



**Sustainability
Report 2024**



About this report

This Sustainability Report builds on three years of dedicated reporting and transparency, highlighting the commitments and investments enabled by our global team of 7000+ employees in more than 80 countries.

We report on sustainability annually on our website, through our Year in Review report and Annual Report. The contents of this report, including all information and data, have been internally reviewed and assessed by management. Additionally, EY provided limited assurance over selected environmental and social key performance indicators. The report is for the calendar year 2024 and is for the organization IFS AB and its subsidiaries, reported at the entity level of IGT Holding III AB, referred to as 'IFS', 'Group' or 'the company' throughout. Our Sustainability Report was prepared with reference to the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) Standards and International Sustainability Standards Board (ISSB) Standards.

For further information or queries about the report please contact sustainability@ifs.com

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“
This year has been exceptional,
with significant achievements
that underscore our unwavering
commitment to sustainability.”

Mark Moffat
CEO

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Photograph Kurt Rebry



CEO's Statement

As we present the 2024 IFS Sustainability Report, I am proud to reflect on three years of dedicated reporting and transparency.

This year has been exceptional, with significant achievements that underscore our unwavering commitment to sustainability.

We have reached multiple sustainability targets ahead of schedule. Our collaboration with 156 educational institutions and the increase in female managers to 33% are testaments to our ongoing efforts. Additionally, 25% of our employees volunteered in 2024, surpassing our target of 20% and achieving a fivefold growth since 2021.

Our dedication to expanding our CSRD alignment has been steadfast. We conducted a robust double materiality assessment and closed more than 70% of our gaps in 2024. By adopting the latest best practice principles of double materiality, we have comprehensively evaluated key sustainability issues significant to both IFS operations and our stakeholders.



This year has been exceptional, with significant achievements that underscore our unwavering commitment to sustainability.”

We maintained best-in-class participation rates for our Pulse survey, achieving a global participation rate of 93% with a total of 18,300 comments. Our diversity & inclusion commitments have been furthered through multiple initiatives, including the Neurodiversity Employee Resource Group.

In collaboration with PwC UK*, we developed a system supporting CSRD disclosure as part of our Sustainability Management Module.

By combining PwC's regulatory expertise with IFS's technical capabilities, we successfully automated 18 key performance indicators in 2024, including metrics like employee turnover rate, total full-time employees, and gender statistics.

As we look ahead, we remain committed to our new 2029 Vision, which emphasizes building a high-performing team and leveraging Industrial AI to drive our sustainability initiatives.

Our approach is twofold: integrating sustainability into our internal operations while aspiring to lead in the industry. We will continue to strengthen our network of Sustainability Business Partners (SBPs), ensuring that our efforts are collaborative and impactful.

By leveraging AI and sustainability, we aim to establish a unique position in the market, working closely with our customers to validate and enhance this approach. Our commitment to sustainability is deeply aligned with IFS core values, and we will continue to embed these principles into every aspect of our business. Together, we can achieve a more sustainable future, driving positive change for our community and the environment.

Mark Moffat
CEO

* Where "PwC" is referenced, it relates specifically to the collaboration with IFS and PwC UK, the UK member firm, part of the PwC network. Each member firm is a separate legal entity.



Through collaboration with our team, customers and partners, we will continue to drive a lasting positive impact.”

CSO Letter

I firmly believe in the technology sector's ability to drive transformational change across various industries, offering the 'how' roadmap for the transition to a low-carbon, more sustainable future.

Industrial AI is a critical part of that story, and IFS is already helping our customers to do more with less, transform to new ways of working, and manage their sustainability performance transparently.

I am proud that this year we have continued to build on our robust sustainability strategy to drive meaningful results. Through collaboration with our team, customers and partners, we will continue to drive a lasting positive impact.

Sophie Graham
Chief Sustainability Officer





Leadership Reflections



Strong governance and ethical business practices form the cornerstone of IFS operations.

I'm proud to say that we are dedicated to maintaining the highest standards of integrity and transparency by reinforcing the role of the Board in overseeing our sustainability strategy. By embedding ESG principles into our core processes, we ensure that our business decisions align with our values and produce measurable outcomes. This proactive approach enables us, as a company, to continuously enhance our impact and create meaningful value."

Jacqueline de Rojas

Board Level Sustainability Representative



Since joining IFS in 2024, I have been impressed by how closely sustainability is integrated into the company's overall culture.

It is clearly seen that IFS is dedicated to fostering an environment where every employee feels recognized and valued for their unique differences. High employee engagement is also viewed as a key part of actively participating in internal sustainability initiatives, such as CSR Day and Get Fit challenge. We are proud that in 2024, 25.46% of employees volunteered, beating our target of 20% ahead of our initial schedule."

Debra McCowan

Chief HR Officer



Our commitment to sustainability is central to our long-term success and financial resilience.

By integrating ESG principles into our core strategies and financial decision-making processes, we foster sustainable growth and create lasting value for our stakeholders. Our focus on responsible practices ensures that we allocate resources effectively, manage risks prudently, and seize opportunities that align with our values.

It is clear that sustainability reporting now holds the same importance as financial reporting, helping us navigate today's challenges and capitalize on tomorrow's opportunities.

Matthias Heiden

Chief Financial Officer



Innovation and excellence are at the core of everything we do. We are committed to pushing the boundaries of technology with sustainability embedded.

The main goal behind this is to provide the best tools for our customers to drive meaningful change within their organizations. Embedding advanced analytics, fuelled by Industrial AI and AI Agents, into our solutions further advances our sustainability offering by helping customers to identify opportunities for improvement, optimize operations, and make data-driven decisions in real time that support both sustainability and business objectives. This will continue to be our key priority as we move forward."

Christian Pedersen

Chief Product Officer



The growing importance of sustainability reporting and data security as strategic priorities has made CIOs key strategic partners in the Sustainability roadmap.

Businesses are now being challenged to develop creative, innovative solutions to showcase their commitment to a more sustainable future. This need for innovation will only intensify as we move forward and IFS is ready to be part of this on that journey."

Helena Nimmo

Chief Information Officer



As a company, we are always striving to innovate and stay ahead of technological advancements.

In 2024, we launched IFS. ai, announcing our goal to become a leader in industrial AI. Sustainability principles are at the heart of this vision. From how we design our products to how we engage with our clients, every action is driven by our commitment to sustainability and ethical practices. As part of this, we are currently developing an ethical guide for AI integration, which will enable our customers to better understand our commitment."

Bianca Nobilo

Chief External Affairs Officer



Highlights

Excellence in our business

33%

The percentage of female managers in IFS, reflecting a year-on-year increase in female leadership.



Zero

Reportable data breaches



Established IFS Global Anti-Bullying, Harassment and Sexual Harassment Policy

TOP 35%

Improved our EcoVadis score from last year's 59 to 64 in 2024, placing IFS in the top 35% of companies ranked



100%

100% renewable electricity across global offices in 2024



Supporting our customers

Launched Sustainability Management in collaboration with PwC UK, supporting CSRD



Emissions Tracker evolution to Emissions Management as part of IFS Cloud

Accelerated our strategy of 'Sustainability embedded' across product, focusing on five key areas:

- Sustainability Management
- Emissions Management
- Circular Operations
- Supply Chain Sustainability
- Performant and Sustainable Assets

Emissions in Procurement released 24R2, supporting Scope 3 purchased goods and services



Making a broader impact

156

Collaborated with 156 educational institutions through the IFS Education Program



25%

CSR Volunteering Days taken by 25% employees, surpassing our original target of 20%



IFS Featured in the Docuseries 'New Heroes of Sustainable Business'

In 2024, IFS was featured in Datamaran's new docuseries 'New Heroes of Sustainable Business'. The episode highlights visionary business leaders who are championing corporate sustainability. The series aims to inspire viewers while offering practical insights for creating real-world impact.

As part of this initiative, IFS CEO Mark Moffat and CSO Sophie Graham discuss how we, as a company, are driving change, unlocking new opportunities, and reshaping industries for a more sustainable future.



Industrial AI and Sustainability Embedded

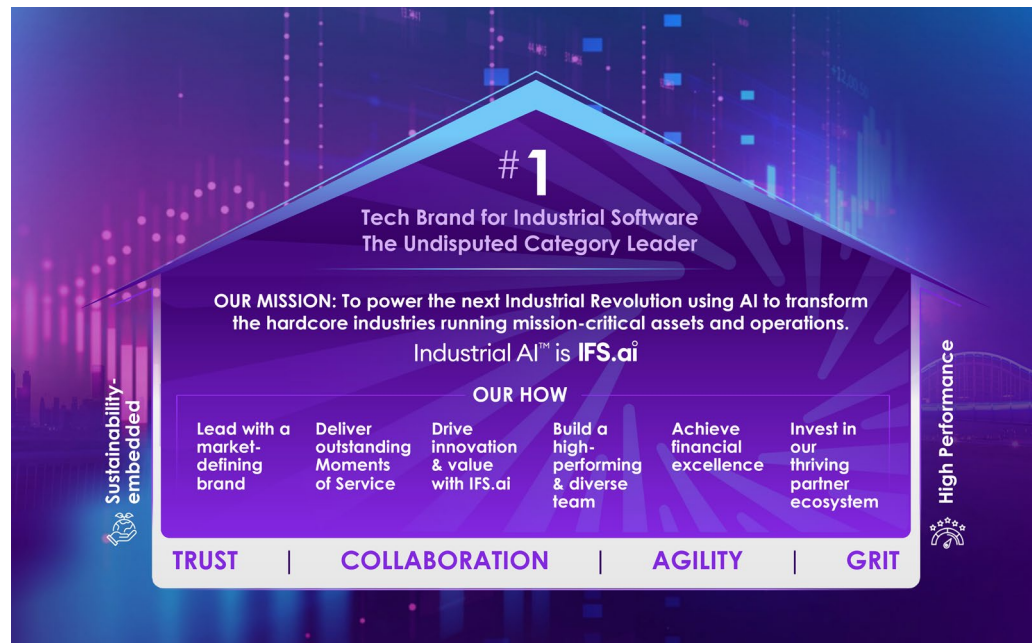
IFS 2029 Strategy

Over the last five years, IFS has built the foundations that have enabled it to establish and now accelerate its dominance in industrial software. Towards the end of 2024, CEO Mark Moffat outlined a refreshed five-year strategy for the company. A bold new Vision and Mission were put into place.

