

COMMUNICATION ON PROGRESS 2017  
**INGENICO GROUP**



COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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## Implementing the 10 Principles

### CRITERION 1

The COP describes mainstreaming into corporate functions and business units

BEST PRACTICES	ACTIONS
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	In addition to a dedicated CSR team at Group level, Ingenico Group's CSR approach is driven by a multidisciplinary CSR Core Team—which spearheads the deployment of its CSR strategy company-wide—and a network of Ambassadors in each entity of the Group with the mission of promoting CSR and rolling out action plans at local level. <i>See Registration Document 2016, p. 41</i>

### CRITERION 2

The COP describes value chain implementation

BEST PRACTICES	ACTIONS
Communicate policies and expectations to suppliers and other relevant business partners	Ingenico Group is committed to further strengthening its supply chain processes. It has provided its suppliers with a number of tools, including a Supplier Quality Handbook and a Supplier Quality Agreement, which set out the Group's social and environmental requirements, its Code of Ethics and Business Conduct, and a CSR agreement that commits suppliers to socially responsible practices. This agreement requires suppliers to cascade the Group's conditions down their own supply chain. <i>See Registration Document 2016, p. 57</i>
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	Ingenico Group ensures rigorous control over its two main suppliers' assembly plants and has dedicated teams of employees at the main sites. The Quality Department continuously audits the various component suppliers around the world. These audits, conducted when assessing potential new suppliers or launching new projects, provide opportunities to ensure supplier compliance with the principles of the CSR agreement. To assess the CSR performance of these suppliers, the Group has developed an assessment questionnaire which includes social, environmental, ethical, health and safety criteria. <i>See Registration Document 2016, p. 57</i>



## Robust human rights management policies & procedures

### CRITERION 3

The COP describes robust commitments, strategies or policies in the area of Human Rights

BEST PRACTICES	ACTIONS
Commitment to comply with all applicable laws and respect internationally recognized Human Rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights)	Ingenico Group supports and respects the protection of internationally proclaimed human rights. Compliance with the ILO's conventions is expressly part of Ingenico Group's Code of Ethics and Business Conduct. Ingenico Group has been a signatory of the United Nations Global Compact since 2015 and support the UN Sustainable Development Goals. <i>See Registration Document 2016, p. 53</i>
Integrated or stand-alone statement of policy expressing commitment to respect and support Human Rights approved at the most senior level of the company	The Code of Ethics and Business Conduct is approved by the Chairman and Chief Executive Officer.

### CRITERION 4

The COP describes effective management systems to integrate the Human Rights principles

BEST PRACTICES	ACTIONS
Internal awareness-raising and training on Human Rights for management and employees	In 2016, Ingenico Group continued the employee training campaign on the Code of Ethics and business conduct introduced in 2015 with e-learning courses and on-site training courses in countries where the e-learning test pass rate was deemed insufficient. <i>See Registration Document 2016, p. 53</i>
Process and programmes in place to support Human Rights through: core business; strategic philanthropic/ social investment; public policy engagement/ advocacy; partnerships and/or other forms of collective action	Financial inclusion, defined as a series of arrangements to combat banking exclusion, is a key factor in societal integration. Ingenico Group's mobile payment solutions help make financial services more widely available and affordable to the unbanked, supporting the shift from a cash based environment to a cashless ecosystem. These solutions also promote the development of microbusinesses. <i>See Registration Document 2016, p. 56</i>

**CRITERION 5**

The COP describes effective monitoring and evaluation mechanisms of Human Rights Integration

<b>BEST PRACTICES</b>	<b>ACTIONS</b>
System to monitor the effectiveness of Human Rights policies and implementation with quantitative and qualitative metrics, including in the supply chain	To assess the CSR performance of its Tier 2 suppliers, Ingenico Group has developed an assessment questionnaire, which includes Human Rights criteria. At December 31, 2016, 48 out of 97 active suppliers had been assessed using the questionnaire. <i>See Registration Document 2016, p. 57</i>
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights compatible, a source of continuous learning, and based on engagement and dialogue	All employees are encouraged to report any conduct which they feel is contrary to Ingenico’s Code of Ethics. <ul style="list-style-type: none"> <li>• Employees will not be punished either directly or indirect for reporting issues in good faith;</li> <li>• Ingenico will not tolerate any kind of pressure or threats designed to prevent someone from exercising their right to report.</li> </ul> <i>See Code of Ethics and Business Conduct, p.6</i>



