brings together all employees and facilitates the integration of employees resulting from acquisitions. Its content was developed in 2018 with new pages to introduce the teams and dedicated sites at the local level, particularly for the United Kingdom and the Retail Business Unit. In 2018, Skyway focused on increased communication from Ingenico Group’s Executive Committee to support employees during a period of major change for the Company. The intention is to extend this approach further in 2019 with plenty of videos. Skyway is also a collaborative work space that pulls together many applications, including a space for sharing documents and joint drafting with eShare.

Regular information and dialogue meetings (Townhall sessions) are also held in a number of Group entities, for sharing the Company’s plans and results. In Germany, a managers’ circle meets each month to keep employees informed and engage them in the strategy. In Australia, monthly PacChats are arranged to present new business solutions to all employees.

A weekly newsletter (Week Starter) aimed at disseminating the main internal and market news was distributed to all employees of the Retail BU in 2018 and will be sent to all employees in 2019.

Community outreach events and initiatives

Ingenico Group takes a variety of actions to develop its employees’ engagement, including team-building activities, sporting events, and annual dinners.

In addition to these regular events promoting fellowship and team spirit, Ingenico Group encourages community outreach initiatives, which, as well as having a positive societal impact, help strengthen employees’ feeling of belonging. Charity collections are arranged regularly, particularly in the UK and Australia, while in the United States employees gave their time in 2018 to serve a Thanksgiving dinner and to help build houses for the homeless, in support of the Habitat for Humanity association. In France, employees wishing to participate in the national collection for Restos du Cœur (a charity providing hot meals) were offered a half-day’s volunteering, helping the charity to supplement supplies and provide recipients with more varied, balanced meals.

Furthermore, Ingenico Group offers the “Salary rounding” system, which enables employees in France to support charities of their choice. In 2018, the Group held its first-ever Giving Week, an event dedicated to generosity and solidarity. The number of registrations for Salary rounding increased by 75% as a result of the campaign conducted by a selection of ambassadors during this week.

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, working with it to encourage Ingenico employees to sponsor young graduates from disadvantaged areas by providing them with support to find their first job. This year, 12 mentees were monitored by 8 mentors and 7 people took part in a coaching workshop within the Group.
2.3.2  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 7,840 employees across 46 countries at the end of 2018.

**Total headcount per country (permanent employees and fixed-term contracts)**

With 88 nationalities represented in its workforce, Ingenico Group boasts a highly diverse talent pool as a result of the increasing internationalization of its business.

At the end of 2018, the Group’s total workforce stood at 7,840. Following the acquisition of Airlink, Taiwan now appears in the top 20 countries with the most employees.

<table>
<thead>
<tr>
<th>Location</th>
<th>2016</th>
<th>%</th>
<th>2017</th>
<th>%</th>
<th>2018</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1,798</td>
<td>26.2%</td>
<td>1,773</td>
<td>22.2%</td>
<td>1,521</td>
<td>19.4%</td>
</tr>
<tr>
<td>France</td>
<td>1,043</td>
<td>15.2%</td>
<td>1,043</td>
<td>13.0%</td>
<td>1,007</td>
<td>12.8%</td>
</tr>
<tr>
<td>Germany</td>
<td>554</td>
<td>8.1%</td>
<td>527</td>
<td>6.6%</td>
<td>531</td>
<td>6.8%</td>
</tr>
<tr>
<td>India</td>
<td>173</td>
<td>2.5%</td>
<td>532</td>
<td>6.6%</td>
<td>494</td>
<td>6.3%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>388</td>
<td>5.7%</td>
<td>463</td>
<td>5.8%</td>
<td>485</td>
<td>6.2%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>485</td>
<td>7.1%</td>
<td>479</td>
<td>6.0%</td>
<td>449</td>
<td>5.7%</td>
</tr>
<tr>
<td>United States</td>
<td>381</td>
<td>5.6%</td>
<td>377</td>
<td>4.7%</td>
<td>410</td>
<td>5.2%</td>
</tr>
<tr>
<td>Belgium</td>
<td>347</td>
<td>5.1%</td>
<td>331</td>
<td>4.1%</td>
<td>311</td>
<td>4.0%</td>
</tr>
<tr>
<td>Australia</td>
<td>75</td>
<td>1.1%</td>
<td>289</td>
<td>3.6%</td>
<td>290</td>
<td>3.7%</td>
</tr>
<tr>
<td>Sweden</td>
<td>-</td>
<td>-</td>
<td>253</td>
<td>3.2%</td>
<td>266</td>
<td>3.4%</td>
</tr>
<tr>
<td>Canada</td>
<td>100</td>
<td>1.5%</td>
<td>223</td>
<td>2.8%</td>
<td>217</td>
<td>2.8%</td>
</tr>
<tr>
<td>Turkey</td>
<td>157</td>
<td>2.3%</td>
<td>169</td>
<td>2.1%</td>
<td>166</td>
<td>2.1%</td>
</tr>
<tr>
<td>Italy</td>
<td>144</td>
<td>2.1%</td>
<td>167</td>
<td>2.1%</td>
<td>155</td>
<td>2.0%</td>
</tr>
<tr>
<td>Spain</td>
<td>129</td>
<td>1.9%</td>
<td>155</td>
<td>1.9%</td>
<td>148</td>
<td>1.9%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>180</td>
<td>2.6%</td>
<td>174</td>
<td>2.2%</td>
<td>145</td>
<td>1.8%</td>
</tr>
<tr>
<td>Singapore</td>
<td>131</td>
<td>1.9%</td>
<td>140</td>
<td>1.7%</td>
<td>131</td>
<td>1.7%</td>
</tr>
<tr>
<td>Brazil</td>
<td>151</td>
<td>2.2%</td>
<td>115</td>
<td>1.4%</td>
<td>127</td>
<td>1.6%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>113</td>
<td>1.4%</td>
</tr>
<tr>
<td>Thailand</td>
<td>96</td>
<td>1.4%</td>
<td>93</td>
<td>1.2%</td>
<td>113</td>
<td>1.4%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>125</td>
<td>1.8%</td>
<td>104</td>
<td>1.3%</td>
<td>94</td>
<td>1.2%</td>
</tr>
<tr>
<td>Mexico</td>
<td>50</td>
<td>0.7%</td>
<td>59</td>
<td>0.7%</td>
<td>92</td>
<td>1.2%</td>
</tr>
<tr>
<td>Denmark</td>
<td>-</td>
<td>-</td>
<td>80</td>
<td>1.0%</td>
<td>64</td>
<td>0.8%</td>
</tr>
<tr>
<td>Philippines</td>
<td>59</td>
<td>0.9%</td>
<td>51</td>
<td>0.6%</td>
<td>64</td>
<td>0.8%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>7</td>
<td>0.1%</td>
<td>54</td>
<td>0.7%</td>
<td>61</td>
<td>0.8%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>71</td>
<td>1.0%</td>
<td>53</td>
<td>0.7%</td>
<td>59</td>
<td>0.8%</td>
</tr>
<tr>
<td>Others</td>
<td>209</td>
<td>3.0%</td>
<td>299</td>
<td>3.7%</td>
<td>327</td>
<td>4.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>6,853</td>
<td>100%</td>
<td>8,003</td>
<td>100%</td>
<td>7,840</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Workforce at December 31, 2018 (breakdown between permanent and fixed-term contracts)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2017</th>
<th></th>
<th>2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent</td>
<td>Fixed-term</td>
<td>Total</td>
<td>Permanent</td>
<td>Fixed-term</td>
<td>Total</td>
</tr>
<tr>
<td>Banks &amp; Acquirers</td>
<td>2,863</td>
<td>454</td>
<td>3,317</td>
<td>3,636</td>
<td>263</td>
<td>3,899</td>
</tr>
<tr>
<td>Retail</td>
<td>2,019</td>
<td>83</td>
<td>2,102</td>
<td>2,575</td>
<td>132</td>
<td>2,707</td>
</tr>
<tr>
<td>NAR</td>
<td>381</td>
<td>6</td>
<td>387</td>
<td>387</td>
<td>47</td>
<td>434</td>
</tr>
<tr>
<td>Corporate functions</td>
<td>973</td>
<td>74</td>
<td>1,047</td>
<td>917</td>
<td>46</td>
<td>963</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>6,236</td>
<td>617</td>
<td>6,853</td>
<td>7,515</td>
<td>488</td>
<td>8,003</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2017</th>
<th></th>
<th>2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent</td>
<td>Fixed-term</td>
<td>Total</td>
<td>Permanent</td>
<td>Fixed-term</td>
<td>Total</td>
</tr>
<tr>
<td>Banks &amp; Acquirers</td>
<td>3,721</td>
<td>129</td>
<td>3,850</td>
<td>2,359</td>
<td>145</td>
<td>2,504</td>
</tr>
<tr>
<td>Retail</td>
<td>499</td>
<td>7</td>
<td>506</td>
<td>915</td>
<td>65</td>
<td>980</td>
</tr>
</tbody>
</table>
| **TOTAL**           | 7,494 | 346   | 7,840 | 68 . Registration Document 2018 / INGENICO GROUP
2.3.3 Talent recruitment and retention

2.3.3.1 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 media, cooptation, and partnerships with universities and schools. These measures enable Ingenico Group to recruit the best talent in the Fintech sector worldwide.

