

INTRODUCTION

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

INGENICO GROUP STRUCTURE AND SUPPLY CHAIN OVERVIEW

Ingenico Group SA, a French publicly listed company, is the parent of the Ingenico group of companies (“Ingenico Group”) including the two main trading entities in the UK, Ingenico (UK) Limited and Ingenico Retail Enterprise (UK) Limited (“Ingenico UK”) and the main trading entity in Australia, Ingenico International (Pacific) Pty Limited (“Ingenico AUS”). Ingenico Group is the global leader in seamless payment services, providing secure payment solutions across all sales channels. The Group is organised across two customer-centric business units – the Retail Business Unit and the Banks and Acquirers Business Unit. Ingenico Group employs nearly 9,000 people located in 46 countries. It has commercial operations in 170 countries, with sales revenues in 2019 of €3.3 billion.

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

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

POLICIES AND PROCEDURES

Ingenico Group’s adherence to ethical working practices is demonstrated by its participation in the [UN Global Compact](https://www.unglobalcompact.org/what-is-gc/participants/62441#cop)¹. Each year, as a signatory to the Global Compact, Ingenico Group reports on the progress it has made in respecting and promoting the Global Compact’s universal principles, including in relation to human rights and international labour standards. In 2019, the Group published its report at GC Advanced level, which corresponds to a higher standard of social responsibility.

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

Our commitment to ensuring that there is no Modern Slavery in our supply chains or in any part of our business is also enshrined in our [Code of Ethics and Business Conduct \(the “Code”\)](#)², which is made available to all employees.

In 2019, Ingenico Group reviewed and made updates to the Code, which was published in early 2020, particularly in connection with Modern Slavery and other recent regulations. The Code emphasizes the ethical standards and values Ingenico’s employees and partners must abide by and includes a specific commitment relating to Modern Slavery.

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

The Code is accessible in multiple languages to ensure that the Group’s ethical culture is fully understood and adopted by all parts of the business. The global Human Resources network also ensures that ethical working standards are consistently applied across the business. New employees are expected to acknowledge the Code. This is supported by the Internal Control Manual and internal auditors verify compliance and ensure there are no abnormal situations, such as employees not receiving minimum wages or more people working on sites than there should be.

In 2019, the Code was included in the onboarding pack of documents for new employees and sub-contractors with 70% of new employees and sub-contractors signing the Code. All Australian employees acknowledged the Code in 2019.

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

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

In 2019, we fully implemented a new responsible purchasing policy based on five commitments summarised in Ingenico Group’s [Responsible Purchasing Charter](#)⁴. The second commitment of the charter is promoting high labour and human rights standards through our supply chain. The fifth is strengthening the transparency of our supply chain, avoiding conflict minerals and controversial substances in our terminals.

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

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

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

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

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

RISK MAPPING

In partnership with EcoVadis, a consultancy specialising in supply chains' CSR assessment, we conducted a social and environmental risk mapping for Ingenico terminal suppliers, component suppliers and indirect suppliers, at the end of 2018 with the following results:

- On the one hand, no indirect supplier was categorized severe or high-risk suppliers.
- On the other hand, 65.8% of component suppliers were categorized as severe or high-risk suppliers. Remaining suppliers belong to medium high or medium low-risk categories.
 - Focus was made on the component suppliers categorized severe or high-risk for the deployment of CSR assessment and audits.