## Robust labour management policies & procedures

### CRITERION 6

The COP describes robust commitments, strategies or policies in the area of labour

BEST PRACTICES	ACTIONS
<p>Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies</p>	<p>Everyone has a duty to ensure that the rights arising under International Labour Organization conventions are applied effectively. The reporting and advice procedures described in Section I, Article 3 are designed to ensure that everyone complies with the rights described in this article: Ingenico Employees are required to comply with the following six rights:</p> <ul style="list-style-type: none"> <li>– Equal opportunities based on merit and skills;</li> <li>– Prohibition on discrimination and sexual and moral harassment;</li> <li>– Prohibition on child labour;</li> <li>– Prohibition on forced or compulsory labour;</li> <li>– Health and safety;</li> <li>– Freedom of association and the effective recognition of the right to collective bargaining.</li> </ul> <p><i>See Code of Ethics and Business Conduct, p.9</i></p>
<p>Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners</p>	<p>Ingenico Group has provided its suppliers with a number of tools, including a CSR agreement. This CSR Supplier Agreement includes labour and human rights criteria such as non-discrimination, anti-harassment and abuse, prevention of involuntary labour and human trafficking, young worker protections, working hours, wages and benefits, freedom of association and collective bargaining, working hours, etc.</p> <p><i>See Registration Document 2016, p. 57</i></p>
<p>Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation.</p>	<p>Discrimination on grounds of race, national or ethnic origin, colour, religion, age, gender, sexual orientation, marital status, disability or a conviction that has been pardoned will not be tolerated. Drawing a distinction between people on the basis of actual job requirements is not deemed to constitute discrimination.</p> <p>Discrimination and harassment against suppliers, consultants, customers and other persons with whom the Group has a business relationship is also prohibited.</p> <p><i>See Code of Ethics and Business Conduct, p.9</i></p>

**CRITERION 7**

The COP describes effective management systems to integrate the labour principles

BEST PRACTICES	ACTIONS
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards	Ingenico Group recognizes and respects the right of employees to be represented by their trade unions and believes in maintaining a constructive dialogue with employee representatives and trade unions on the basis of mutual respect, responsibility and the honoring of commitments. <i>See Registration Document 2016, p. 52</i>
Active engagement with suppliers to address labour related challenges	Suppliers have to acknowledge the Group’s Code of Ethics and Business Conduct. The CSR Supplier Agreement commits component suppliers to socially responsible practices such as the prevention of involuntary labour. Tier 2 suppliers have to sign the Supplier Quality Agreement.

**CRITERION 8**

The COP describes effective monitoring and evaluation mechanisms of labour principles Integration

BEST PRACTICES	ACTIONS
Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future	Ingenico Group recognizes and respects the right of employees to be represented by their trade unions and believes in maintaining a constructive dialogue with employee representatives and trade unions on the basis of mutual respect, responsibility and the honoring of commitments. <i>See Registration Document 2016, p.52</i>
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	Ingenico Group ensures rigorous control over its two non-Chinese suppliers’ assembly plants and has dedicated teams of employees at the main sites. The Quality Department continuously audits the various component suppliers around the world. These audits, conducted when assessing potential new suppliers or launching new projects, provide opportunities to ensure supplier compliance with the principles of the CSR agreement (including international labour standards). <i>See Registration Document 2016, p. 57</i>





## Robust environmental management policies & procedures

### CRITERION 9

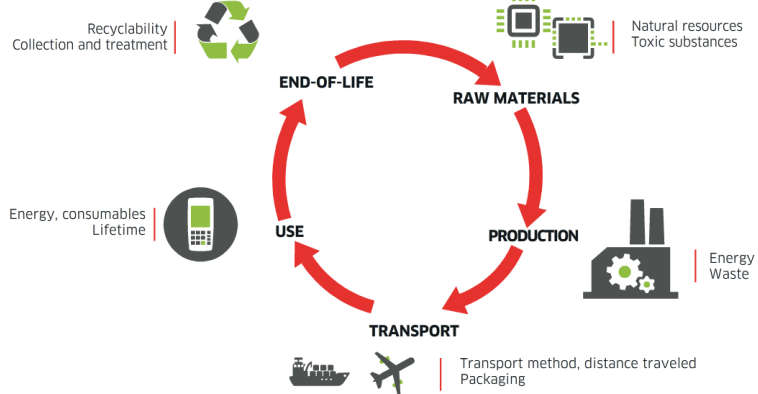
The COP describes robust commitments, strategies or policies in the area of environmental stewardship