2.3.3.2 Hiring and departures

• Hiring
In 2018, workforces from acquisitions represented 6.4% of hiring.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent</td>
<td>Fixed-term</td>
<td>Total</td>
</tr>
<tr>
<td>Banks &amp; Acquirers</td>
<td>831</td>
<td>192</td>
<td>1,023</td>
</tr>
<tr>
<td>Retail</td>
<td>383</td>
<td>91</td>
<td>474</td>
</tr>
<tr>
<td>NAR</td>
<td>59</td>
<td>5</td>
<td>64</td>
</tr>
<tr>
<td>Corporate functions</td>
<td>223</td>
<td>74</td>
<td>297</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,496</td>
<td>362</td>
<td>1,858</td>
</tr>
</tbody>
</table>

• Departures

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Permanent</td>
<td>Fixed-term</td>
<td>Total</td>
</tr>
<tr>
<td>Banks &amp; Acquirers</td>
<td>340</td>
<td>112</td>
<td>452</td>
</tr>
<tr>
<td>Retail</td>
<td>214</td>
<td>40</td>
<td>254</td>
</tr>
<tr>
<td>NAR</td>
<td>45</td>
<td>45</td>
<td>90</td>
</tr>
<tr>
<td>Corporate functions</td>
<td>139</td>
<td>48</td>
<td>187</td>
</tr>
<tr>
<td>TOTAL</td>
<td>738</td>
<td>200</td>
<td>938</td>
</tr>
</tbody>
</table>

• Reasons for leaving

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resignation</td>
<td>458</td>
<td>766</td>
<td>1,259</td>
</tr>
<tr>
<td>Dismissal</td>
<td>110</td>
<td>122</td>
<td>187</td>
</tr>
<tr>
<td>End of fixed-term contract</td>
<td>247</td>
<td>189</td>
<td>183</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mutual agreement</td>
<td>32</td>
<td>94</td>
<td>113</td>
</tr>
<tr>
<td>Redundancies</td>
<td>17</td>
<td>47</td>
<td>99</td>
</tr>
<tr>
<td>End of probationary period (by employer)</td>
<td>18</td>
<td>17</td>
<td>29</td>
</tr>
<tr>
<td>Retirement</td>
<td>11</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>All others</td>
<td>18</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>TOTAL</td>
<td>911</td>
<td>1,269</td>
<td>1,920</td>
</tr>
</tbody>
</table>
2.3.3.3 Talent retention

Ingenico Group focuses particular attention on retaining its talent. A number of measures are in place to foster employee retention: work/life balance, competitive compensation and benefits, flexible working environment, training, etc. The annual review process, conducted with 6,608 employees in 2018, allows the Group to listen to employees and ensure that their motivation and involvement is maintained throughout their career. The “continuous performance approach” module in the new PeopleDay tool helps employees to communicate regularly with their manager throughout the year, so that priorities can be adjusted in response to current events. Apart from dialog with their manager, employees can now give and receive assessments to/from other internal stakeholders, giving them a clearer understanding of their work and ensuring more regular dialog between the different teams.

In the context of a highly competitive sector and despite these efforts, the voluntary turnover rate\(^{(1)}\) increased in 2018 to reach 12.3%, \textit{versus} 8.73% in 2017. This increase is explained primarily by the growing demand for talent in the areas of High-tech and Fintech and by the difficulty of integrating employees resulting from acquisitions.

The People IN! survey conducted in 2018 (see 2.3.1.3), aims to address this issue of engagement and retention.

2.3.4 Optimal working conditions

2.3.4.1 Organization of working hours

- Breakdown of full-time and part-time contracts

The percentage of part-time staff remained stable between 2017 and 2018, representing 2.9% of the Group's total workforce in 2018.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full-time</td>
<td>Part-time</td>
<td>Total</td>
</tr>
<tr>
<td>Banks &amp; Acquirers</td>
<td>3,276</td>
<td>41</td>
<td>3,317</td>
</tr>
<tr>
<td>Retail</td>
<td>1,984</td>
<td>118</td>
<td>2,102</td>
</tr>
<tr>
<td>NAR</td>
<td>386</td>
<td>1</td>
<td>387</td>
</tr>
<tr>
<td>Corporate functions</td>
<td>991</td>
<td>56</td>
<td>1,047</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,637</td>
<td>216</td>
<td>6,853</td>
</tr>
</tbody>
</table>

\(96.8\% \text{, } 3.2\% \text{, } 100.0\% \text{, } 96.8\% \text{, } 3.2\% \text{, } 100.0\% \text{, } 97.1\% \text{, } 2.9\% \text{, } 100.0\%\)

- Temporary workers and outsourcing

In 2018, the number of outsourced and temporary workers totaled 1,895 FTE (full-time equivalent employees). The bulk of the work that is outsourced consists of application development, call center, maintenance and repair work.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outsourced workers</td>
<td>Temporary workers</td>
<td>Total</td>
</tr>
<tr>
<td>Banks &amp; Acquirers</td>
<td>428</td>
<td>69</td>
<td>497</td>
</tr>
<tr>
<td>Retail</td>
<td>198</td>
<td>273</td>
<td>471</td>
</tr>
<tr>
<td>NAR</td>
<td>159</td>
<td>64</td>
<td>224</td>
</tr>
<tr>
<td>Corporate functions</td>
<td>102</td>
<td>31</td>
<td>133</td>
</tr>
<tr>
<td>TOTAL</td>
<td>887</td>
<td>437</td>
<td>1,324</td>
</tr>
</tbody>
</table>

\(1\) Total number of resignations divided by the average number of permanent employees over the whole year.
2.3.4.2 Health and safety

Ingenico pays special attention to the health and safety of its employees. 26% of Group entities have a dedicated Health and Safety Committee. Through specific measures, these committees help to protect the health and safety of employees and so improve working conditions.

Health

Most entities offer full medical examinations for all their employees.

In France, collective bargaining agreements on health and welfare costs are in place. In China, employees have access to sickness insurance, including for industrial injuries, and supplementary insurance for salespeople.

Psychosocial risks are subject to particular attention. Several countries have implemented specific initiatives aimed at prevention, such as in Belgium with the Corporate Vitality program launched in 2015, and in the United Kingdom with the Employee Assistance Program. Nordic countries consider work-related stress and fatigue as occupational illnesses.

In accordance with the European regulations on the prevention of risks of employee exposure to electromagnetic fields, several European countries have assessed or planned to assess these risks. This is the case in France, Italy, the United Kingdom, Latvia and Germany.

Well-being initiatives have been rolled out in a number of Group entities and include sponsored races, training, and provision of fruit baskets.

The Group recorded an absenteeism rate of 2.11% in 2018, compared with 2.27% for 2017 and 1.96% in 2016. In 2018, 54 occupational accidents, of which 29.6% were road traffic accidents, and 13 occupational illnesses were recorded at Group level.

Safety

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

In Mexico, a country regularly affected by earthquakes, Ingenico Group employees took part in preventive protection exercises against potential earthquakes. These exercises are also conducted in Canada. In the United States, a response team was set up to take appropriate action in the event of fire, an employee heart attack or intrusion of a gunman into the premises.

Management of employees in exceptional situations

The Group has a crisis management procedure to inform employees and allow them to take the necessary measures in the event of a major incident by using specific communication tools.

Exceptional circumstances in France in 2018 (extended transport strike, Seine flood risk) necessitated the implementation of advance notification and the activation of a toll-free number to plan ahead for potential impacts on employees and on business continuity.

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.

2.3.4.3 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, 58% of the Group’s entities give their employees the opportunity to work remotely. In 2018, 398 employees on average used telecommuting every month, showing a stable situation since 2017.

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. In some entities, such as in the UK, Canada and Russia, there is no telecommuting policy in place. Employees may, however, be authorized by their manager to work from home. Several entities have planned to implement a telecommuting policy during 2019. These include the United States, Germany and entities in the Nordic countries.

2.3.4.4 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.

(1) “Scope of application: 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.”
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 shown in Note 6 “Employee benefits” to the consolidated financial statements at December 31, 2018.

2.3.4.5 Social dialogue

In accordance with its code of ethics and business conduct, the Group observes the principle of freedom of association and staff representation, whether by direct representation or through 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 34% of Ingenico Group’s total workforce, or union representatives, which cover a total of 42% of the Group’s workforce.

2.3.5 Promotion of diversity

2.3.5.1 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 introduction of policies specific to the fight against all forms of discrimination and promoting equal opportunity. The fight against discrimination is also highlighted within several entities via Employee Handbooks distributed to employees which set out the procedure to be followed to notify a case of harassment or discrimination within the entity. Others have introduced training to prevent the risks of discrimination and harassment, as well as formal complaint procedures.

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. Although it is not the language of the country where the Company is based, the designation of English as the language used within the various entities of Bambora encourages the inclusion of all employees. In fact, it makes inclusion easier for new employees who do not necessarily speak the local language fluently, while facilitating dialog between the various entities.

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 Germany, employees have to read and acknowledge receipt of a document relating to the law on equal treatment (Allgemeines Gleichbehandlungsgesetz).

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 activities were conducted during the course of Learning Week 2018, to provide information on 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 deployment of action plans to encourage the employment of disabled persons, such as in the United States, where job offers are published on sites specifically for disabled people.

In 2018, there were 60 disabled persons in the Group’s workforce (excluding entities with fewer than 16 employees).

In France, the percentage of disabled persons rose to 1.81% of the workforce in 2018, compared with 1.2% in 2016.

• Workforce by age range

The average age of Group employees is 38.2, a figure that is relatively stable year-on-year.