Vision and Mission

Vision To be the number one recognized technology brand in Industrial Software, the undisputed category leader.

Mission To power the next Industrial Revolution using AI to transform the hardcore industries running mission-critical assets and operations. Industrial AI is IFS.ai.



Key Elements of the 2029 Strategy

1

Delivering Outstanding Moments of Service

IFS is a customer-focused organization dedicated to delivering value at the "Moment of Service." We prioritize commercial impact, time-to-value, ROI, and sustainability benefits in a Business Value Assurance model. This year, IFS set ambitious customer satisfaction targets of 85%, underscoring our commitment to exceptional service and value.

2

Constantly Innovating

Product excellence is at the core of IFS, driving the development of our leading industrial AI platform, IFS.ai. This platform helps customers manage critical assets, workflows, and services, and is rapidly being adopted due to over 100 customer-specific AI use cases. Through acquisitions of Copperleaf and EmpowerMX in 2024, IFS strengthens innovation and industry depth in offerings, providing more effective solutions to customers.

3

Resilient and Sustainable Growth

IFS drives resilient and sustainable growth by supporting customers through their digital transformation journey. Sustainability is embedded in IFS Cloud, aligning with customer demand for solutions which drive progress towards ambitious sustainability goals and performance management. IFS.ai is enabling customers to do more with less, transition to new ways of working, and providing a foundation of robust ESG data.

4

Investing in a Thriving Partner

IFS's success in 2024 was driven by the growth of our global partner community. As a partner-first organization, IFS aims to increase partner revenue contribution from 40% to 50%. With a network of global partners, including collaboration on sustainability, we ensure that customers have more choice, innovation, and global reach.

5

Creating a Diverse and High-Performance Workforce

IFS is becoming a recognized employer of choice, focusing on employee growth, development, and creating an inclusive, collaborative team. Our focus on excellence in our business includes employee wellbeing, career progression, and corporate culture. With an employee engagement score of 8.3, IFS places in the top 25% of technology.



Read more in IFS Year in Review
[Year in Review 2024.](#)

IFS is committed to delivering a strategy that puts customers at the center, delivers value for shareholders, empowers employees and generates growth that consistently outperforms the market.

Sustainability Contributing to Business Vision

Our commitment to embedding sustainability across our business plays a pivotal role in delivering our 2029 vision. IFS will contribute to a more sustainable future, both through our own actions and by supporting our customers in asset-intensive, heavily regulated and hard-to-abate sectors that are at the forefront of the transition to a green, circular economy.

As a company, we depend on the talent that we have in the business, and continuing to build high-performing, diverse teams will position IFS to deliver the innovation that is critical to success.

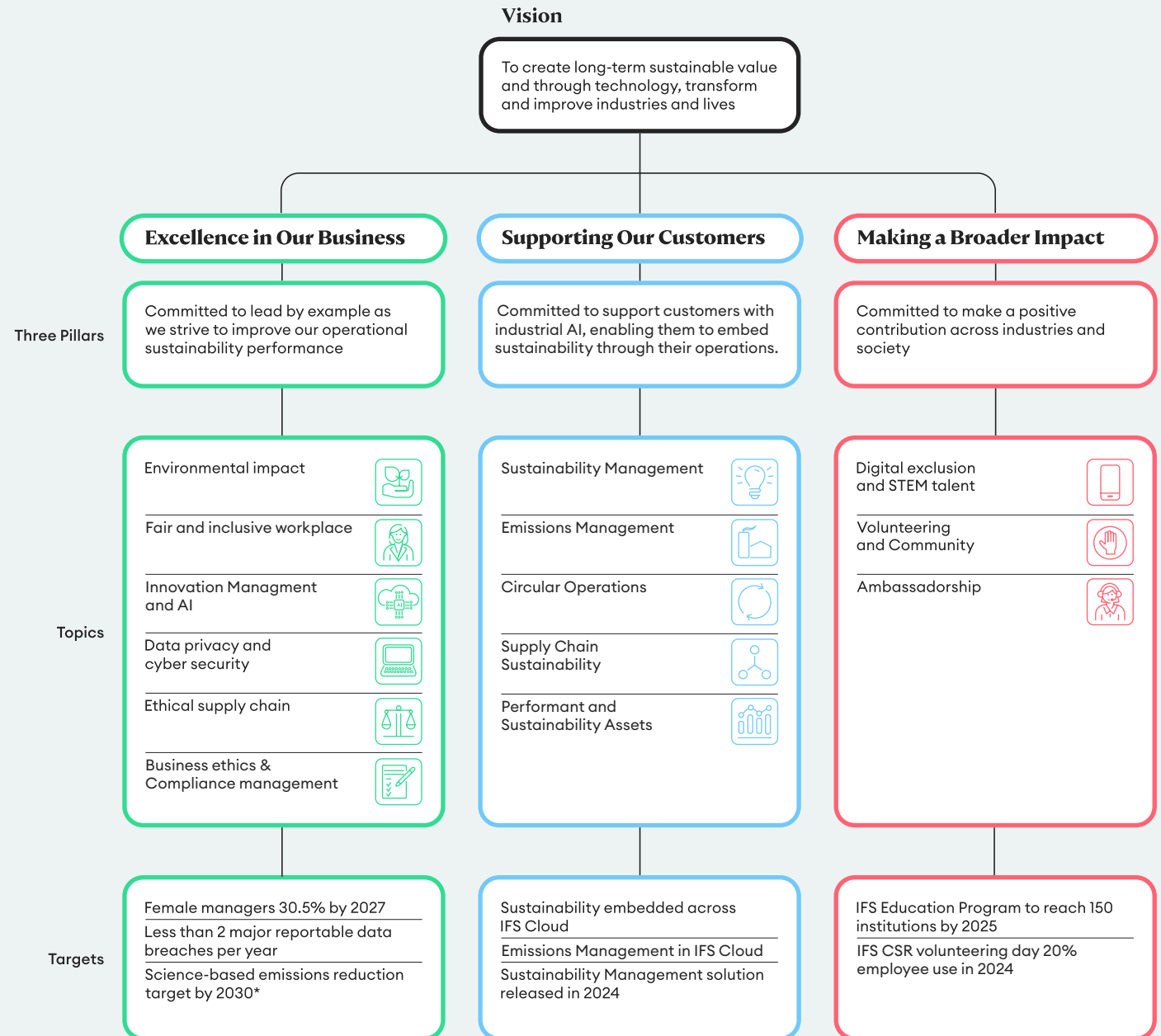
We believe that sustainability is best achieved through collaboration, which is why we work closely with our customers to identify opportunities to assist them and continually evolve our offerings together with a growing partner network. Sustainability should never be a standalone effort; it becomes truly successful only when integrated into an organization's business strategy and daily operations. This is why "Sustainability Embedded" is a central tenet of our strategy.



Sustainability Strategy

This year we continued our mission to transform industries and improve lives through technology, while making consistent progress in integrating sustainability into our daily operations. In 2021, we developed a sustainability strategy focused on addressing the most impactful sustainability topics where IFS can make a difference.

This strategy is built around three key pillars that support a clear and actionable mission: 'Excellence in Our Business', 'Supporting Our Customers', and 'Making a Broader Impact'.



* For more details on our Science Based Target initiative, please refer to the "Environmental Impact" section, page 18.

Governance

Sustainability governance structure

Sustainability is governed by a quarterly ESG Steering Committee (ESG SteerCo), chaired by the Chief Sustainability Officer. Our SteerCo serves as the central body responsible for shaping and overseeing the execution of our sustainability strategy. This includes setting goals and targets, and ensuring strong alignment and collaboration across all functions. In 2024, the SteerCo's agenda focused on our CSRD and Taxonomy alignment, decarbonization strategy and our Science Based Target, alongside diversity and inclusion and sustainability product development. Each key area has a designated workstream lead who collaborates closely with the Chief Sustainability Officer to provide quarterly updates to a broader group.