BEST PRACTICES	ACTIONS
Written company policy on environmental stewardship	The environmental policy defined by Ingenico Group SA is documented and signed by the Group’s management. It is based upon four guiding principles: exemplary compliance with environmental regulation, considering environmental impact from the product design stage, implementing a responsible purchasing policy that incorporates environmental criteria, increasing environmental awareness among employees. <i>See Registration Document 2016, p. 64</i>
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	Quality Handbook, quality contract (Supplier Quality Agreement) CSR Supplier Agreement Code of Ethics and Business Conduct
Specific commitments and goals for specified years	Ingenico Group is keenly aware of the progression and impact of climate change across the globe and wanted to participate in the collective drive to keep global warming below two degrees Celsius between now and 2050. As result, it decided to set new targets for reducing its GHG emissions by 2020 (offices, data centers, Ingenico terminals). <i>See Registration Document 2016, p. 73</i>

### CRITERION 10

The COP describes effective management systems to integrate the environmental principles

BEST PRACTICES	ACTIONS
Environmental risk and impact assessments	To address potential environmental risks, the Group has developed an environmental management system which is certified to ISO 140001. Within this framework, Ingenico Group has established an environmental risk prevention policy. This policy includes an environmental regulation monitoring mechanism to help it anticipate changes in regulations that affect the way it does business. <i>See Registration Document 2016, p. 31</i>

<p>Assessments of lifecycle impact of products, ensuring environmentally sound management policies</p>	<p>Ingenico Group takes steps to reduce the environmental footprint of its terminals at each stage of their life cycle, from design to end-of-life. To this end, Ingenico has developed an eco-design process that aims to reduce the consumption of resources and the production of waste.</p>  <p style="text-align: center;"><i>See Registration Document 2016, p.67</i></p>
<p>Internal awareness-raising and training on environmental stewardship for management and employees</p>	<p>The Group intends to improve environmental awareness among its employees by encouraging them to adopt environmentally friendly practices in their daily activities to reduce paper consumption, travel and energy consumption, and to promote waste sorting.</p> <p style="text-align: center;"><i>See Registration Document 2016, p. 74</i></p>

## CRITERION 11

The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

BEST PRACTICES	ACTIONS
<p>Audits or other steps to monitor and improve the environmental performance of companies in the supply chain</p>	<p>Ingenico Group ensures rigorous control over its two non-Chinese suppliers' assembly plants and has dedicated teams of employees at the main sites.</p> <p>The Quality Department continuously audits the various component suppliers around the world. These audits, conducted when assessing potential new suppliers or launching new projects, provide opportunities to ensure supplier compliance with the principles of the CSR agreement (including environmental standards).</p> <p style="text-align: center;"><i>See Registration Document 2016, p. 57</i></p>



## Robust anti-corruption management policies & procedures

### CRITERION 12

The COP describes robust commitments, strategies or policies in the area of anti-corruption

BEST PRACTICES	ACTIONS
Publicly stated formal policy of zero-tolerance of corruption	<p>Ingenico’s interests must prevail in all circumstances.                      The Group must not be exposed to any kind of danger on the basis of a contract or commercial benefit.                      Accordingly, Employees are asked to be extremely vigilant when applying the following eight rules:</p> <ul style="list-style-type: none"> <li>– Strict prohibition on public and private bribery;</li> <li>– Relations with political parties;</li> <li>– Prevention of money laundering;</li> <li>– Prevention of fraud;</li> <li>– Prohibition on anti-competitive practices;</li> <li>– Employees must avoid any conflict between their interests as Employees and their obligations towards Ingenico;</li> <li>– Employees must refrain from disclosing any information that the Group deems to be confidential without appropriate permission;</li> <li>– Relations with shareholders and the financial markets.</li> </ul> <p><i>See Code of Ethics and Business Conduct, p.10</i></p>
Policy on anti-corruption regarding business partners	<p>Code of Ethics and Business Conduct                      Supplier CSR Agreement                      Supplier Quality Agreement</p> <p>Ingenico has set up an internal policy to check the integrity of its service providers, further strengthening the resources deployed to combat corruption fraud and any other illegal or unethical practices.</p>

### CRITERION 13

The COP describes effective management systems to integrate the anti-corruption principles

BEST PRACTICES	ACTIONS
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees.	The Group delivers the Code of Ethics and Business Conduct and the Gift and Invitation Policy to all employees.