<table>
<thead>
<tr>
<th></th>
<th>&lt;30</th>
<th>30 &amp; 50</th>
<th>&gt;50</th>
<th>Total</th>
<th>&lt;30</th>
<th>30 &amp; 50</th>
<th>&gt;50</th>
<th>Total</th>
<th>&lt;30</th>
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<th>&gt;50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks &amp; Acquirers</td>
<td>1,229</td>
<td>1,862</td>
<td>226</td>
<td>3,317</td>
<td>1,290</td>
<td>2,321</td>
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<tr>
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<td>2,102</td>
<td>447</td>
<td>1,807</td>
<td>453</td>
<td>2,707</td>
<td>525</td>
<td>1,668</td>
<td>311</td>
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<tr>
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<td>67</td>
<td>220</td>
<td>100</td>
<td>387</td>
<td>64</td>
<td>238</td>
<td>132</td>
<td>434</td>
<td>65</td>
<td>280</td>
<td>161</td>
<td>506</td>
</tr>
<tr>
<td>Corporate functions</td>
<td>179</td>
<td>707</td>
<td>161</td>
<td>1,047</td>
<td>136</td>
<td>676</td>
<td>151</td>
<td>963</td>
<td>148</td>
<td>679</td>
<td>153</td>
<td>980</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td>4,262</td>
<td>824</td>
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<td>1,937</td>
<td>5,042</td>
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<td>8,003</td>
<td>1,743</td>
<td>5,022</td>
<td>1,075</td>
<td>7,840</td>
</tr>
</tbody>
</table>

25.8% 62.2% 12.0% 100% 24.2% 63.0% 12.8% 100% 22.2% 64.1% 13.7% 100.0%

• Workforce by age range and by type of contract

<table>
<thead>
<tr>
<th></th>
<th>&lt;30</th>
<th>&gt;30 to &lt;50</th>
<th>&gt;50</th>
<th>Total</th>
<th>&lt;30</th>
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<th>&gt;50</th>
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<td>2</td>
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<td>4</td>
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<td>29</td>
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<td>5</td>
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<td>184</td>
<td>4,779</td>
<td>263</td>
<td>983</td>
<td>41</td>
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</tbody>
</table>

84% 16% 92% 8% 98% 2% 91% 9% 95% 5% 96% 4% 91% 9% 97% 3% 97% 3%

100% 100% 100% 100% 100% 100% 100% 100%
2.3.2 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) through a variety of initiatives.

In 2018, Ingenico Group joined the Equileap world ranking of the 200 most active companies in the field of gender equality. This recognition encourages the Group to continue its efforts to foster gender equality through actions such as its partnership with Women in Payments, a network that promotes and participates in the development of female leadership in the payment sector.

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.

By way of example, the Chinese entity encourages increased numbers of women on research and development teams. In Taiwan, a room is available for female employees to breastfeed and a contract is in place with a nursery close to the workplace to assist with daycare for young children. In France, Ingenico Group is a partner of the *Elles Bougent* association, which aims to encourage young girls to consider careers in the scientific and technology sectors. In 2018, seven Ingenico employees acted as sponsors, providing support to young girls. A joint development initiative for women wishing to develop as leaders was also launched.

In 2018, the percentage of women on the Executive Committee was 57%.

### Workforce by gender

The number of women remained stable between 2017 and 2018 at 29.8% of the total workforce, and was close to parity within Corporate Functions (women 47.4% - men 52.6%). The difference between the number of women in top management positions and the number of women in the total workforce is 5%.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
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<tr>
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</tr>
<tr>
<td>Nar</td>
<td>106</td>
<td>281</td>
<td>387</td>
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<tr>
<td>Corporate Functions</td>
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<td>556</td>
<td>1,047</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
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<td><strong>4,809</strong></td>
<td><strong>6,853</strong></td>
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<tr>
<td></td>
<td>29.8%</td>
<td>70.2%</td>
<td>100%</td>
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### Workforce by gender and by type of contract

<table>
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<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
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<td></td>
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<td>Fixed-</td>
<td>Perma-</td>
</tr>
<tr>
<td></td>
<td>Men</td>
<td>term</td>
<td>Men</td>
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<td>Banks &amp; Acquirers</td>
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</tr>
<tr>
<td>Nar</td>
<td>106</td>
<td>275</td>
<td>6</td>
</tr>
<tr>
<td>Corporate Functions</td>
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<td>37</td>
<td>519</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,743</strong></td>
<td><strong>301</strong></td>
<td><strong>4,493</strong></td>
</tr>
<tr>
<td></td>
<td>85%</td>
<td>15%</td>
<td>93%</td>
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</tbody>
</table>
2.4  INGENICO GROUP’S CONTRIBUTION TO SOCIETY

Key indicators 2018

- Code of Ethics translated into 12 languages and accessible to 100% of employees on Skyway
- €137 million collected for charity using our payment solutions
- 87% of strategic components suppliers have signed the CSR agreement or are members of the RBA
- 100% of Ingenico components suppliers have been assessed with regard to traceability of the origins of minerals

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 2018 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.

2.4.1  Promoting ethics and combating corruption

Ingenico Group is committed to ensuring that all its operations are conducted with honesty and integrity, and in compliance with all laws and regulations, in particular in terms of combating corruption (SDG 16). This approach is subject to special attention by the Board of Directors and its Committees.

2.4.1.1  Business ethics

In addition to meeting its purely regulatory obligations, including those relating to the fight against money laundering and the financing of terrorism in its regulated entities, the Group’s scrupulous ethical commitments are laid out in its code of ethics and business conduct (2), 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, which includes a new preface by Nicolas Huss, Chief Executive Officer of Ingenico Group, is accessible to all employees via the Group’s intranet and to third parties via the website.

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 12 languages, accounting for most of those used by the Group’s employees: French, English, Chinese, Spanish, Turkish, German, Dutch, Russian, Portuguese, Italian, Indonesian and Japanese.

The code of ethics and business conduct focuses on key principles that are based on texts and standards such as the Universal Declaration of Human Rights and the United Nations Global Compact, relating to environmental protection, 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), prohibiting any form of corruption and good corporate governance rules.

The code is the tool by which the Group aims to influence its entire ecosystem, and it sets out the standards the Group expects, not only from its own employees, but also from the third parties with whom it works. In the majority of entities, Group suppliers are required to accept the code of ethics and business conduct before they can be listed.

Potential breaches of the code of ethics and business conduct can be identified using a reporting procedure that is available to all employees or stakeholders in the Group who want to raise an issue, doubt or grievance with regard to this code (reporting hotline). This reporting hotline arrangement complements any local whistle-blowing procedures. The Group is committed to handling any reported incidents confidentially and equitably, and in accordance with the relevant legislation.

As a result of an internal communication campaign regarding the Group’s ethics reporting hotline that used newsletters, posters and a dedicated page on the Group intranet, the number of reports increased slightly in 2018, and all cases have been processed.

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. An internal communications campaign specifically for the reporting hotline was launched in 2018, and various management teams received “ethics and compliance” training.

The code of ethics and business conduct will be updated in 2019 to reflect the action taken following the anti-corruption risk mapping exercise conducted in accordance with the provisions of the Sapin 2 law.

The gifts and hospitality policy has been updated to enhance employees’ understanding, in line with the Sapin 2 law.

The principles set out in the code of ethics and business conduct and its associated policies, such as the gifts and hospitality policy, are covered in e-learning and/or classroom-based training courses.

The fight against corruption is one of the Group’s top priorities. It conducted an anti-corruption risk mapping exercise which formed the basis for a range of measures to strengthen its anti-corruption efforts.

In 2018, the Compliance function delivered sessions to raise awareness and provide training in ethics and combating corruption for staff at particular risk, such as the Management Committees of the two Business Units, all the Sales teams of the Banks & Acquirers BU, the management of the Human Resources Department, and the management and key functions of countries such as Russia, India and Mexico. This training will be updated on an ongoing basis throughout 2019 so that it reflects the corruption risk mapping as closely as possible.

### 2.4.1.2 Other initiatives promoting ethical practices

In addition to the Group’s code of ethics and business conduct, some entities have introduced measures tailored to the specific requirements of their local environment, such as external whistleblowing 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. Apart from dedicated training programs, committees have been set up in each Indian entity to combat the sexual harassment of women in the workplace in accordance with local regulations.

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. Employees, and also some suppliers, are offered training aimed at identifying and combating corruption and money laundering.

Bambora introduced an anti-money-laundering policy to meet the requirements of local regulations on money laundering and combating the financing of terrorism, and the Company fulfills the reporting requirements imposed on it since 2017 by the Swedish supervisory authority (the Finansinspektionen). It has also rolled out a number of awareness-raising initiatives to reduce risks in this area. Several training courses on this subject are delivered every year to targeted groups of people within the Company to increase awareness of the issues of money laundering and combating the financing of terrorism. Finally, employees are required to freeze any suspect transactions and contact the customer to ask for an explanation of the expenditure.

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.

Finally, an annual training course on combating discrimination and harassment has been mandatory for all employees in the United States since 2016.

All Group entities have access to a reporting hotline.

### 2.4.2 Tax transparency

As a group with a global reach, Ingenico Group operates in 49 countries and is subject to taxation in each jurisdiction.

On a local level, the Group’s entities are, without exception, committed to ensuring compliance with tax legislation. For Ingenico Group, compliance means paying the right amount in the right jurisdiction at the right time. Part of this commitment involves the Group using tax incentives, relief and exemptions offered by the State, but only insofar as these comply with tax legislation.

When it comes to matters of taxation, such as transfer pricing, tax residency and the tax implications of the digital economy, the Group follows the provisions of double tax treaties and the OECD’s tax guidelines, including those of the BEPS (base erosion and profit shifting) Project.

Given the complexity of the international tax environment, some degree of fiscal risk and uncertainty is inherent in the Group’s business activities. It employs in-house tax specialists who work in close collaboration with all parts of the Company to manage these tax risks and ensure all of the fiscal team is fully involved in any significant commercial developments, so that all the tax implications of its actions can be assessed in advance. External advice will be sought in the event of uncertainty or complexity.
Ingenico Group manages its tax affairs transparently and responsibly. The sole aim of undertaking tax planning that is in keeping with its economic and commercial activity is to create long-term economic value for its shareholders. Consequently, the Group does not engage in aggressive tax planning. This also means that it conducts itself with honesty and integrity in its dealings with the tax authorities and seeks to be transparent and cooperative in its relationship with them.