Sustainability governance structure

Annual update

Quarterly updates

Sustainability Business Partners

- Activate the sustainability strategy within the business and support to drive this forward in their area
- Receive training and objectives related to Sustainability

Board/board-level committee

- Approving direction of business on sustainability
- Balancing interests of stakeholders
- Upskilling of Board on sustainability

SteerCo

- Executive and senior leadership oversight and direction
- Ensuring alignment with business strategy and resourcing

Sustainability team

- Center of expertise for the business on sustainability
- Coordinate delivery of sustainability strategy, risk management, communication and disclosures

Working groups

- Progress specific projects aligned to strategy
- For example, ESG project innovation, carbon footprint, annual report, marketing

Partners/third parties

- Specialist expertise and resource
- Support on execution and specific projects
- Independent viewpoint and assurance

Monthly meetings

Biweekly or as needed for projects



Governance continued

Sustainability Business Partners

Launched in 2023, the Sustainability Business Partners (SBP) network has grown significantly this year, welcoming new members and expanding its influence across the organization. The network bridges the gap between sustainability strategy and day-to-day operations, ensuring sustainable principles are integral to business decision-making and practices.

Members develop expertise specific to their work areas, enhancing their ability to address sustainability challenges in an industry-specific context. This targeted approach connects the general sustainability framework to the unique needs of their functions, driving tangible action.

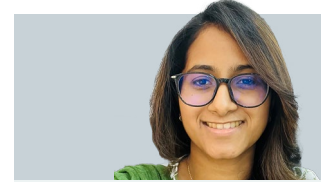
Cross-functional working groups are a key part of our approach, bringing together expertise from across the business to tackle specific sustainability challenges. We have established groups focused on CSRD compliance, EU taxonomy, and decarbonization, among others, and continue to expand these efforts in response to emerging needs.

These groups serve as platforms for collaboration, knowledge sharing, and developing concrete solutions that integrate sustainability into core business activities.

In 2024, IFS introduced its **Sustainability Academy**, which serves as an internal training program where members can deepen their understanding of industry-relevant sustainability aspects. The academy offers tailored learning experiences that address the most pressing challenges faced by the organization. In addition to internal development, we provide access to external training programs, ensuring our members stay at the forefront of sustainability knowledge and best practices.

As part of our strategy, we aim to integrate our mergers and acquisitions (M&A) activities across all areas, including the SBPs network. In 2024, IFS Ultimo established a dedicated Sustainability Business Partner within the IFS SBP network, helping to embed a unified approach to sustainability across the IFS Group.

Through these initiatives, the Sustainability Business Partner Network plays a vital role in translating sustainability strategy into action, ensuring that sustainability is not just a goal but a fundamental part of how we operate.



Serving as a Sustainability Business Partner is an enriching journey that goes beyond regulatory compliance.

It has provided a unique opportunity to integrate sustainability into our risk management framework, drive meaningful change and balance between economic, social and environmental facets. The training received through the Sustainability Academy has been instrumental in expanding my knowledge and understanding on regulatory framework and best ESG practices and helped me in driving the sustainability culture in the organization and personally."

Farhath Mowlana
Senior Risk Manager



Being a Sustainability Business Partner in Facilities Management is not just about reducing costs and conserving resources; it is about leading the way to a greener, healthier, and more resilient future for all.

By incorporating sustainable practices and strategies that align with our company's overarching goals and objectives through collaboration, SBPs bring specialized knowledge from all sectors of the business effectively contributing to creating environments that inspire productivity, enhance well-being, and reflect our unwavering commitment to sustainability for a brighter future."

Nicola Carton
Global Head of Workplace Experience



The Sustainability Business Partner (SBP) network helps us listen across disciplines and learn about sustainability practices, enabling us to evolve our products with innovative, environmentally responsible solutions."

Orjan Ekstrom
Director Project Management

Governance

continued

Copperleaf and EmpowerMX join IFS family

We understand that the path to sustainability requires changes in every aspect of a company's operations and spans its entire value chain. One priority for us is integrating sustainability into our mergers and acquisitions (M&A) activity. At IFS, we ensure that we assess not only the financial assets and liabilities of a target company but also its environmental and social impacts.

In 2024, IFS completed its acquisition of Copperleaf, a leading provider of AI-powered Enterprise Asset Investment Planning and Management (AIPM) software. This acquisition allows us to thread sustainability through the asset lifecycle, as it integrates environmental and social criteria into investment planning decisions through decision analytics.



In 2024, IFS also acquired EmpowerMX, a leading provider of AI-powered aviation maintenance software. This technology enables smarter, more efficient maintenance, repair, and overhaul (MRO) operations. By combining IFS industrial AI with EmpowerX's capabilities, aviation customers benefit from deep industry-specific AI capabilities. In the face of challenges such as unexpected downtime, supply chain disruption, labor and skill shortages, this offering enhances resilience, efficiency and safety in airline operations.



External frameworks

UN Global Compact Signatory

We are proud to be a signatory to the UN Global Compact, which acts as a framework and guidance for all businesses and companies to support in defining sustainability strategy and provides a universal language for corporate responsibility. For more information on the Compact please refer to unglobalcompact.org



United Nations
Global Compact

UN Sustainable Development Goals

IFS is committed to supporting the achievement of the UN's Sustainable Development Goals (SDGs). Adopted worldwide, the SDGs represent a universal call to end poverty, protect the planet, and ensure that by 2030, all people enjoy peace and prosperity. We have identified five key SDGs that are most relevant to our business and sector, based on our sphere of influence and the material impact on our key stakeholders:



Science Based Targets initiative (SBTi)

In 2023, the SBTi approved IFS' near-term (2030) science-based emissions reduction target following our submission earlier in the year.

More details are disclosed in our dedicated Environmental section.

ISSB

In July 2023, the International Sustainability Standards Board (ISSB) issued its inaugural IFRS Sustainability Disclosure Standards, taking over from the Task Force on Climate-Related Financial Disclosures (TCFD).

More details are disclosed in our dedicated ISSB section of this report.

CSRD

In 2023, IFS started its alignment towards EU Corporate Sustainability Reporting Directive (CSRD) requirements. This year, we continued our efforts in expanding our CSRD alignment.

More details are disclosed in our dedicated CSRD section of this report.

Year-Over-Year Progress Table

| Target | 2023 Status | 2024 Progress |
|---|--|--|
| Female managers | 32% | 33% |
| Number of reportable data breaches | 0 | 0 |
| Number of educational institutions engaged (cumulative) | 123 | 156 |
| CSR Volunteering Days taken by | 17.2% | 25.5% |
| Near-term 2030 Science Based Target | 2030 Science Based Target validated by the Science Based Targets initiative (SBTi) | Maintained procurement of 100% renewable electricity across global offices |





Material Sustainability Topics

IFS is taking steps to align with regulatory requirements, including the EU Corporate Sustainability Directive (CSRD) and EU taxonomy. Notably, IFS also established governance around CSRD, appointing stakeholders across the business to oversee specific reporting areas, supported by Sustainability SteerCo oversight and regular updates to the Board Audit Committee.

This year, we continued our efforts to strengthen our CSRD alignment by establishing a new, robust double materiality assessment, initiating our internal work on EU Taxonomy and working closely with internal stakeholders on the gap analysis and action plan. As a result of our consistent involvement in each of these

prioritized areas, we managed to close more than 70% of our CSRD gaps by the year end of 2024. However, we recognize that there is still more to be done, and we are working closely with the business to fully align with CSRD requirements.

Double Materiality

We understand that a thorough materiality assessment is the foundation of an effective sustainability strategy. It guides our approach to strategy, risk and opportunity assessment, disclosure structure, and preparation for regulatory frameworks, such as the CSRD.

In 2024, we adopted the latest best practice principles of double materiality, conducting a comprehensive evaluation of key sustainability issues that are significant both to IFS operations and our stakeholders. For this, we partnered with Datamaran, an ESG risk identification and monitoring software company that uses a comprehensive data-driven process to identify, prioritize and monitor sustainability issues.

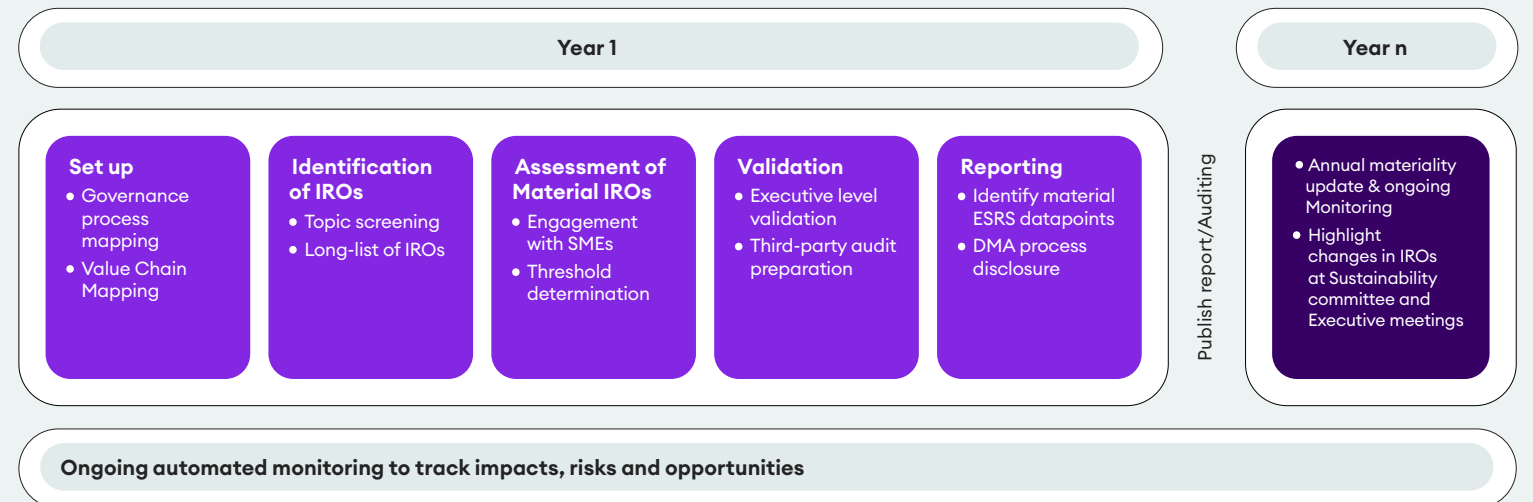
Its business intelligence tool aims to leverage artificial intelligence to incorporate a wide array of inputs, including corporate reports, global regulations, social media and online news.