<p>Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice.</p>	<p>If any Ingenico Group staff members or stakeholders wish to report any grievances or suspicions, the procedure to follow is clearly laid out in the Code of Ethics and Business Conduct, as are the details of the relevant members of staff to be contacted (whistleblowing procedure). <i>See Registration Document 2016, p. 53</i></p>
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**CRITERION 14**





The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

BEST PRACTICES	ACTIONS
<p>Process to deal with incidents</p>	<p>Code of Ethics and Business Conduct: If a breach of the [anti-corruption] rules is identified:</p> <ul style="list-style-type: none"> <li>• a complaint will be systemically filed with the appropriate authorities; and</li> <li>• the Group will take appropriate action against the Employees responsible.</li> </ul>
<p>Public legal cases regarding corruption</p>	<p>There were no public cases regarding corruption in 2016.</p>

## Taking action in support of broader UN goals and issues

### CRITERION 15

The COP describes core business contributions to UN goals and issues

BEST PRACTICES	ACTIONS
Align core business strategy with one or more relevant UN goals/issues	<p>Ingenico Group decided to integrate the UN Sustainable Development Goals (SDGs) into its CSR strategy. The Group supports the SDGs and has already incorporated several of them into its business operations. At this stage, the Group is primarily focusing its efforts on SDGs that relate to financial inclusion, the responsible management of its supply chain, the management of its environmental impact, the protection of personal data, financial transparency, and ethical business practices, all of which are central to the Group’s CSR approach.</p> <div style="display: flex; justify-content: center; gap: 20px;">     </div> <p><i>See Registration Document 2016, p.38</i></p>
Develop relevant products and services or design business models that contribute to UN goals/issues	<p>Partnerships with eMoney and Tagattitude in West Africa: mobile payment solutions for accessible financial services. Creation of Ingenico Labs, a dedicated Innovation Department which supports NGOs initiatives such as Institut Curie’s campaign against cancer.</p>

### CRITERION 16

The COP describes strategic social investments and philanthropy

BEST PRACTICES	ACTIONS
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	<p>Ingenico Group supports several initiatives that help charities to collect donations, by sharing its technical expertise and solutions:</p> <ul style="list-style-type: none"> <li>- innovative solutions that enable passersby to make donations using their contactless payment cards or smart phones by passing them in front of an advertising screen</li> <li>- a “Charity Box” which allows donations to be collected in stores or out on the street via NFC cards or smart phones</li> <li>- a micro-donation tool which is deployed on payment terminals for Ingenico Group’s retail customers (MicroDON’s “Arrondi”)</li> <li>- lending terminals to support various fundraising initiatives.</li> </ul> <p><i>See Registration Document 2016, p.58</i></p>

<p>Coordinate efforts with other organizations and initiatives to amplify —and not negate or unnecessarily duplicate— the efforts of other contributors.</p>	<p>Collaborations and partnerships with eMoney, Tagattitude, Institut Curie, MicroDON, etc.</p>
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**CRITERION 17**

The COP describes advocacy and public policy engagement

BEST PRACTICES	ACTIONS
<p>Publicly advocate the importance of action in relation to one or more UN goals/issues</p>	<p>By joining the UN Global Compact, Ingenico Group chose to formally set out its commitment to developing in line with internationally recognized ethical guidelines. Ingenico Group decided to integrate the UN Sustainable Development Goals (SDGs) into its CSR strategy and publicly disclosed about this engagement in the 2016 registration document and on its website.</p>

**CRITERION 18**

The COP describes partnerships and collective action

BEST PRACTICES	ACTIONS
<p>Join industry peers, UN entities and/ or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company’s positive impact on its value chain</p>	<p>Global Compact France Network We Mean Business (COP 21, 2015, Paris) Circular economy commitments – Afep Network</p>



## Corporate sustainability governance and leadership

### CRITERION 19

The COP describes CEO commitment and leadership

BEST PRACTICES	ACTIONS
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	Public statement in the Code of Ethics and Business Conduct; Public engagement signed in the CSR Policy and Environmental Policy; Statement of continued support for the United Nations Global Compact by the Chairman and CEO.

### CRITERION 20

The COP describes Board adoption and oversight

BEST PRACTICES	ACTIONS
Board (or committee), where permissible, approves formal reporting on corporate sustainability	Validation of the Registration Document including the CSR Report. Presentation of the CSR strategy during the management review.