In 2018, tax payable was €54.7 million, with an effective tax rate of 21.5%.

2.4.3 Data privacy

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

In 2018, the Group completed its Group-wide project to ensure compliance with the General Data Protection Regulation (GDPR), which aims to implement GDPR obligations and provides the opportunity to reinforce best practice regarding the protection of personal data within the Group.

A network of Data Privacy Officers is in place to finalize local implementation of the Group’s measures, give advice on the regulatory requirements, raise awareness and provide training for employees.

In addition to a dedicated intranet page and classroom-based training, an eLearning program about GDPR has been rolled out to ensure employees have a basic understanding of data privacy issues.

The measures put in place for the purpose of ensuring compliance with the GDPR, including policies and procedures or standard documents, serve as a basis for the compliance measures required by other countries which have enacted similar rules and regulations, such as Brazil or Turkey, and make it possible for best practice to be disseminated consistently to raise awareness throughout the Group, for enhanced data privacy.

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, information security impact assessments are also carried out, where appropriate, while in the Netherlands, all employees were given training on the protection of personal data.

2.4.4 Intellectual property

Respect for intellectual property rights was identified as a major issue for the Group’s stakeholders. To ensure that the rights of third parties are guaranteed, whenever necessary, the Group conducts research on existing intellectual property and keeps a close watch over its portfolio. It has also implemented a system for actively monitoring these matters (see Chapter 1).

2.4.5 Information security

Information security is a key issue for Ingenico Group and has developed into a core concern for the Company (see Chapter 1). In a world where employees, customers, partners and even competitors from all over the world can collaborate in the commercial innovation process, security strategies and practices now have the power to reach or exceed major commercial objectives. To give security a more strategic role in commercial innovation, Ingenico Group focuses on both technical value and critical commercial processes. The Group has developed a process for assessing threats to cybersecurity, a company-focused risk assessment process and an evidence-based control assurance process. The Group assesses information security risks on a regular basis and implements standardized countermeasures to combat them (see Chapter 1.2.3). It has also rolled out security awareness training available as an e-learning module, which aims to identify the risks associated with information security and ensure that employees and partners are trained and are capable of providing the best line of defense to counter the risks associated with information security.

The Group’s policy is to select only those data centers with ISO 27001 certification for managing information security. It is currently undertaking an inventory and intends thereafter to monitor the number of data centers that have obtained this certification.

### 2.4.6 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 dangerous substances, as defined by the European regulations regarding RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization of Chemicals, which aims to improve health protection and enhance knowledge regarding chemical substances).

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.

### 2.4.7 Solutions for financial transparency and inclusion

Ingenico Group develops electronic payment services to promote transparency and financial inclusion. By providing these services in a way that is secure, suited to the needs of local markets and widely accessible, the Group is helping governments to lay the foundations of social development.

#### 2.4.7.1 Financial transparency solutions

The collection and redistribution of tax is essential to the development of a society. Without a secure, transparent and inclusive system, the State does not have the means to stimulate growth and redistribute its wealth. Ingenico Group’s fiscal transparency solutions give national public institutions the means to efficiently manage the country’s wealth, thereby contributing to the fight against fraud and the informal economy (SDGs 16 and 17).

**Transparent, secure tax collection solutions**

In order to ensure sustainable economic development, it is important that the State collects taxes from its citizens efficiently and limits the risk of fraud. By its very nature, electronic payment contributions to the reduction of fraud and illicit financial flows (SDG 16[1](#footnote1)). Ingenico Group has strengthened its commitment by launching 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.

By way of an example, 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 following the adoption in 2012 of a law requiring all merchants to have a payment terminal with a fiscal module connected via the internet to the 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. 28,000 terminals were distributed in 2018, 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.

New solutions are expected to be deployed in other countries over the coming years, in line with the regulations adopted. Specifications for the automatic capture of tax data are being drawn up in Poland, Russia, Egypt, in DRC and Ghana.

Apart from providing assistance with the collection of VAT, Ingenico offers solutions for the efficient collection of one-off, specific taxes. The best illustration of this is the Group’s long-term collaboration with its Kenyan partner, Tracom, on a tax collection solution in Nyers County. 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.

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Solutions for secure, inclusive redistribution of tax collected

In order to ensure society shares in the benefits of domestic growth, the State must be just as stringent in the payment of social benefits. In Zambia, Ingenico Group and its partner Paycode have implemented a system for the payment of subsidies to farmers. Ingenico’s biometric solution has enabled the Zambian government to pay $272.2 million in aid to almost 200,000 farmers. Once registered on the system, which simply requires a fingerprint, farmers can spend their allocation in a secure, closed-loop environment and make the investments necessary to increase their productivity. Ingenico developed a similar system in Iraq, in partnership with QICard. It involves the production of biometric cards that, once they have registered, holders can use to transfer funds, withdraw cash, receive their pension from the State or their salary from their private sector employer via Ingenico biometric terminals. Thanks to the partnership with Mastercard, the second generation cards are even capable of making in-store EMV transactions. Since it was launched, this program has been a resounding success, helping to reduce fraud significantly, while widening access to the service. At the end of 2018, more than 6 million biometric cards were in circulation and Ingenico Group had equipped the branches of 12 banks operating in Iraq with 15,000 biometric terminals.

In Egypt, SMART has been helping the Egyptian government with the distribution of food subsidies for a number of years. Since 2018, the Company has joined forces with Ingenico Group to roll out several thousand Move/2500 terminals to merchants who are members of the scheme. The poorest Egyptians can use their SMART family card at these merchants’ stores, to receive basic foodstuffs according to their needs, such as bread or milk. A PIN code is used for identification and the data is then sent to the government, which reimburses the amounts advanced by the merchants. Twenty-five million Egyptian families currently hold a family card, with an increasing number of products being covered and devices installed in 25,000 grocery stores across the country.

2.4.7.2 Solutions for financial inclusion

These solutions aim to provide all individual and business customers with access to lower-cost financial services appropriate to their needs. Significant progress has been made in recent years. According to the World Bank, in 2017, 69% of adults had access to a bank account or a mobile banking service, compared to 51% in 2011. However, 1.7 billion adults are currently still financially excluded(1). Ingenico Group’s financial inclusion solutions meet this need and provide these populations with the tools they need to conquer poverty (SDG 1(2)). More specifically, the Group’s involvement is two-fold: it provides access to financial services (transfers, savings, loans) for hard-to-reach communities (people on low incomes, rural households, senior citizens) (SDGs 1 and 8) and it supports the development of micro-businesses by providing appropriate credit solutions (SDGs 8 and 9).

Providing the unbanked with access to financial services

Since 2013, Ingenico Group and its partner eMoney have been working in West Africa to roll out a solution that offers access to low-cost, secure financial services to those on low incomes. This solution, which is installed on Ingenico’s iWL mobile terminals, enables users to transfer money, pay bills and access banking services, as well as purchase mobile phone top-up credit. It has been launched in several countries including Benin, Ivory Coast, Burkina Faso, Niger, the Republic of the Congo (Brazzaville), Cameroon, Togo, and Guinea. Based on this solution, a roaming savings and account-opening service was also launched nearly four years ago in Cameroon, in partnership with a local microfinance institution (MFI).

In East Africa, Ingenico Group provides Branchless Banking technology for local banks looking to provide services in rural areas, through a network of “agents” who 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.

Supporting the development of micro businesses

In recent years, Ingenico Group has expanded its partnership with FINCA, an international institution that provides microcredit services to help low-income populations to set up social enterprises. 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 in use there relies on iWL mobile terminals connected to a secure platform that enables FINACOM agents to register new customers. These customers can then save, withdraw or deposit cash easily, thus developing their micro companies, if they so wish.

(1) Global Findex Database 2017: https://globalfindex.worldbank.org/
(2) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/
2.4.8 Responsible purchasing

With more than €1 billion spent in 2018 with around 5,000 suppliers, managing responsible purchasing plays an essential role in Ingenico Group’s social responsibility.

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.

For several years now, the Group has been developing its approach to responsible procurement through its purchasing policy, evaluations and monitoring of its suppliers, incorporating environmental and social criteria at different stages of its supply chain management, in order to minimize the risks and maximize the opportunities it provides. In 2019, this incremental approach, which involves a number of internal and external stakeholders, will be formally documented in an action plan, which will include specific objectives.

2.4.8.1 Different types of purchasing

Ingenico Group’s supply chain falls into two main categories: direct purchases or production purchases that are required for the manufacture of terminals, and indirect purchases that are not associated with product manufacturing.

2.4.8.1.1 Direct purchases

Direct purchases accounted for expenditure of €625 million in 2018.

As the production of all its terminals is outsourced, Ingenico Group pays particular attention to the responsible management of its 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 the impact of its activities on the environment (SDGs 12 and 13(2)).

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), thereby ensuring a supply chain that meets the highest standards in terms of the environment, labor rights and social justice in the electronics sector. These suppliers’ assembly plants also have ISO 14001 environmental certification.

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. These have been documented in a CSR agreement that all active components suppliers must sign. It stipulates Ingenico Group’s expectations vis-à-vis its 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. 110 strategic components suppliers to Ingenico Group have been required to sign this agreement (or provide proof of membership of the RBA). At December 31, 2018, 82% of these suppliers had signed the agreement and 5% had provided proof of membership of the RBA. This program will be extended to Landi’s component suppliers from 2019.

2.4.8.1.2 Indirect purchases

Amounting to approximately €450 million in 2018, they are 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.

2.4.8.2 Responsible purchasing policy and risk mapping

In 2018, Ingenico Group created two key tools for the development of its approach to responsible procurement: a specific policy and a supply-chain risk mapping.