Using Datamaran's help, we produced a materiality assessment driven by both our in-house ESG perspective, internal stakeholder priorities and AI based technology. This type of assessment involved a robust examination of our business activities, as well as those occurring within IFS value chain—both upstream and downstream.

As part of the assessment, we identified 11 material topics that were further used for Impacts, Risks, and Opportunities (IRO) mapping. These were ranked below.



Our approach: Double Materiality process with Datamaran



* EFRAG Materiality Assessment Implementation Guidance, Paragraph 161: While it is possible to perform an annual update focused on the consequences of the identified changes, the materiality assessment is a dynamic process subject to the inherent evolution of the undertaking and needs to be updated on an ongoing basis.



Material Sustainability Topics

continued

During 2025, we will incorporate this analysis into IFS' refreshed sustainability strategy, governance and targets, to reflect the focus areas most relevant to our business. We will use dynamic assessments for ongoing "pulse" analyses, which help identify shifts in the macro environment and emerging IROs. These insights are also integrated into our enterprise risk management, resource planning and sustainability reporting, ensuring management of relevant topics and alignment with regulatory standards.

EU Taxonomy

EU taxonomy is a classification system established by the European Union to provide a common unified framework to determine whether an economic activity is environmentally sustainable. The taxonomy defines two main categories, taxonomy-eligible activities, which fall within the sectors covered by the EU Taxonomy, and taxonomy-aligned activities, which meet the specific screening criteria for environmental sustainability set out in the framework.

Its main purpose is to direct investment towards economic activities that contribute to key environmental objectives, such as climate change mitigation and adaptation. It also focuses on enhancing transparency for investors and stakeholders by preventing green washing and mitigating market fragmentation.

In 2024, we began our internal work on the EU Taxonomy as part of our CSRD reporting efforts, with a key focus on identifying eligible activities within IFS.

As part of a joint effort between the Sustainability and Finance teams, and with the support of PwC, these activities have been identified and are included in the scope of assurance, ensuring the accuracy and credibility of our reporting.

Looking ahead, we plan to take further steps in 2025 to ensure we are fully prepared for the reporting requirements and in alignment with regulatory expectations. To achieve this, we will focus on the following priorities:

Comprehensive Data Collection

We will gather all necessary data for the identified eligible activities, ensuring completeness and accuracy to support the assessment process. This includes refining internal processes for tracking sustainability-related performance metrics.

Assessment Against Technical Screening Criteria

Each eligible activity will be evaluated against the EU Taxonomy's technical screening criteria to determine whether it meets the substantial contribution requirements for environmental objectives.

Evaluation of Do No Significant Harm (DNSH) and Minimum Safeguards

We will conduct a thorough review to confirm that all eligible activities comply with the "Do No Significant Harm" principle and meet the EU's minimum social and governance safeguards.

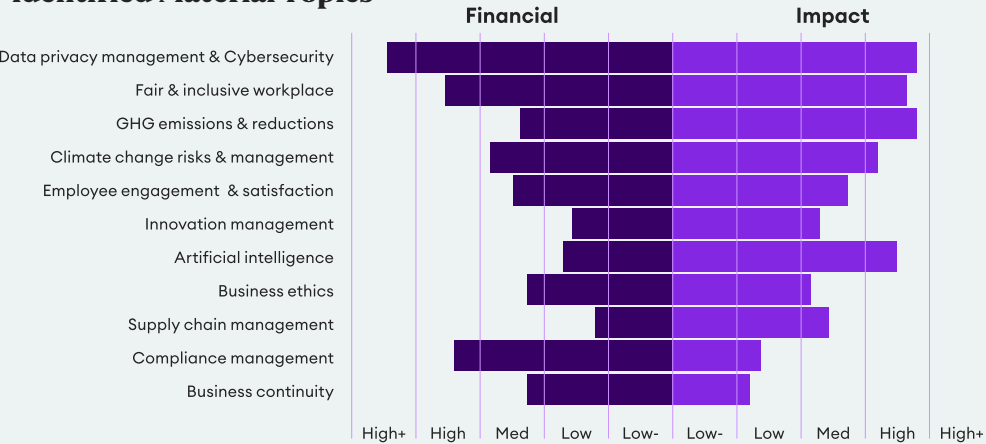
Development of a Sustainability EU Taxonomy Policy

To ensure a structured and transparent approach, we will establish a formal Sustainability EU Taxonomy Policy. This policy will outline our governance framework, roles, and responsibilities, as well as the methodologies we will use to assess taxonomy alignment.

Taxonomy roadmap

- 1 Completed economic activities**
Identification of all economic activities of the organization that could be considered for eligibility and assessment of the availability of KPI data.
- 2 Eligible activities**
Assessment of eligibility, by comparing the organization's economic activity to the definition as per the EU taxonomy. Development of EU taxonomy policy.
- 3 Data collection**
Collection of revenue, CapEx, and OpEx financial data.
- 4 Aligned Activities**
Assessment of each eligible activity against:
 - Compliance with Technical Screening Criteria (Substantial Contribution and Do No Significant Harm)
 - Meeting Minimum Safeguards
- 5 Implementation**
Establishment of BAU processes to collect granular data, monitoring of eligible activities.
- 6 Disclosures**
Disclosures Reporting of Turnover, CapEx, and OpEx KPIs, and supporting information in accordance with the EU Taxonomy Delegated Acts
- 7 Disclosures**
Reporting in accordance with EU Taxonomy.

Identified Material Topics

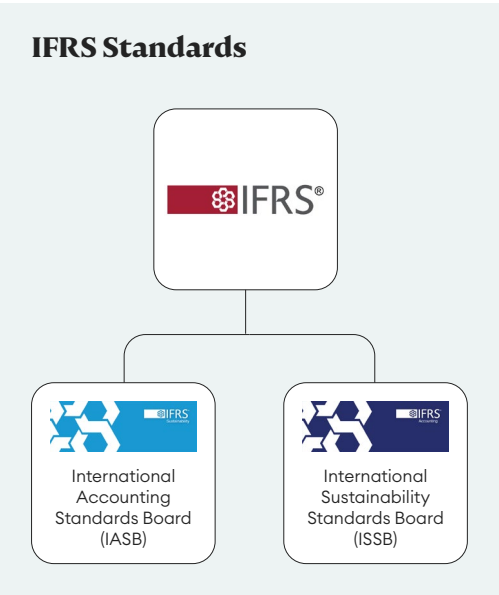


Climate-Related Disclosures

Background to the ISSB

In July 2023, the International Sustainability Standards Board (ISSB) issued its inaugural IFRS Sustainability Disclosure Standards–**IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)** and **IFRS S2 (Climate-related Disclosures)**. This marked a shift in the global landscape for climate-related risk disclosures, with the Financial Stability Board (FSB) transferring responsibility for monitoring climate-related disclosures to the IFRS Foundation. The ISSB sits underneath the IFRS alongside its sister organization, the International Accounting Standards Board (IASB). IFRS actively promotes connectivity between IASB and ISSB standards.

The IFRS S1 and S2 standards are the next evolution of the widely accepted **Taskforce on Climate-related Financial Disclosures (TCFD)** recommendations, previously issued by the FSB.



IFRS S2 mirrors the TCFD’s recommendations with a small number of additions whilst the IFRS S1 standard goes beyond just climate to encompass broader sustainability-related disclosures.

Whilst the new standards contain some differences, the core objectives remain the same as the TCFD’s – to raise sustainability disclosures to the level of financial disclosures – thereby improving businesses’ ability to assess and act on non-financial risks and opportunities, and to enable investors to obtain a holistic view of business performance and strategies for sustainability-related topics. According to IFRS, the momentum behind the new standards is growing – as of September 2024, 30 jurisdictions have either adopted or are taking steps to introduce ISSB Standards in their legal or regulatory frameworks. Together, these jurisdictions represent:

- Approximately 57% of global gross domestic product.
- More than 40% of global market capitalization; and
- More than half of global greenhouse gas (GHG) emissions.

How IFS is aligning with ISSB Standards

In 2023, IFS reported in alignment with the TCFD recommendations. Since the publishing of the new ISSB standards, we have adapted our climate-related disclosures to align with the ISSB Standards and ensure we are following the latest best practice. In 2024, our first year of reporting under ISSB, we apply transition relief (IFRS S1 paragraph E5), meaning we focus on climate-related disclosures only.