### CRITERION 21

The COP describes stakeholder engagement

BEST PRACTICES	ACTIONS
Publicly recognize responsibility for the company's impacts on internal and external stakeholders	Aware of the importance of sustainable development issues and the growing expectations of its stakeholders in term of corporate social responsibility, Ingenico Group has developed a CSR policy to generate inclusive and transparent growth, built around increasingly innovative and reliable payment solutions. The Group is committed to following the highest environmental, health, safety, labour conditions and social justice standards in its relationships with all its stakeholders and specifically through its supply chain management. <i>See Registration Document 2016, p.38</i>

<p>Define sustainability strategies, goals and policies in consultation with key stakeholders</p>	<p>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. <i>See Registration Document 2016, p.38</i></p> <p>The mapping of the stakeholders will be updated in 2017 with the launch of a consultation on their expectations of Ingenico with regard to CSR. <i>See Registration Document 2016, p.61</i></p>
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## INGENICO GROUP CONTRIBUTES TO THE UN SUSTAINABLE DEVELOPMENT GOALS!

Over the past several years, Ingenico Group has been committed to sustainable development. In order to align its approach to sustainable development with a global action plan, the Group decided to incorporate the United Nation’s sustainable development goals (SDGs) into its CSR strategy.

### SUSTAINABLE DEVELOPMENT GOALS



On 25 September 2015, the 193 member countries of the United Nations adopted the ‘2030 Agenda for Sustainable Development’. This agenda includes 17 SDGs split into 169 targets covering a wide range of issues related to sustainable development. The goals call for action on the part of governments and civil society, as well as companies, which are critical partners.

Ingenico Group has already integrated the majority of the SDGs into its operations. The Group contributes in particular to goals 8, 12, 13 and 16.

#### Decent work and economic growth

In order to achieve sustainable economic growth, companies must create the conditions that allow people to have quality jobs that stimulate the economy without harming the environment. Job opportunities and decent working conditions are also required for the whole working age population.

Ingenico Group contributes to economic growth and the promotion of decent work, in particular, through:

- Its financial inclusion solutions  
Ingenico Group’s payment solutions in emerging countries, which promote the access of the unbanked population to financial and banking services, as well as the development of micro-businesses and the recruitment of local branchless banking ‘agents’. These solutions therefore promote societal integration and economic growth.

- The integration of social standards into the management of its terminal supply chain  
The Tier 1 suppliers tasked with supervising the assembly lines of the Group's terminals are members of the EICC (Electronics Industry Citizenship Coalition), thereby ensuring a supply that complies with the strictest standards in terms of labour law and social justice. The Group has also rolled out to its component suppliers (Tier 2 suppliers) various tools focused on social requirements which engage these suppliers in socially responsible practices. In general, Ingenico Group is working to improve the transparency of its supply chain and in particular to monitor the minerals that go into its terminal components to ensure that they do not benefit armed groups that violate human rights in the Democratic Republic of the Congo and neighbouring countries. Through these various measures, the Group aims to help uphold decent working conditions.

## **Responsible consumption and production**

Sustainable consumption and production aim to 'do more and better with less' by using resources and energy in an efficient manner, for example.

Thanks to the development of an eco-design policy for its terminals based on a 'life cycle' approach and the introduction of recycling solutions for end-of-life products, Ingenico Group supports sustainable production and consumption. Its commitment to responsible production is also reflected in the management of its suppliers.

## **Climate action**

Climate change has wide-reaching effects on human and natural systems across all continents. As a result of its impact on economic development, natural resources, and poverty, combating climate change has become an inseparable aspect of sustainable development.

Ingenico Group has put in place effective measures for combating climate change by evaluating the greenhouse gas emissions across its value chain on an annual basis and by setting objectives for reducing greenhouse gases and initiatives to achieve these objectives, such as:

- increasing the amount of renewable energy supplying the main sites located in France
- consolidating the number of servers used by the Group in its outsourced data centres
- increasing the energy efficiency of terminals
- promoting the use of paperless electronic payment receipts
- using alternatives to air transportation

## **Peace, justice and strong institutions**

SDG n ° 16 is dedicated to the promotion of peaceful and inclusive societies for sustainable development, access to justice for all, and building effective accountable institutions at all levels.

Ingenico Group participates in building effective and accountable institutions by promoting the transparency and traceability of financial transactions and by actively combating corruption, which is one of the foundations of the Group's Code of Ethics and Business Conduct.

<https://www.ingenico.com/about-ingenico-group/corporate-social-responsibility/sustainable-development-goals>

TO LEARN MORE ABOUT INGENICO GROUP'S CSR APPROACH, PLEASE REFER TO THE CSR SECTION OF OUR REGISTRATION DOCUMENT:

<http://registration-doc.ingenico.com/2016/#37>