2.4.8.2.1 Responsible purchasing policy

In 2018, Ingenico Group introduced a responsible purchasing policy, in keeping with its ambition of creating sustainable growth and value for all its stakeholders. It is built on five commitments:

• maintain fair relations with our suppliers;
• promote high labor and human rights standards through our supply chain;
• promote high environmental standards through our supply chain;
• promote high ethical standards through our supply chain;
• avoid conflict minerals and other controversial substances in our terminals.

In 2019, this policy, which is available online(2) for consultation by all stakeholders, will be shared with all employees in the Group, so that everyone can understand the responsible purchasing approach and apply its principles in their day-to-day activities, whether they are a buyer by profession or an occasional purchaser.

2.4.8.2.2 Supply-chain risk mapping

Having completed initial work to map the supply-chain risks associated with modern slavery, mainly to comply with British legislation (the UK Modern Slavery Act), Ingenico Group decided to extend this work to encompass its entire supply chain and all CSR issues.

In partnership with EcoVadis, a specialist in supply-chain CSR, Ingenico Group has produced a risk mapping covering all of its suppliers. Two studies were carried out for this purpose: firstly, an in-depth analysis of direct purchases, i.e. 17 types of purchase and 228 suppliers, and a second analysis of indirect purchases, covering 78 different types of purchase. Various criteria were considered, including country risk, sector and the Group’s level of dependence on specific suppliers.

(1) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/

This mapping covers social, environmental and ethical risks and has several objectives. These include providing a better understanding of the supply chain and being in a position to prioritize the action to be taken, according to the risks and suppliers identified.

This initial analysis showed that the greatest risks relate to direct purchasing and that the priority is for action to be taken in respect of production suppliers.

### 2.4.8.3 Assessment and monitoring of suppliers

Various communication and assessment tools are used to manage CSR risk within the supply chain, depending on the level of monitoring required.

For several years, the Quality teams have carried out assessments and audits of production suppliers.

In 2018, Ingenico Group and EcoVadis introduced a more comprehensive approach to supplier assessment, which provided access to the assessment results of around 50 suppliers, therefore making it possible to understand their CSR performance. In 2019, the Group will arrange for the CSR performance of some suppliers to be assessed by EcoVadis, in the light of lessons learned from the risk mapping exercise conducted in 2018. Action will be taken in respect of suppliers whose rating is considered to be inadequate.

#### 2.4.8.3.1 Terminal assembly

The Group’s terminal assembly process has now been fully outsourced, including in China, where the production plant ceased operations in 2018.

Ingenico Group ensures rigorous control over the assembly plants of Jabil and Flex, the two suppliers responsible for the assembly of Ingenico terminals, 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 dozens of 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 EMS facilities that handle the assembly of Landi terminals are also ISO 14001 certified. Consequently, in 2018, all Ingenico Group terminals were once again assembled at industrial sites with ISO 14001 environmental certification.

#### 2.4.8.3.2 Component manufacturing

In order to assess the CSR performance of all its Tier 2 suppliers (excluding Landi), Ingenico Group has developed an assessment questionnaire which includes social, environmental, ethical, health and safety criteria. In 2018, the Group launched an assessment campaign, asking its strategic suppliers to complete the questionnaire. At December 31, 2018, 74 out of 110 suppliers had been assessed.

The Quality Department continuously audits the various component suppliers around the world, when assessing potential new suppliers or launching new projects. Ten specific CSR points have been assessed as part of the audit process since 2018. The auditors check a number of points relating to working conditions, health and safety, the environment and ethics. Where non-compliance is identified, the supplier is asked to take remedial action. In 2018, a total of 34 audits covering CSR topics were carried out.

#### 2.4.8.3.3 Sourcing of minerals

Ingenico Group seeks to increase the traceability 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 2018, this assessment, which 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), covered 100% of suppliers of the components used in Ingenico terminals and 98% of suppliers of the components used in Landi terminals (Tier 2 suppliers).

Aware that 3TG minerals are not the only ones subject to controversy, 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 in some mines. Driven by the RBA and the RMI, a standardized reporting template for cobalt was made available as a pilot in 2018. Ingenico Group tested this template on its suppliers, where relevant. A more extensive risk assessment on the use of cobalt in its terminals may be conducted in 2019, once the RMI’s pilot has been completed and its list of refiners drawn up.

The Group’s responsible purchasing policy includes a dedicated section on minerals sourced from conflict zones and other controversial substances.

#### 2.4.8.3.4 Integrity of service providers

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. 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.

#### 2.4.8.4 Local initiatives

With regard to indirect purchasing, a large number of entities in the Group have put in place reasonable due diligence measures: evaluation of potential suppliers, application of social and environmental criteria as part of the selection process (40% of the Group’s entities), 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 biggest suppliers and new suppliers. Suppliers must also comply with the local
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2.4.9 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.

2.4.9.1 Supporting innovation

The payment ecosystem is constantly evolving. To meet the need for constant innovation, four years ago Ingenico Group created a dedicated Innovation Department, called Ingenico Labs. Composed of marketing experts, engineers, researchers, and decision-makers from strategic partners, the department 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 Finchet corporations and leading digital technology firms. Start-ups are sometimes financed either by the Partech Ventures venture capital fund or by Ingenico Group directly, as was the case in 2018 for Navya, a specialist in the design and manufacture of driverless vehicles.

In 2018, Ingenico Group was a partner in the first hackadon, a charity hackathon, organized by microDON in partnership with the EEMI (the École européenne des métiers de l’internet, a university dedicated to web and digital expertise). Over one weekend, around 40 students worked on five projects to put forward technical solutions (platforms, applications, etc.) to make it easier for young people to engage voluntarily with charitable organizations.

In 2018, none of Ingenico Group’s suppliers or subcontractors were considered to represent a risk of breaching the International Labour Organization conventions.

2.4.8.5 Local sourcing

Several Group entities are committed to using local suppliers. For example, 30% of the Group’s purchasing in Canada is from local suppliers, and priority is given to Canadian suppliers, wherever possible.

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, 90% in 2017 and 90% in 2018. 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 2018.

The Australian entity endeavors, wherever it can, 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.

Incentives are granted either directly with the charities, or in partnership with its customers.

In 2018, an amount of €137,322,061 was raised for hundreds of charities, through terminals or online, using Ingenico Group payment services.

2.4.9.2 Technology for fundraising

Ingenico Group uses its payment services to collect donations to charitable organizations. The Group works either directly with the charities, or in partnership with its customers.

In 2018, 7 million micro-donations were made, amounting to nearly €1.5 million raised by the end of the year for the benefit of the charities supported by the six partner retailers. As concerns its standalone terminals, a number of partners can install their own fundraising applications on Ingenico terminals. In the United Kingdom, the Pennies solution has been rolled out to nearly 6,500 terminals operated by more than 30 partner retailers and more than 1.2 million donations were made in 2018. It enables customers to make donations that are always less than £1, so as not to cannibalize donations that may be made by other means. Since 2011, this solution has been used to collect nearly £1,505,000 for 68 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, and TLC for Kids, which works with sick children and provides support for their families. Bambora decided to send humanitarian New Year cards to its customers in aid of Clowns Without Borders.

In France, Ingenico Group employees also showed their support for the fight against cancer by taking part in two races in 2018: the Course de la Jonquille event for the Institut Curie, a leading cancer research organization, and the La Parisienne race in support of the fight against breast cancer. Twenty employees took part in the Chemins de Chatu race near Valence where the Group supported Coala 26, which aims to provide children with mental or psychological disabilities the chance to develop their physical and social skills and self-confidence through sport. The Group also renewed its financial support to Stop Hunger, a non-profit that fights against hunger and malnutrition around the world, awarding the charity €10,000 during its donor gala. Finally, a toy collection was organized in aid of the charity Rejoué.

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, Ingenico Group supports various charities, including Habitat for Humanity, Toys for Tots, Shepherd’s Inn and Adopt-A-Family.

In the United Kingdom, the Group has supported charities for many years. In 2018, it raised funds during in-house events for the following charities: Children’s Hospices Across Scotland (providing children with access to hospice care), The Cross (finding homes for abandoned animals), Action for Pulmonary Fibrosis (helping patients and their families and raising awareness of pulmonary fibrosis), Findlay’s Friend (providing moral support to parents whose children are in hospital and comfort kits for families when a child is admitted in an emergency). The Group is also a member of local residents’ 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.

In 2018, the Belgian entity launched the SMILE project (Social Mobilization at Ingenico for Life Enhancement), an initiative that helps inspire Group employees to improve the lives of others by supporting charities. Several initiatives such as raffles, bake sales and collections helped employees raise a total of €5,000. Ingenico Group matched 100% of the amount raised, and so a total of €10,000 will be donated to Viva for Life and Music for Life (charities that improve the living conditions of children aged between 0 and 6 who are living below the poverty line).

In India, Ingenico Group made multiple charitable donations in 2018, amounting to €56,250. A number of charities have benefited from the support of Ingenico Group as a result: SOS Children’s Villages India (which works with orphans to offer them a loving family life), Akshay Patra (who leads a

These innovative charitable fundraising solutions are set to increase even more, with the creation in 2018 of a Positive Impact Offer Manager role responsible for developing payment services with a positive impact.
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In the United States, Ingenico Inc. takes part in a program at a university in Georgia to promote careers in the payment industry.

2.4.9.4 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, as illustrated by its funding for doctoral students, its scholarships, its participation in careers events, partnerships and programs, as well as the opportunities it provides for apprentices and interns (SDG 4).

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 and develop their knowledge. In France, for example, 60 interns and work/study students were taken on during the year 2018.

For several years, Ingenico Group has been working closely with the Politecnico di Milano Management School in Italy, 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.

In Germany, Ingenico Marketing Solutions has established a partnership with the Hamburg-based Nordakademie Graduate School.

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

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.

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, 60 interns and work/study students were taken on during the year 2018.

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 two doctoral students from the IT Security and Cryptology Department at the École normale supérieure.