Looking ahead to 2025, we will broaden our sustainability disclosures to increase our alignment with the requirements of IFRS S1 and S2 in parallel with our work on CSRD alignment. The ESRS has a high degree of interoperability with both ISSB standards so these workstreams are complementary.

| Our ISSB Roadmap | | |
|-------------------|--|--|
| Area | 2024 Targets | 2024 Progress |
| Governance | <ul style="list-style-type: none">● Upskill Board and Executive Leadership Team (ELT) in climate● Further integrate climate related topics into Board and ELT strategic decisions● Expand and upskill SBP network | <ul style="list-style-type: none">● External engagement between executives and climate experts to assess potential decarbonization benefits of IFS solutions● Held a dedicated session on climate commitments with full ELT participation● Held 4 sessions at Board (or Board Committees) on sustainability and climate● Expanded SBP network to include M&A and other key functional areas.● Launched Sustainability Academy for upskilling SBP network with monthly workshops. |
| Strategy | <ul style="list-style-type: none">● Enhance risk and opportunity screening to involve wider range of internal, senior, and possibly external stakeholders● Review existing risk and opportunity time horizon classifications to factor in climate related topics that may materialize over the long term● Conduct quantitative climate scenario analysis to assess financial impacts of material climate-related risks and opportunities | <ul style="list-style-type: none">● Held external risk assessment to identify and monitor climate related risks and opportunities.● Quarterly touchpoint meetings with C-Level Execs on climate related risks and opportunities related to their respective business area.● Conducted a Double Materiality Assessment in collaboration with third-party provider, providing expert external perspective on material risks and opportunities.● Revised risk and opportunity classifications to extend medium and long-term time horizons, ensuring better alignment with climate-related challenges and business resilience (see Climate related risks and opportunities section).● Completed comprehensive climate scenario analysis with Climate X, analyzing physical climate hazards across 52 global offices |
| Risk Management | <ul style="list-style-type: none">● Integrate identified climate-related risks into risk libraries and upskill operational risk owners in climate related risk● Consider relative prioritization and materiality of climate and ESG-related risks and other business risks. | <ul style="list-style-type: none">● Successfully embedded climate risks and opportunities extended time horizons into functional risk registers, which are then integrated into the Enterprise risk register and owned by the ERM team● Captured climate-related risks and opportunities into enterprise-wide risk assessments by prioritizing them based on overall residual risk levels.● Highlighted the importance of reporting climate related risk and opportunities as part of regular upskilling workshops for functional teams. |
| Metrics & Targets | <ul style="list-style-type: none">● Report progress against agreed targets and aim to improve data accuracy across all three Scopes.● Consider metrics to track progress relating to identified climate-related risks and opportunities.● Evaluate business case for additional corporate climate related targets. | <ul style="list-style-type: none">● Improved data accuracy for Scope 1, 2, and 3 emissions reporting through enhanced measurement and verification processes● Reduced reliance on estimated emissions data for Scope 1 and Scope 2 emissions, improving the reliability of carbon accounting with more primary data.● Expanded Scope 1 measurement to include fleet and fugitive emissions, and Scope 3 to include waste generated in operations, increasing completeness and accuracy of emissions data.● Continued to source 100% renewable electricity across global offices.● Mitigating action plans for climate risks and opportunities with above a certain threshold are regularly monitored to ensure timely completion or address any deviations.● Collaborated with the SBP network to set internal sustainability-related goals, which include climate-related goals. |



ISSB Standards Alignment

The Road Ahead

In 2025, we will continue to build on the progress made in 2024 by expanding and strengthening our initiatives across governance, strategy, risk management, and metrics & targets.

While climate-related goals remain a key focus, we plan to broaden our approach to encompass overall sustainability and our efforts will include upskilling leadership, embedding sustainability into decision-making, and strengthening risk assessments and reporting.

Governance

Sustainability topics including climate strategy, metrics and targets are managed under the IFS Sustainability Governance framework.

In 2024, climate-related risk and opportunity management was fully integrated into our Enterprise Risk Management (ERM) framework, aligning this with our broader risk management processes and ensuring sustainability topics are considered as part of daily operational and strategic planning. The ERM is governed by the IFS Global Risk function who continue to work closely with the IF Global Sustainability Team on sustainability-related topics.

For more information on the IFS Sustainability Governance model please refer to page 8 of our “Our Approach” section. For more information on the IFS ERM please refer to the Risk Management section below.

Strategy

In 2024, IFS continued to assess our key climate-related risks and opportunities, following on from work conducted in 2023 with the IFS Sustainability Business Partner (SBP) community and PwC, to identify, benchmark, and evaluate the potential impacts and of these topics on our business over a number of climate scenarios.

| Climate-related Risks* | | |
|---|---|--|
| Risk | Business Impact | Mitigation Response |
| IFS faces increased cost of compliance due to additional sustainability-reporting obligations Value Chain Location Operations Time Horizon** Medium: 3-10 Years Type Transition | <ul style="list-style-type: none">● Sustainability reporting obligations, including on climate-related topics, may increase due to broad regulations (e.g. CSRD), pressure to comply with public commitments (e.g. SBTi), and customer, shareholder, and employee expectations.● Potential impacts include financial costs to meet reporting requirements from new systems and processes, additional headcount, and contracted third party services such as assurance, and reputational damage and financial penalties for non-compliance. | <ul style="list-style-type: none">● IFS Sustainability Team, in collaboration with global partners, continuously monitors global regulations that are applicable to IFS. This also includes IFS participation in events and webinars to discuss key regulations and best practices in the industry.● In 2024, IFS continued implementing its action plan to enhance alignment with Corporate Sustainability Reporting Directive (CSRD) requirements. As part of this effort, we conducted a double materiality assessment and collaborated with PwC to develop a CSRD-focused data management and reporting system within our IFS Cloud platform. |
| Reputational damage from unsubstantiated sustainability claims Value Chain Location Operations Time Horizon Short Term: 1-3 Years Type Transition | <ul style="list-style-type: none">● Public marketing claims relating to sustainability could be subject to more intense scrutiny in future. Claims that are misleading, inaccurate, or unsubstantiated could receive significant backlash if exposed.● Potential impacts include reputational damage from external stakeholders and employees, and financial penalties for non-compliance with “anti-greenwashing” legislation (e.g. EU Green Claims Directive). | <ul style="list-style-type: none">● Well-established sustainability governance framework including Executive oversight at ESG SteerCo.● Close collaboration with Marketing function to govern content and ensure accuracy of claims.● Internal training and materials provided to raise awareness of characteristics of successful sustainability claims. |
| IFS required to make significant investments to decarbonise its value chain Value Chain Location All Time Horizon Medium: 3-10 Years Type Transition | <ul style="list-style-type: none">● Decarbonisation of value chain activities in line with public emission reduction targets is challenging given limited control and influence over customer and suppliers and is likely to increase in cost and difficulty with business growth.● Potential impacts include the financial cost of internal decarbonisation levers, and reputational damage from external stakeholders and employees in the case of failure to meet or progress towards stated goals. | <ul style="list-style-type: none">● IFS decarbonisation strategy of reduce, replace and engage has been in place since 2022. Procurement of 100% renewable electricity for global offices since 2022 has reduced market-based Scope 2 emissions significantly.● Implementation of new standard terms and conditions for suppliers including sustainability criteria encourages supplier climate action.● Installation of 2x new EV chargers at IFS Staines office encourages greener commutes, with bike-to-work schemes, and hybrid working practices supported where practical.● Customers actively encouraged to move to our cloud-based platform, reducing emissions compared to typical on-premise deployments due to higher utilisation in the cloud. |
| Disruption to workforce, facilities, and IT infrastructure caused by adverse changes in weather Value Chain Location Operations, Downstream Time Horizon Medium: 3-10 Years Type Physical | <ul style="list-style-type: none">● Negative effects of climate change as a result of increased anthropogenic GHG emissions include increasing extreme weather events such as cyclones and floods, as well as rising temperatures and sea levels.● Potential impacts include revenue loss from disruptions to business continuity – this could be from workforce being unable to effectively work or from damaged IT infrastructure effectively deliver service to customers – and increased operational costs from facilities and IT infrastructure e.g. from increased use of Heating, Ventilation, and Air Conditioning (HVAC) system | <ul style="list-style-type: none">● IFS equips majority of workforce with appropriate equipment and tooling to work from home temporarily to deliver client services.● Facilities team have actively considered sustainability criteria in selection of new offices since 2022 ensuring selected buildings are energy efficient, climate resilient, and not exposed to high levels of climate risk.● IFS partners with global leaders in cloud hosting services with global distribution and data redundancy to mitigate potential risks to services.● In 2024, IFS conducted an in-depth physical climate risk analysis on 52 global offices via market-leading climate risk platform, Climate X. This enabled us to visualise the risk profile of our existing office portfolio, and plan for the future. |

ISSB Standards Alignment

continued

In 2024, we collaborated with climate risk experts Climate X to conduct new scenario analysis focused around the potential impacts of physical climate hazards on our global offices.

See Risk Management section, page 16, for more information on how IFS manages risks and opportunities.