SUPPLIER DUE DILIGENCE, CONTRACTUAL CONTROLS, ASSESSMENTS AND AUDITS

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

- A CSR criterion was introduced in June 2019 in all Requests For Proposals prior to selecting component suppliers, accounting for 5% of the supplier's global score. Respondents are also required to describe measures in their premises to prevent involuntary and child labour as well as human trafficking.
- The external electronic manufacturing services (EMS) and component suppliers are required to comply with our Code. These standards are enforced by contractual mechanisms and should they fail to comply, Ingenico will exercise its rights, including termination of the supplier contractual relationship.
- Ingenico Group's two main EMS suppliers in charge of assembling Ingenico terminals (excluding Landi) are members of the Responsible Business Alliance (RBA). Hence, they commit to uphold the human rights of workers and to treat them with dignity and respect as understood by the international community. These standards apply to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.
- Additionally, EMS and component suppliers are requested to sign a CSR Agreement committing them to respecting socially responsible practices including the prevention of involuntary labour and human trafficking and cascading the Group's conditions down their own supply chains. At the end of 2019, among 112 severe and high-risk component suppliers, 61% had either agreed to comply with the CSR Agreement or demonstrated RBA membership. Specific actions (which may include onsite audits) are taken with suppliers who are not RBA members and have not signed a CSR Agreement, to understand the blocking points, analyse and address the associated risks. Any failure to comply with the forced labour and anti-slavery prohibitions mentioned in the CSR Agreement will allow Ingenico to terminate its relationship with that supplier.

- Dedicated teams from Ingenico Group are based at the main assembly sites to continuously monitor production activity.
- In 2019, Ingenico Group directed EcoVadis to perform a CSR-performance assessment of all severe and high-risk suppliers involved in the production of Ingenico terminals (excluding Landi). The CSR assessment covers environment, ethics, sustainable procurement and labour and human rights including child labour, forced servitude and human trafficking. Among 112 severe and high-risk suppliers, 55% were assessed by 31 December 2019. Any non-conforming suppliers are required to implement corrective actions plans.
- The effectiveness of these measures is determined by reviewing the EcoVadis assessments.
- For electronic component suppliers, Ingenico Group ensures close supervision and performs regular quality audits. CSR topics verified during these audits include the respect of Ingenico's requirements regarding the maximum number of working hours, the minimum age of the employees and minimum wage rules. In case of any non-conformity, suppliers are required to implement corrective actions plans. In 2019, 47 audits covering CSR topics were conducted by Ingenico Group.

Although we consider that the main Modern Slavery risks mostly relate to component manufacturing activities, we are aware of the need to remain vigilant in all supply chain operations. Procurement not related to the core manufacturing products (e.g. logistics, courier services, waste management etc.) is controlled at a local business level. Prior to contracting with any significant new suppliers, Ingenico UK uses a due diligence questionnaire, including an ethics section and a question on employment of child or forced labour.

TRAINING AND AWARENESS

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

In addition, a dedicated Compliance Intranet site has been established with relevant policies and guidance. This has been supported by local awareness campaigns including for example, displaying information relating to the Code and Alert Policy on office screens.

In 2019, Ingenico also ran an internal awareness campaign on its responsible purchasing approach and global communications around the launch of its 5-year CSR programme called [SHARE⁵](#), with the recruitment of ambassadors around the world to locally relay the programme's actions.

⁵ <https://cdn.ingenico.com/binaries/content/assets/corporate-en/csr/share-infography-action-plan.pdf>

FURTHER STEPS

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

Further steps to be implemented will include:

- Revisiting due diligence on major suppliers including in relation to Modern Slavery aspects
- Executing the SHARE programme
- Empowering the CSR ambassadors to implement local CSR actions
- Having 95% of all employees acknowledge the Code by 2023
- Conducting risk mapping for Ingenico China's suppliers

We will report on progress made in future statements.

This statement is made on behalf of Ingenico Group SA and its relevant subsidiaries, including Ingenico UK and Ingenico AUS and has been approved by the Executive Committee of Ingenico Group SA. The statement was prepared in consultation with, and reviewed by the executive management of Ingenico UK and Ingenico AUS. This statement constitutes our Group's slavery and human trafficking statement for the financial year ending 31 December 2019 pursuant to section 54(1) of the Modern Slavery Act 2015 for Ingenico UK, and constitutes the modern slavery statement pursuant to section 13 of the Modern Slavery Act 2018 (Cth) for Ingenico AUS.



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