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2.4.10 Stakeholder interaction

Partners, distributors, shareholders, the financial community, customers, suppliers, participants in the payment industry, NGOs and public authorities are among the many external stakeholders with whom Ingenico Group maintains regular, open dialogue (see 2.1.4 Stakeholder engagement).

2.4.10.1 Making connections

Operating as it does in a BtoB environment, Ingenico Group participates in and organizes a number of key events to maintain or forge links with its various stakeholders: partners, customers or prospective customers. The Group makes sure it is represented at the major trade fairs for the payment and Fintech industries. In 2018, for example, it attended three out of the four Money2020 events: Money2020 Asia, Money2020 Europe and Money2020 USA.

As part of its transformation and the move towards focusing on services aimed directly at merchants, Ingenico Group is committed to increasing its presence at events dedicated to retail and e-commerce. In 2018, for example, it took part in NRF Retail’s Big Show in New York, the RBTE trade show in London and Paris Retail Week. The Group has also attended events targeting certain vertical markets in the SMB or Retail Enterprise segments, such as gaming (ICE London) and transport (Transport Ticketing Global).

Ingenico Group also took part in the Mobile World Congress in Barcelona, which enabled it to showcase its expertise in mobile payment and the mobile consumer experience.

Some Group entities organize their own events with a view to discussing current or future developments in the commercial and payment sectors with their customers or prospective customers. By way of example, in 2018 the Global Online division organized three such events in Europe, Asia and Latin America, with around 50 people attending each one.

2.4.10.2 Customers

2.4.10.2.1 Customer relationship management

The INGAGE program is central to the transformation of the customer experience within the Group. Ingenico Group has opted to step up this transformation by focusing it on three pillars:

• **People IN!**: measuring our employees’ engagement, with the aim of assessing their engagement with the Ingenico Group brand, their relationship with their management teams and their individual position within the Group. People IN! then assists with the preparation and implementation of action plans designed to have a direct bearing on employees who are ambassadors and developers of the brand.

• **Manage IN!**: rolling out the CRM (Customer Relationship Management) platform, with the aim of improving operational excellence, digitizing the customer experience and bringing teams in line around common practices and a customer-centered culture at a global level. By gradually migrating all the Group’s customer-facing employees to the Salesforce.com CRM platform, the Manage IN! aspect of the program makes it possible to build a 360-degree view of customers and at the same time consolidate information, enabling the Group to better serve its customers and respond to their needs;

• **Client IN!**: measuring customer satisfaction worldwide, with the aim of assessing the power of the brand, the level of innovation offered to customers, the performance of the sales and customer service teams, as well as how products and services meet the needs of the Group’s customers. Client IN! then assists with the preparation and implementation of action plans designed to have a direct bearing on customer satisfaction;

In 2018, more than 1,060 people in over 20 countries in all 4 geographical regions (Europe & Africa, NAR, LAR, and APAC) migrated to this new CRM platform. The sales and management teams now manage their 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.

Teams in Retail can also manage their Marketing Campaigns on the CRM platform to boost the acquisition of new customers, and the teams responsible for after-sales service can respond more effectively to customer demands and immediately measure satisfaction using Csat (a transactional index to assess client satisfaction).

In 2019, the Group will continue its rollout of the CRM platform, so as to continue to improve our customers’ experience from “acquisition to onboarding”, increase the effectiveness of marketing campaigns and enhance their impact through targeted communication, provide a self-service solution to all Ingenico Group partners, and implement shared solutions to improve customer service center performance across the Business Units.

2.4.10.2.2 Satisfaction surveys

In February 2018, for the sixth consecutive year, Ingenico Group launched a customer satisfaction survey, “Client IN!”. This year, the survey was sent to all countries and regions within the Group, with the exception of China, but including recent acquisitions such as Bambora. The survey is available in 18 languages. The information collected from more than 5,000 questionnaires received (a response rate of 8%) 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, applications and services, 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.

(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).
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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.

The customer voice is essential to the development of Group strategy and customer focus is now its highest priority. Beyond words and the action undertaken so far, from 2019 these teams will have a variable component of their salary linked to their entity’s NPS.

2.4.10.3 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.

In Italy, Ingenico Group takes part in events organized by its partners and by the associations it belongs to. In 2018, 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 Canada, the Group’s partnerships have been widened in scope, to keep in step with developments in the payment ecosystem. In 2018, Ingenico Group therefore developed, in partnership with Prodigy Ventures, a demonstration of the “One Tap Proof of Age” concept. This solution has been developed on connected screens and makes it possible to check a customer’s age when they pay for certain products, such as alcohol or cannabis, which was recently legalized in the country. Discussions are being held with government bodies and merchants regarding the roll-out of this solution. On another note, the Group continued working in partnership 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.

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 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. Since 2017, the Group has been involved in preparations for the launch of Market Finder. The launch of this platform, scheduled for 2019, will be the subject of local and international marketing campaigns.

2.4.10.4 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.

2.4.10.4.1 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 sector conferences and roadshows, particularly in Europe and North America. In 2018, Ingenico Group took part in 20 investor conferences, 30 roadshows, and 2 trade shows in the United States, Canada and Europe (Paris, London, Frankfurt, Milan, Nordic countries, etc.). More than 520 face-to-face meetings or conference calls were held in total, enabling the Group to meet more than 550 financial institutions and 900 investors.

2.4.10.4.2 Stronger financial communication 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.

2.4.10.5 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.

Furthermore, Ingenico Group is actively involved with the various missions of the Nexo standards body. Consequently, it is a member of the Board and of the nexo Fast, nexo IS, nexo Acquirer and nexo Retailer technical working groups. In addition to heading up the technical needs analysis working group, the group co-chairs the strategy working group, the nexo TMS technical working group and, since 2018, the security working group. Lastly, it offers 155 days’ work per year for technical tasks at preferential rates.

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 the Mobile Marketing Association France since 2018. This is an organization that is dedicated to marketing, advertising, CRM and commerce on smartphones, tablets and connected devices.

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.

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.

In the Netherlands, Ingenico ePayments is a member of the Dutch payments association (Betaalvereniging Nederland) which campaigns for a secure, reliable and trustworthy national payment system.

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. The Group acts as advisor to the annual Canadian Innovation Exchange conference and to the Northwind Payments annual panel. Since 2018, it has also been involved with the center of excellence of the CQCD (Conseil Québécois du Commerce de Détail, the Quebec Board of Retail Trade) in the development of projects such as smart cities. Furthermore, it is now a member of and advisor to the Digital ID and Authentication Council of Canada’s (DIACC) Innovation Expert Committee.

In Germany, Ingenico Group is a member of or in contact with numerous organizations, such as the BVZI (federal association of payment institutions), the EFA (the body representing the strategic interests of Fintech companies in Europe) and EPIF (the European Payment Institutions Federation). 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 Italy, the Group is a member of Club Italia, an organization that aims to promote Open Payment in the transport sector. The objective is to encourage travelers to operate payment and access systems using their bank card or mobile phone, by means of contactless validating machines embedded into ticketing platforms.

Finally, in India, Ingenico Group 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.
### 2.5 INGENICO GROUP’S ENVIRONMENTAL APPROACH

#### Key indicators 2018

- **16,127.1 MWh of electricity used**
- **342.1 tons of end-of-life terminals collected and processed**
- **13% energy optimization for the Lane/5000 terminal**
- **100% of terminals are RoHS2 and REACH compliant**
- **GHG emissions: 30.3 kgCO2e/installed terminal**

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.

To achieve this, an environmental policy applicable to all employees has been implemented, based on four key 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.

The main environmental issues highlighted by the survey of its main stakeholders conducted in 2018 (detailed in section 2.4.10, “Stakeholder interaction”) are as follows:

- appropriate management of waste resulting from end-of-life payment terminals;
- energy efficiency of the payment terminals that the Group places on the market;

These issues, already taken into account in the Group’s environmental approach (see Chapter 2.5.2.2, “Impacts linked to the products and services offered”), will be factored into the CSR action plan to be released in 2019.

### 2.5.1 Environmental Management System

#### 2.5.1.1 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 2018, 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 2018, 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).

### 2.5.2 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 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.

#### 2.5.2.1 Impacts related to infrastructure

##### Energy consumption

A study of data relating to energy consumption was performed at Group level. In 2018, the quantity of electricity consumed was 16,127.1 MWh. The quantity of natural gas consumed amounted to 4,786.0 MWh HHV over the same period.

<table>
<thead>
<tr>
<th></th>
<th>2018 (like-for-like)</th>
<th>2018 (like-for-like)</th>
<th>2017 (like-for-like)</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption</td>
<td>16,127.1</td>
<td>15,209.6</td>
<td>15,305.8</td>
<td>-1%</td>
</tr>
<tr>
<td>Natural gas consumption</td>
<td>4,786.0</td>
<td>4,691.1</td>
<td>3,615.4</td>
<td>+30%</td>
</tr>
</tbody>
</table>

Electricity consumption was almost stable between 2017 and 2018, whereas natural gas consumption increased substantially (up 30%) on account of a hard winter in the United Kingdom.

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 2018 all of the energy used by its main site in Ratingen, Germany, came exclusively from renewable sources, thereby reducing the corresponding greenhouse gas emissions. This type of initiative is also in place on the Stockholm (Sweden) site.

For its IT services, Ingenico Group has implemented a cloud computing strategy that optimizes the energy efficiency of the data centers.

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

In the building located in Brussels, Belgium, the office lights switch off automatically from 9 pm and only emergency lighting is used to avoid any unnecessary consumption. The same principle is applied in Russia, where the electricity is cut from 10 pm on working days to reduce daily energy consumption.

#### 2.5.2.2 ISO 14001:2015 certification

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.
Water consumption
Given the Group’s business activities, the consumption figures recorded are related to food and sanitary use. However, the quantities of water consumed are monitored locally at the different sites. The Group’s total water consumption in 2018 was 88,800 m$^3$.