Climate Resilience Analysis

In 2023, IFS engaged with PwC to conduct qualitative climate scenario analysis focused on our most important climate-related risks and opportunities. You can read more about this analysis in our 2023 Sustainability Report.

In 2024, we continued to monitor and manage key climate-related risks and opportunities, and in addition, conducted quantitative analysis on our global offices. These sites were assessed against 11 physical climate hazards and three different climate scenarios using Spectra, a proprietary digital platform developed by market-leading climate risk specialists, Climate X.

Strategic Planning

This year, we used Spectra to evaluate the anticipated climate risk profiles of our existing office portfolio. This allowed us to identify offices with higher risk profiles and determine the appropriate actions to mitigate or adapt to potential climate impacts.

In future, we plan to further integrate physical climate risk analysis into our strategic real estate assessment and decisions, including during potential lease renewals and office relocations.

| Climate-related Opportunities* | | |
|---|---|---|
| Opportunity | Business Impact | Business Response |
| Increased revenue from new IFS sustainability-focused solutions | <ul style="list-style-type: none">Technology solutions that can drive operational gains, financial returns and sustainability benefits provide a win-win-win scenario for customers.Sustainability data quality is another key challenge customers are seeking to resolve, to enable compliance and avoid penalties, and to drive better decision-making and business valuation.Potential impacts include increased revenue from growing sales of cloud-based solutions that satisfy customers growing sustainability needs, and increased brand recognition for sustainability excellence. | <ul style="list-style-type: none">In 2024 IFS invested in “sustainability embedded” as a core message – having sustainability threaded seamlessly throughout our customer solutions to deliver triple wins including operational, financial, and sustainability benefits – and we have developed new messaging, content and training to support this positioning.We also developed new solutions to support customers with managing their sustainability data and reporting needs: IFS Cloud Sustainability Management and IFS Cloud Emission Management.We continue to grow headcount in our Product teams that are focused on sustainability. |
| Value Chain Location Operations | | |
| Time Horizon* Short Term: 1-3 Years | | |
| Type Transition | | |
| <small>* The following climate risks and opportunities were identified as material in the 2024 Impact Risk and Opportunities exercise and were assessed against the materiality threshold defined by the CSRD. The threshold was benchmarked at a risk/opportunity level value classified as “Critical” or “Severe” (from five categories: Controlled, Serious, Disruptive, Severe, or Critical.)</small> | | |
| <small>** IFS has defined time horizons for the classification of risks and strategic opportunities as per our Enterprise Risk Management framework: Short Term: 1-3 Years, Medium Term: 3-10 Years, Long Term: 10+ Years.</small> | | |

Spectra Hazard Ratings

For a quick and easy interpretation of risk, each hazard is assigned a rating. These ratings consider the potential physical and financial impact that would be associated with the severity of a climate-related event, combined with the likelihood of that event happening.

As different types of events will have different levels of impact, each hazard type has its own rating definition. For all hazards the risk ratings go from A to F, with A representing the lowest risk and F representing the highest risk.

Portfolio Analysis Results

The analysis described is based on the SSP5-8.5 climate scenario which represents a high-emission, fossil-fuelled development scenario. Using this scenario enables conservative risk management and planning.

Considering the 2020 to 2030 timeframe, the proportion of offices exposed to high-impact risk (rating E-F) in 2030 remained relatively low at 0% for 6 hazards and 4-19% for 5 hazards. The analysis showed surface flooding, subsidence and extreme heat increasing in risk profile, with the share of offices increasing from 0-4% up to 10-12% for these hazards. All other hazards demonstrated flat or decreasing risk profiles for high-impact risk (E-F rating).

When considering the longer-term picture, the proportion of offices exposed to high-impact risk (rating E-F) remains relatively low to 2045 at -10% when considering aggregated scores across hazards and assets. There is however a clear uptick in potential exposure after 2045 with -15% of offices facing high-impact risk by 2100.

Scenario Selection

To ensure consistency with our 2023 scenario analysis, we selected the below Shared Socioeconomic Pathways (SSPs). As mentioned above, we primarily use SSP5-8.5 for conservative risk management and planning, as well as 2030- and 2050-time horizons.

| Scenario selection | |
|--------------------|-----------------------------|
| SSP1-2.6 | Low-emissions scenario |
| SSP2-4.5 | Middle of the road scenario |
| SSP5-8.5 | High-emissions scenario |



ISSB Standards Alignment

continued

Risk Management

Enterprise Risk Management Framework

IFS employs a structured Enterprise Risk Management Framework to systematically identify, assess, and mitigate risks that impact the organization.

At its core is the enterprise risk register, a centralized repository for all material risks at the Group level. Risks and opportunities are identified, evaluated, and managed by local management teams in each region or business unit. They are responsible for recognizing and assessing risks and opportunities specific to their operations, ensuring that proactive mitigation strategies are in place. Each plan is assigned an owner, with mitigation actions tracked against defined timelines to maintain accountability and ensure progress. The risk register is updated at least annually to reflect changes in the company's structure, operations, and material risk landscape.

External risks are also identified and assessed to establish the impact to the business, and material risks are escalated to the local management teams and Executive Management for deliberation and necessary action.

The IFS Global Risk Management Function oversees the annual risk assessment, ensuring adherence to the established Enterprise Risk Management Policy. Material business risks and incidents are reported to the Chief Financial Officer (CFO), who evaluates them against mitigation strategies and action plans to assess their effectiveness in reducing residual risk levels.

A comprehensive risk overview is then presented to the Chief Executive Officer (CEO), Audit Committee, and Board of Directors for informed decision-making.

By integrating risk management into its strategic planning, IFS maintains alignment with business objectives while ensuring accountability, adaptability, and resilience.

Metrics & Targets

Targets

- IFS has an approved 2030 Science Based Target
- IFS commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year.
- IFS also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting 25% within the same timeframe.



Read more

For more details on SBTi commitment, please refer to the "Environmental Impact" section, page 18.

Metrics

- IFS utilizes Scope 1-3 emissions and energy consumption as measures for performance against targets.
- IFS tracks energy consumption and manages Scope 1-3 emissions through our proprietary carbon accounting platform, IFS Cloud Emissions Management.



Read more

Please check our "GHG Inventory Breakdown" section for more details on page 46.



Climate-Related Risk Progress and Integration

In 2023, IFS conducted a climate risk and opportunity analysis workstream (see 2023 Sustainability Report). This was delivered in parallel to our enterprise risk management process. In 2024, we successfully integrated the two processes, with climate-related risk and opportunity management now fully integrated into our Enterprise Risk Management (ERM) framework.

As part of this process, the risks and opportunities previously identified were integrated into risk registers at functional level. This change enhances awareness of sustainability risks across business functions and delivers a more collaborative approach to managing risk across the organization. By embedding sustainability into risk management, IFS strengthens its ability to anticipate, mitigate, and adapt to evolving sustainability challenges.

“

With the negative impacts of climate change growing by the day, businesses must do more to reduce their environmental impact whilst simultaneously delivering against financial targets. We are seeing a renewed emphasis on sustainability initiatives that drive commercial benefits and deliver “win-win” outcomes. At IFS we are focused on the quick wins that deliver both sustainability and business benefits, whilst continuing to work towards more challenging long-term goals, such as our 2030 Science Based Target.”

Michael Batstone
Global Climate Strategy Manager

Our Business

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Environmental impact

At IFS, we are committed to reducing our environmental impact while continuing to achieve world-class business performance. This commitment is reflected in our direct efforts to reduce our own operational footprint, as well as impacts across our wider value chain through engagement and collaboration with value chain partners.

In 2024, we:

- Procured **100% renewable electricity** across all our global offices*
- Migrated three offices to **more sustainable premises**** as part of our evolving Green Facilities Strategy
- Purchased sustainability aviation fuel (SAF) to reduce travel emissions by 145 tCO₂e versus conventional aviation fuel***

- Invested in a portfolio of **high-quality, brand-aligned carbon credits projects** through a multi-year offtake agreement with partner, Patch
- Improved **data accuracy** by reducing the proportion of estimated Scope 1 and 2 emission data vs 2023
- Migrated to **IFS Cloud Emissions Management**, improving emissions data accuracy by enabling selection of more granular emissions factors via expert partner, Climatiq

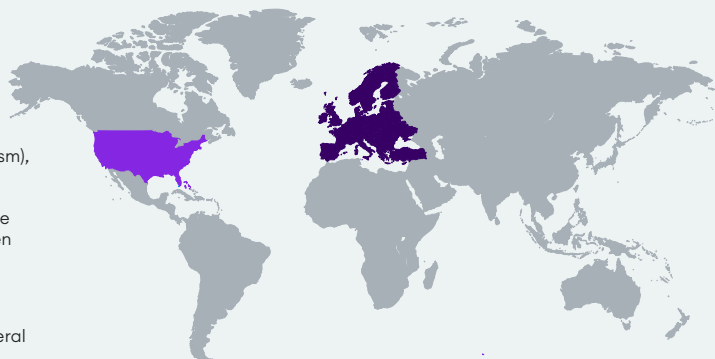
* delivered through a combination of bundled and unbundled RECs, includes all offices over which IFS has operational control, excluding serviced offices

** buildings with sustainability features and recognized certifications, such as LEED and BREEAM or equivalent

*** The purchased SAF aimed to reduce travel emissions by 145 tCO₂e versus conventional aviation fuel. The greenhouse gas figures in this report do not include the impact of SAF emissions reductions.

Key regulations and frameworks include:

- **Europe**
EU CSRD (Corporate Sustainability Reporting Directive), CBAM (Carbon Border Adjustment Mechanism), EUDR (EU Deforestation Regulation), and CSDDD (Corporate Sustainability Due Diligence Directive), EU Green Claims Directive
- **United States**
SEC Climate Disclosure requirements alongside Federal and state-level regulations.
- **Global**
ISSB IFRS S1 and S2 Sustainability Disclosure Standards, which are applied in 30+ jurisdictions globally as of September 2024.



Our 2030 Science Based Target

The Science Based Targets initiative (SBTi) is widely regarded as a 'gold standard' for corporate emissions-reduction commitments. With a science-led approach and stringent set of criteria for emissions reductions informed by the Paris Agreement goals, the SBTi remains a key player in the corporate sustainability ecosystem. IFS will be closely tracking the ongoing revision of the Corporate Net Standard in 2025 to ensure we factor in any significant changes into our business and sustainability strategy.

At IFS, we have held a validated Science Based Target since 2023. This is aligned to the Paris Agreement goals and requires significant absolute emissions reductions by 2030. This target spans across both direct operations (Scope 1 and 2 emissions) and our broader value chain (Scope 3 emissions) and ensures we hold ourselves accountable and are playing our part in the global effort to address climate change.

Our SBTi Commitment

- IFS commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year.*
- IFS also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting 25% within the same timeframe.

* 2022 was selected as our baseline year as the first year in which IFS conducted a complete carbon footprint with data of sufficiently high quality.

At IFS, we are committed to reducing our environmental impact whilst continuing to achieve world-class business performance.



Environmental impact continued

Our Climate Strategy

Greenhouse gas (GHG) emissions generated from our business activities and value chain partners contribute to harmful climate effects and are a key area of focus within our broader sustainability strategy. We are actively engaged in climate change mitigation activities which we deliver through:

Our Decarbonization Strategy – to drive science-aligned emissions reductions in our own operations and value chain. We plan, design, implement, and track decarbonization initiatives on an annual basis to measure our progress against our Science Based Target.

Beyond-Value-Chain Mitigation Strategy – to contribute towards the necessary scaling of global carbon removal markets to meet planetary net zero goals as per the Paris Agreement.

Greenhouse Gas Inventory and Calculation Methodology

We report our corporate GHG inventory annually in alignment with the GHG Protocol standards. In 2024, we migrated to our proprietary emissions management software, IFS Cloud Emissions Management, to improve data governance and accuracy of emissions results.

Our Decarbonization Strategy

Decarbonization across our value chain focuses on the following three areas of Reduce, Replace and Engage.

| | |
|---|--|
| Reduce emissions across our operations | <ul style="list-style-type: none">• Transitioning to certified sustainable facilities while phasing out less sustainable ones• Promoting hybrid working and reducing unnecessary business travel emissions• Collaborating with our Sustainability Business Partner network to identify and implement levers to minimize energy consumption and emissions e.g. reducing IT waste, installing EV chargers in offices, formalizing office energy efficiency guidance |
| Replace energy used with greener alternatives | <ul style="list-style-type: none">• Purchasing 100% renewable electricity for global offices through annual procurement process• Increase the percentage of offices utilizing locally procured green energy contracts or energy attribute certificates (EACs)• Prioritize transitioning to energy-efficient facilities, including renewably powered buildings and electric fleet vehicles, replacing traditional fuel-powered options• Purchasing SAF to reduce the emissions associated with flights versus conventional fuels |
| Engage with customers and suppliers to reduce value chain emissions | <ul style="list-style-type: none">• Providing customers with solutions to help manage and reduce carbon emissions• Implementing and strengthening supplier sustainability policies• Engaging with IT end-of-life providers to reduce environmental impact of waste from IT operations and improve circularity• Provide employees with carbon emissions data via our travel booking tool to enable users to make more informed, sustainable business travel decisions• Collaborating with cloud hosting partner to optimize resources and data centres for emissions reduction• Expanding green software practices including upskilling engineers, evaluating software and adopting sustainable development principles |



Environmental impact continued

2024 Carbon Performance

Our overall footprint increased in 2024 by 19% with respect to 2023, with the majority of the change coming from Scope 3. A major driver of the increases were several changes to our methodology, including reporting on additional emissions sources and utilizing more up-to-date emissions factors. These changes due to methodology will be factored out when we re-calculate our baseline year data, an exercise we plan to complete in 2025.

Our Scope 1 and 2 emissions remained broadly flat with respect to the emissions sources that were reported in 2023, with both Mobile Combustion and Fugitive Emissions reported for the first time this year due to availability of new information.

Within Scope 3, Purchased Goods & Services (PGS) and Business Travel (BT) accounted for the majority of the increase. PGS changes are attributable to improvements in data accuracy rather than changes to real-world emissions whereas the changes in BT are a combination of increased travel activity and more accurate emissions factors.

Key Changes in 2024

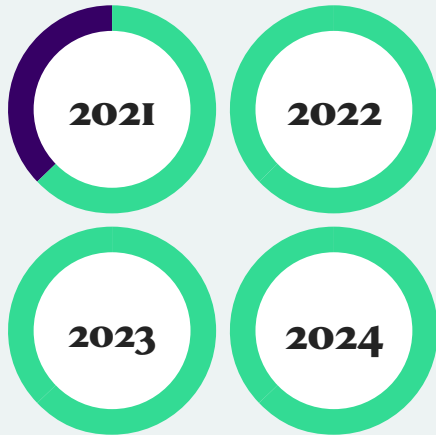
Every year we seek ways to improve the accuracy and completeness of our GHG data in line with GHG Protocol and SBTi recommendations. In 2024 we expanded and improved quality of our data through improved data collection and calculation tools via IFS Cloud Emissions Management.

- **Data collection improvements** – we decreased the share of estimated emissions data
- **Integration of acquisitions** – all acquisitions that were completed in 2024 were factored into our reporting
- **Methodology improvements** – we migrated to IFS Cloud Emissions Management and used its granular emissions factor selection to increase precision and accuracy of our carbon calculations



Renewable Electricity*

As part of IFS’ continued commitment to source 100% renewable energy across our operations, we once again matched 100% of our non-renewable grid electricity volumes in 2024, with regional renewable electricity certificates for our global offices. IFS manages energy consumption through global Facilities and looks to minimize this wherever possible.



- Covered by renewable electricity
- Not covered (37%)

*Renewable electricity (RE) is generated from renewable resources, which are naturally replenished on a human timescale, such as sunlight, wind, rain, tides, waves, and geothermal heat. IFS purchases Energy Attribute Certificates (EACs) to cover its grid electricity consumption across global facilities that are under its operational control. 1 EAC represents 1 MWh of verified 100% RE generated by a provider. Green tariffs refer to contracts for 100% RE that usually consist of bundled EACs. Purchasing EACs therefore enables IFS to decarbonize its electricity supply. For more details, please refer to our "KPI Definitions" section of Annex, page 44.

Emission Factor Selection

IFS partnered with market-leading emissions factor (EF) provider, Climatiq, to obtain the latest and most accurate EFs via an integration with IFS Cloud Emissions Management for Scope 1 and 2 emissions (see 'Our customers' section for more information). EFs were selected on the basis of specificity to the activity in question (e.g. generation of grid electricity), geographical location (e.g. Paris, France v.s. European average), and recency (as close to the reporting year as possible).

For Scope 3, a combination of activity and spend-based calculations were used with the support of Schneider Electric. Within Scope 3 US EPA EEIO v1.3 was primarily used for spend-based calculations, with DEFRA 2024 used for activity-based calculations.

Our Carbon Footprint

| Emissions Category | 2022 tCO ₂ e** | 2023 tCO ₂ e | 2024 tCO ₂ e |
|--|------------------------------|----------------------------|----------------------------|
| Scope 1 | 279 | 354 | 662 |
| Scope 2 (Market-based) | 1,681 | 93 | 47 |
| Scope 2 (Location – based) | 2,355 | 2,334 | 2,204 |
| Scope 3 | 22,630 | 27,052 | 32,153 |
| Total Scope 1-3 (Scope 2 Market-based)* | 24,591 | 27,518 | 32,862 |
| Total Scope 1-3 (Scope 2 Location-based)* | 25,265 | 29,759 | 35,018 |

* Subtotals may not 100% match due to rounding, for more details, please refer to our "GHG Inventory Breakdown" section of Annex, page 46.
** tCO2e is defined as metric tonnes of carbon dioxide equivalent.

Green Facilities Strategy

At IFS, the process for selection of new premises includes sustainability and energy performance criteria. Key factors considered include EPC ratings, as well as other globally recognized building certifications like LEED and BREEAM.

In 2024, we launched our "#GreenBuildings, Brighter Future" campaign to highlight our sustainability focus and initiatives, in alignment with our overall sustainability strategy. As part of the campaign, IFS’ Facilities team shared multiple updates and infographics with employees, showcasing the eco-friendly features and initiatives of our green offices. This initiative provided our colleagues with valuable insights into how we are incorporating advanced technologies and sustainable practices to reduce our environmental impact.