<table>
<thead>
<tr>
<th>(in thousands of m$^3$)</th>
<th>2018</th>
<th>2018 (like-for-like)</th>
<th>2017 (like-for-like)</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>88.8</td>
<td>69.6</td>
<td>62.6</td>
<td>+11%</td>
</tr>
</tbody>
</table>

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

Paper consumption
GRI 301-1
Paper consumption related to Ingenico Group’s activities represented 83.1 tons in 2018.

<table>
<thead>
<tr>
<th>(in tons)</th>
<th>2018</th>
<th>2018 (like-for-like)</th>
<th>2017 (like-for-like)</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper consumption</td>
<td>83.1</td>
<td>66.7</td>
<td>62.8</td>
<td>+6%</td>
</tr>
</tbody>
</table>

The Group’s efforts to reduce paper consumption are reflected by configuring printers to print on both sides by default, 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 Brazil, employees need to log in to be able to confirm their printouts, thereby avoiding unnecessary printing.

Employee transportation and business travel
To reduce business travel, Ingenico Group has installed video conferencing systems that enable work meetings to be held on several sites at the same time. Such systems are now installed at all of the Group’s facilities.

A “carbon offset” was again undertaken in 2018 in connection with the Mobile World Congress in Barcelona (Spain), with the Group offsetting in full the 72 tons of CO$_2$ equivalent corresponding to transportation for 93 participants. This initiative, funded by the Group in partnership with the GoodPlanet Foundation, helped to support a project in Lomé (Togo) that recycles organic waste as compost for agriculture.

In Germany, Ingenico Group takes account of the level of CO$_2$ emissions in selecting its rental vehicles (maximum 126 gCO$_2$/km in 2018). A meaningful plan to reduce these emissions has been in place since 2015 and extends until 2020 (to reach 110 gCO$_2$/km).

In France, Management and Trade Unions signed an agreement containing eco-responsible and citizenship measures for employees. These measures, which aim to reduce the carbon footprint linked to car use, are as follows:

- introduction of a bicycle mileage allowance for employees who cycle between their home and their place of work;
- introduction of a monthly carpooling allowance.

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

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, as well as in Valence, 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 2018, this service collected 15.2 tons of waste, including 13.5 tons of paper, and so enabled the saving of 239 trees, 422.8 m$^3$ of water, 7.8 tons of CO$_2$ and 56.4 MWh of electricity.

A weekly waste report has been established at its repair center based in the United Kingdom. The results are displayed for personnel, which helps raise employees’ awareness and promote waste sorting and recycling.

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”.
2.5.2.2  Impacts linked to the products and services offered

Eco-design

Eco-design is a preventive approach aimed at incorporating environmental concerns right from the product design stage. 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 products 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 checklist 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 and number of plastic materials, marking of parts, disassembly constraints, etc., for recycling purposes).

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)

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 transportation. 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 in 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 progress has been made in terms of the quantities of raw materials used compared to the previous range (iSC250).

<table>
<thead>
<tr>
<th></th>
<th>iSC250</th>
<th>Lane/5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminal weight (g)</td>
<td>-35%</td>
<td>-21%</td>
</tr>
<tr>
<td>Plastic weight (g)</td>
<td>-60%</td>
<td>-27%</td>
</tr>
<tr>
<td>PCB surface (cm²)</td>
<td>-21%</td>
<td></td>
</tr>
<tr>
<td>PCB + Comp. weight (g)</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding cables, power supply and thermal paper roll.

Product transportation

The Group works with two transportation 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, load consolidation and optimization, and the selection of means of transportation, 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.

Product 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: firstly 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.

With the range of Telium Tetra terminals and particularly Lane/5000, the terminal’s energy consumption in idle mode has consequently been optimized compared to the previous range (iSC250).

<table>
<thead>
<tr>
<th></th>
<th>iSC250</th>
<th>Lane/5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminal in idle mode (W)</td>
<td>-13%</td>
<td></td>
</tr>
</tbody>
</table>

Another area where Ingenico Group seeks to be a pioneer is in paperless 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 in particular, Ingenico Group is consolidating this ambition with a portable terminal that combines flexibility and versatility whilst offering a digital receipt solution.

These two initiatives are all the more relevant since the printing of receipts and the energy consumption of terminals are in first and second place respectively in the analysis of GHG emissions (for more detailed information, please refer to section 2.5.3.1, “Analysis of greenhouse gas emissions”).
Product end-of-life

As a global manufacturer of electronic products, the collection and recycling of electronic waste is a priority for Ingenico Group. This is why the Group delivers solutions that enable its customers to recycle responsibly the electronic waste resulting from the products it sells.

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, as well as in Australia, Brazil, Mexico, the Philippines, Turkey and, most recently, China and India.

This commitment to the circular economy helps:

- firstly, to protect the environment, since electronic waste may contain toxic and hazardous materials likely to pollute the soil and water for decades. The recycling of obsolete electronic products thus helps to reduce pollution and the risks to health and the environment;

- secondly, to conserve natural resources, since electronic waste contains many precious and recoverable materials, such as copper, gold, silver, plastics and ferrous metals. Recycling therefore helps to save resources by extracting fewer raw materials as well as helping to save energy and reduce greenhouse gas emissions.

In France, a new partnership has been put in place with a local recycler, itself ISO 14001-certified. Furthermore, this partner is also an accessible social and environmental business that employs staff with disabilities for the processing and recycling of WEEE.

The quantity of terminals collected and recycled is monitored at Group level, and reached a total of 342.1 tons in 2018.

<table>
<thead>
<tr>
<th>(in tons)</th>
<th>2018 (like-for-like)</th>
<th>2018 (like-for-like)</th>
<th>2017 (like-for-like)</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-of-life products (WEEE) collected and treated</td>
<td>342.1</td>
<td>341.1</td>
<td>338.9</td>
<td>+1%</td>
</tr>
</tbody>
</table>

2.5.3 Group greenhouse gas emissions

2.5.3.1 Analysis of greenhouse gas emissions

In 2018, Ingenico Group updated its analysis of greenhouse gas (GHG) emissions. This approach covers greenhouse gas emissions across a scope that extends to the entire Ingenico Group value chain, including Scopes 1, 2 and 3.

Scope 1 concerns direct greenhouse gas emissions generated by the Group’s business, while Scope 2 concerns emissions associated with the consumption of electricity. Scope 3 relates to indirect emissions linked to activities upstream and downstream of the organization. Unlike Scopes 1 and 2, which take into account energy issues only, Scope 3 concerns all business flows.

As shown in the following illustration, the evaluation of greenhouse gas emissions is based on a six-step study of Ingenico Group’s value chain:

- energy consumption of buildings and employee business travel;
- production of terminals, including the production and transportation of raw materials;
- transportation of terminals from assembly plants to customers;
- use of terminals and services provided by the Group;
- maintenance of terminals;
- processing of end-of-life terminals.
This analysis identified the elements with the highest GHG emissions so that preventive action could be taken in the areas of greatest impact for the workstations which the Group has the means to control and influence. 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 CO₂ emissions in Ingenico Group’s value chain in 2018

- **27.2%** of emissions come from the production of components required for terminals.
- The energy consumption of terminals represents **27.3%** of the total carbon footprint.
- The use of thermal paper (production and transportation) for receipts is responsible for **39.5%** of total emissions.

### Details of emissions in CO₂ equivalent per scope and per year

<table>
<thead>
<tr>
<th>(in tons of CO₂ equivalent)</th>
<th>2018</th>
<th>2018 (like-for-like)</th>
<th>2017 (like-for-like)*</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 (direct emissions from the combustion of fossil fuels)</td>
<td>7,502</td>
<td>7,502</td>
<td>7,750</td>
<td>-3%</td>
</tr>
<tr>
<td>Scope 2 (indirect emissions from electricity)</td>
<td>10,424</td>
<td>10,371</td>
<td>9,640</td>
<td>+8%</td>
</tr>
<tr>
<td>Scope 3 (other indirect emissions)</td>
<td>1,665,984</td>
<td>1,665,642</td>
<td>1,525,534</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,683,910</td>
<td>1,683,515</td>
<td>1,542,924</td>
<td>+9%</td>
</tr>
</tbody>
</table>

* The 2017 data was revised downwards due to the adjustment of certain emission factors.

### Details of emissions in CO₂ equivalent per item and per year

<table>
<thead>
<tr>
<th>(in tons of CO₂ equivalent)</th>
<th>2018</th>
<th>2018 (like-for-like)</th>
<th>2017 (like-for-like)*</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings energy and business travel</td>
<td>20,923</td>
<td>20,528</td>
<td>21,182</td>
<td>-3%</td>
</tr>
<tr>
<td>Terminal production</td>
<td>486,966</td>
<td>486,966</td>
<td>395,842</td>
<td>+23%</td>
</tr>
<tr>
<td>Terminal delivery</td>
<td>26,628</td>
<td>26,628</td>
<td>27,905</td>
<td>-5%</td>
</tr>
<tr>
<td>Use of products and services</td>
<td>1,134,477</td>
<td>1,134,477</td>
<td>1,086,484</td>
<td>+4%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>8,652</td>
<td>8,652</td>
<td>7,094</td>
<td>+22%</td>
</tr>
<tr>
<td>Processing of end-of-life terminals</td>
<td>6,264</td>
<td>6,264</td>
<td>4,417</td>
<td>+42%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,683,910</td>
<td>1,683,515</td>
<td>1,542,924</td>
<td>+9%</td>
</tr>
</tbody>
</table>

* The 2017 data was revised downwards due to the adjustment of certain emission factors.
GHG emissions related to buildings energy consumption and business travel were reduced (-3%) primarily due to the fall in business travel recorded in 2018. 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 significantly (+23%) in connection with the number of terminals manufactured by the Group in 2018.

GHG emissions relating to the transportation of terminals were optimized (-5%) as a result of the initiatives described in the section on transportation in paragraph 2.5.2.2, “Impacts linked to the products and services offered”, with the percentage of products transported by sea in particular increasing in 2018.

GHG emissions related to the use of the Group’s products and services increased slightly (4%). However, this increase is lower than the growth of the installed terminal base (20%). This demonstrates the effectiveness of the measures outlined in the section on 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

<table>
<thead>
<tr>
<th>Year</th>
<th>tCO₂e/employee</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>21,182</td>
<td>2.6</td>
</tr>
<tr>
<td>2018</td>
<td>20,923</td>
<td>2.7</td>
</tr>
</tbody>
</table>

### Terminal production

<table>
<thead>
<tr>
<th>Year</th>
<th>kgCO₂e/manufactured terminal</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>395,842</td>
<td>30.5</td>
</tr>
<tr>
<td>2018</td>
<td>486,966</td>
<td>29.2</td>
</tr>
</tbody>
</table>

### Terminal delivery

<table>
<thead>
<tr>
<th>Year</th>
<th>kgCO₂e/manufactured terminal</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>27,905</td>
<td>2.1</td>
</tr>
<tr>
<td>2018</td>
<td>26,628</td>
<td>1.6</td>
</tr>
</tbody>
</table>

### Use of products and services

<table>
<thead>
<tr>
<th>Year</th>
<th>kgCO₂e/terminal installed</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,086,484</td>
<td>23.5</td>
</tr>
<tr>
<td>2018</td>
<td>1,134,478</td>
<td>20.4</td>
</tr>
</tbody>
</table>

### Total GHG emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>kgCO₂e/terminal installed</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,542,924</td>
<td>33.4</td>
</tr>
<tr>
<td>2018</td>
<td>1,683,910</td>
<td>30.3</td>
</tr>
</tbody>
</table>

In 2018, 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 (11%) is less significant than the increase in the installed terminal base (20%) as shown by the GHG emissions trend in relative values (in kgCO₂e per installed terminal).
### 2.5.3.2 Greenhouse gas reduction targets for 2020

Ingenico Group is keenly aware of the progression and impact of climate change across the globe and wants to participate in the collective drive to keep global warming below 2°C between now and 2050. This is why the Group decided in 2016 to set itself objectives for reducing greenhouse gas emissions by 2020, thereby contributing to SDG 13 (Take urgent action to combat climate change and its impacts).

However, given the internal reorganizations that occurred in 2018 and the definition of a new corporate strategy, it was decided to replace the objectives previously defined for the reduction of greenhouse gas emissions with new objectives for 2023 as part of the CSR action plan that will be released in 2019.

A progress report on the various objectives at December 31, 2018 is shown below.

<table>
<thead>
<tr>
<th>Scope</th>
<th>2020 objectives (compared with 2015)*</th>
<th>Shares</th>
<th>Indicator</th>
<th>2015 references**</th>
<th>2018 results</th>
<th>Like-for-like change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption of offices (Scope 2)</td>
<td>Reduce CO₂ emissions related to offices occupied by Ingenico Group in France by 50%</td>
<td>Increase the share of renewable energy supplying the main sites located in France</td>
<td>tCO₂e</td>
<td>202</td>
<td>186</td>
<td>-8%</td>
</tr>
<tr>
<td>Use of terminals (Scope 3)</td>
<td>Reduce the CO₂ emissions per Ingenico terminal installed worldwide by 10%</td>
<td>Increase the energy efficiency of terminals and promote the use of paperless electronic payment receipts</td>
<td>kgCO₂e/installed terminal</td>
<td>24.2</td>
<td>20.2</td>
<td>-17%</td>
</tr>
<tr>
<td>Terminal transport (Scope 3)</td>
<td>Reduce the CO₂ emissions per Ingenico terminal transported by 5%</td>
<td>Increase maritime transport and consolidated freight via the installation of a transport hub in Europe</td>
<td>kgCO₂e/manufactured terminal</td>
<td>2.5</td>
<td>1.6</td>
<td>-36%</td>
</tr>
</tbody>
</table>

* All targets are set on a like-for-like basis.
** The values were calculated with emission factors updated in 2018.

The target for GHG emissions associated with the data centers used by Ingenico Group could not be monitored and so was not reported in the previous table.

2.5.4 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 to counter the 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 2018 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, “Group greenhouse gas emissions”.

CDP
In 2018, 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 specifically enables institutional investors to assess the performance of more than 5,000 listed companies around the world in relation to their climate change policy, GHG emissions and energy consumption.

The Group confirmed its commitment to the fight against climate change, with a score of “B” (for “Management”). The average score is B-, whether for European companies or for companies in the IT sector. In 2018, 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
Today, eco-responsible and sustainable mobility solutions are on the increase. With electric vehicles accounting for 10% of new car sales each year, it is therefore essential to provide the infrastructure to ensure that these vehicles can continue to run.

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. Ingenico Group is contributing to the success of SPIE Group through the self-service terminals range, helping to make the recharging of vehicle batteries as easy and accessible as going shopping.

Connected business night
Ingenico Group participated in the retail event of the year by offering an innovative solution aimed at digitizing loyalty cards as simply as possible. Thanks to the Ingenico payment terminal, consumers now have an easy-to-use, secure means of creating and using their digital loyalty cards. What is more, there are also savings in the form of paper registration forms and plastic cards, representing an environmental benefit (savings in raw materials and waste reduction).

2.5.5 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 and water consumption, travel and energy consumption and to promote waste sorting.

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.
For the year ended 31 December 2018
To the shareholders,

In our capacity as independent third party of Ingenico S.A., certified by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049, and, as a member firm of the KPMG International network, one of your statutory auditors, we hereby report to you on the consolidated non-financial performance statement for the year ended 31 December 2018 (hereinafter the “Statement”), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R. 225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

Responsibility of the company
It is the Board of Directors’ responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the company (hereinafter the “Guidelines”), the most significant aspects of which are presented in the Statement and available upon request at the company’s headquarters.

Independence and quality control
Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors. Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Independent third party’s responsibility
On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code (Code de Commerce);
- the information provided (hereinafter the “information”) is fairly presented in accordance with Article R.225-105-3(3) and II of the French Commercial Code (Code de commerce) concerning policy outcomes, including key performance indicators and actions relating to the main risks.

However, it is not our responsibility to express an opinion on:

- the Company’s compliance with any other applicable legal and regulatory provisions, relating, in particular, to the duty of care requirement and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulatory provisions.

Nature and scope of our work
We performed our work described below in compliance with Article A.225-1 et seq. of the French Commercial Code (Code de commerce), 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 ou CNCC) relating to this engagement, and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement’s compliance with legal and regulatory provisions and the fair presentation of the information therein:

- We gained an understanding of the activity of all companies in the consolidation scope, of the company’s exposure to the main social and environmental risks relating to the business activity and, if applicable, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector’s best practices;
- We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, in accordance with the disclosures required under Article R. 225-105-1, and policies, due diligence procedures and outcomes, including key performance indicators;
- We verified that the Statement presents the disclosures required under article R. 225-105-II if they are relevant given the main risks or policies presented;

(1) Scope available at www.cofrac.fr
2.6 Report by the independent third party, on the consolidated non-financial performance statement in the Management Report

- We obtained an understanding of the process for identifying, prioritizing and validating the main risks;
- We enquired about the existence of internal control and risk management procedures implemented by the company;
- We verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 within the limits specified in the Statement;
- We assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the policy outcomes and key performance indicators that must be mentioned in the Statement;
- For key performance indicators and the other quantitative outcomes\(^{(1)}\) that we considered the most important, we set up:
  - analytical procedures to verify that data collected are correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing\(^{(2)}\) to the reported data and represents between 15 and 100% of consolidated data of key performance indicators and outcomes selected for these tests;
- We referred to documentary sources and conducted interviews to corroborate the due diligence procedures that we deemed the most important\(^{(3)}\) (organization, policies, actions, qualitative outcomes);
- We assessed the overall consistency of the Statement based on our understanding of the Company.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance opinion. 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 Statement cannot be totally eliminated.

**Means and resources**

Our work drew on the skills of five individuals. To assist us in conducting our work, we called on our firm’s sustainable development and corporate social responsibility specialists. We conducted around ten interviews with the individuals responsible for preparing the Statement.

**Opinion**

Based on our work, and given the scope of our responsibilities, we have no material misstatements to report that would call into question the Statement’s compliance with the applicable regulatory provisions, or the fair presentation of the information, taken as a whole, in accordance with the Guidelines.

**Comments**

Without qualifying our opinion, in accordance with article A. 225-3 of the French Commercial Code (Code de commerce), we draw your attention to the following matters:

- The reporting scope does not include Ingenico Group’s activities in China for the performance indicators “Share of suppliers who signed the CSR Agreement or provided proof of their RBA membership” and “Share of suppliers assessed regarding their CSR performance”.
- Controls at Group level could be further strengthened regarding training hours and absenteeism data.

Paris-La Défense, 25 February 2019

Anne Garans
Partner
Sustainability Services

Frédéric Quelin
Partner

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(1) Total headcount and breakdown of the workforce by gender and age range. Number of departures (including resignations). Total number of training hours, Average number of training hours per employee. Percentage of payment terminals assembled in ISO 14001 certified plants; Greenhouse gas emissions due to the use of terminals; Electricity consumption; End-of-life products (WEEE) collected and treated; Share of suppliers who signed the CSR Agreement or provided proof of their RBA membership; Share of suppliers assessed regarding their CSR performance.

(2) Ingenico Group headquarters and Ingenico Group S.A. (France), Ingenico Spain (Spain).