Emissions Sources

| Carbon Emissions Reporting Standards* | Sources |
|---|--|
| Scope 1 Direct emissions | <ul style="list-style-type: none">• Stationary combustion of fuel – natural gas from heating• Mobile combustion – petrol and diesel from vehicles• Fugitive emissions – HFCs from HVAC (Heating, Ventilation, and Air Conditioning) |
| Scope 2 Indirect emissions from purchased energy | <ul style="list-style-type: none">• Purchased Electricity – From office sites• District Cooling – From office sites• District Heating – From office sites |
| Scope 3 Upstream Indirect value chain emissions | <ul style="list-style-type: none">• Purchased Goods and Services• Capital Goods• Fuel – Energy Related Activities• Waste Generated in Operations• Business travel• Employee Commuting• Investments |

* For more details, please refer to our "GHG Inventory Breakdown" section of Annex, page 46.



Environmental impact continued

Key Updates

Zero waste to landfill in UK head office

The Staines office in the UK continues to be zero to landfill with 46.7% waste being recycled and 53.3% Energy from Waste (EFW)

Annual Eco-Savings



46.7%

Recyclables



6021

Power Generated (kWh)



Sites with Green Energy Contracts*



Staines

100%

Renewable Energy

Linkoping

100%

Renewable Energy

Melbourne

100%

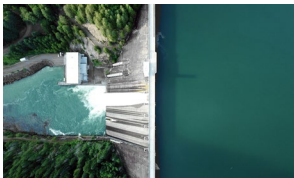
Renewable Energy

Turku

100%

Renewable Energy

* These offices procure 100% renewable electricity through bundled energy attribute certificates (EACs). Our other sites are covered by unbundled EACs purchased by IFS annually.



New leases under our Green Facilities Strategy



France

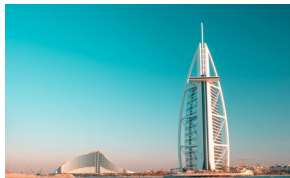
Paris

UAE

Dubai

Japan

Tokyo



Further office footprint reduction

Real estate footprint was reduced by a further 4% globally. The total square foot reduction during 2024 was 24,230 sq. ft.

3

locations were downsized

2

locations were upsized (Dubai and Paris)

1

new location added (Tokyo)



CASE STUDY

Tokyo Office Ranked Highest for Built Environment Efficiency

This year, we have continued to implement sustainability into our property portfolio management strategy, migrating to three new, highly sustainable offices globally from older premises. In November 2024, we opened our brand-new Japan office, located in Tokyo's Otemachi One Tower. This new workspace is a compelling advocate for our Green Buildings campaign. Here are some of the reasons why:

- The building has been awarded an S rank, the **highest rating in Japan's CASBEE** (Comprehensive Assessment System for Built Environment Efficiency) assessment, a prestigious green building certification program.
- The building incorporates several environmental features to enhance sustainability, including **air conditioning impact reduction** through low-emissivity double glazing and a **cogeneration system** that produces power and heat from gas, with waste heat utilized in district heating and cooling systems.
- A robust **waste management system** is in place, adhering to stringent local guidelines.
- The Otemachi One Tower has achieved level 3 grading in both PAL and ERR assessments, benchmarks used in Japan to evaluate a building's **energy efficiency and thermal impact reduction**.



Environmental impact continued

Software Carbon Footprint


When it comes to cloud software, environmental costs as externalities can be hidden. With the rise of AI and compute-intensive software, **increased use of energy and water** is becoming a top priority for technology companies globally. At IFS, we have a responsibility to consider these externalities across the product lifecycle. This means from the design stage, where we have the most control over how our software will run efficiently, through to the use stage, IFS, where we collaborate with our cloud partners on the energy and water consumption in data centers hosting IFS.

Our focus is on minimizing the carbon footprint of AI systems, adopting green coding practices and promoting sustainable solutions for the industries we serve. We seek to align with the principles of the **Green Software Foundation** as regards carbon efficiency in development of software, energy efficiency in its operation, and carbon awareness. IFS design our solutions to run efficiently, with increasing components of our software on 'next generation' architecture that scales to near zero when not in use. In 2025, we will pilot training on green software to our engineers so these principles are considered in the design and development stage. We will also benchmark our software to understand its comparative carbon footprint.

On data centres, **we work closely with our cloud partner Microsoft Azure** to assess the environmental impact of their data centres. The majority are powered by renewable electricity and there are initiatives in place such as innovative liquid immersion cooling methods to reduce water and energy consumption for AI chips. Having a central cloud hosting gives us visibility on total emissions associated with IFS Cloud, as well as the ability to provide customers with their emissions from software use, and approximate reduction compared to on premise applications.

Sustainable Procurement

We recognize our supply chain as a vital part of our overall environmental footprint and continue to promote sustainable practices in our supply chain through specific sustainability criteria in our standard supplier terms and conditions. We also seek to continuously optimize procurement of goods and services through cost management initiatives that also provide sustainability benefits.



Strategy and 2024 progress
See dedicated section for more information on page 27.

Beyond-Value-Chain Mitigation

We recognize the vital role that the private sector needs to play in scaling vital markets and technologies outside its immediate value chain to achieve planetary net zero. With the negative impacts of climate change continuing to grow, the world is looking to businesses to accelerate the pace of change. At IFS, alongside decarbonization initiatives targeted at our own operations and value chain, we actively invest in carbon projects to support the scaling of global carbon removals markets.






Carbon Credit Strategy

IFS' carbon investment strategy is designed to deliver positive impact for the planet by supporting the scaling of the carbon removals market whilst providing benefits for our business. Through our partnership with Patch, we have invested in a diverse portfolio of carbon projects* to deliver the following benefits:

- **Carbon removal impact** – through our offtake agreement, capital is secured for project development and scaling of vital carbon removal technologies
- **Brand & customer industry alignment** – IFS are proud to invest in projects that deliver positive social impact, protect and regenerate biodiversity, and align to customer industries such as construction (see CarbonCure spotlight)
- **Employee engagement** – we are continuously seeking ways to raise awareness and engage our employees on sustainability topics, our carbon portfolio provides a way for us to do this across the globe and we are seeking to enhance our focus on this element in 2025

All of our projects meet the following five criteria for quality and are certified by an International Carbon Reduction and Offset Alliance (ICROA) endorsed organization.

What are the criteria for high quality carbon credits?

| | | | | |
|---|---|--|---|---|
| Negativity The projects result in a net negative reduction in atmospheric carbon dioxide  | Real and verifiable The project uses scientifically rigorous methods for monitoring and verification  | Additionality The impact would not have occurred without this project  | Leakage Avoiding an unintended increase in emissions or shift of emissions from one place to another  | Permanence/ Durability How long the carbon will be sequestered for  |
|---|---|--|---|---|

CASE STUDY


CarbonCure

IFS supported CarbonCure's innovative solutions by investing in carbon credits via Patch in 2024 and 2023.

CarbonCure Concrete Mineralization Project utilizes innovative technology which involves injecting captured CO₂ into concrete mix during production, creating strengthened concrete. This storage solution is permanent and contributes to an annual carbon removal of 400,00 tonnes.



CarbonCure was recognized as Cleantech Group's North American Company of the Year in 2020, addressing sustainable development in UN SDG goals and creating green jobs for local communities.



CarbonCure
For more information, visit CarbonCure's Sustainable Concrete Solution - [Concrete Technology Reducing Carbon Impact](#)

* Whilst our offtake agreement began in 2023, our first year of retiring credits will be 2025. The volume of carbon credits cancelled in 2024 is therefore 0 tCO₂e.

Our People

As we continue to grow and evolve as an organization, we recognize that our success is built on the strength of our people.

At IFS, we believe every person deserves to feel valued, respected, and empowered to thrive. Our commitment to fostering an inclusive, fair, and equitable workplace is not just a statement—it is the foundation of high-performing, diverse teams that drive innovation and success for our business globally. Our 2029 vision recognizes the importance of high-performing, diverse teams as a central contributor to achieving our ambition.

This year, we facilitated several diversity projects, including ongoing annual initiatives, such as continued support for IFS Women Employee Resource Groups, as well as new global projects focused on minority groups. A compelling example is the "I Am Remarkable" program, which was successfully launched in 2024. It aims to empower individuals to celebrate their achievements. The series of workshops focus on improving self-promotion skills and building confidence in a supportive group setting. It is currently available for our teams in the UK and Sri Lanka; however, we plan to expand it globally in 2025.



Celebrating Our Global Diversity

At IFS, we use awareness days as opportunities to celebrate diversity, launch supporting initiatives, and educate our employees. In 2024, IFS proudly celebrated several diversity awareness days, including International Women's Day, Black History Month, LGBTQ+ History Month, International Men's Day, and others.

We always strive to infuse creativity into our campaigns. As part of this effort, in 2024, our design team created custom lock screen designs to reflect and honor the unique values, aesthetics, and celebrations of different communities.



Supporting the Growth of Female Leadership

In 2024, we established Future Manager Development Program with high emphasis on female participation. The program aims to equip IFS employees who aspire to become people managers in their journey at IFS. The program involves a combination of mentoring, e-learning and structured group discussions that provide participants with knowledge and skills required to become effective people managers.

2024 Gender Diversity

The technology industry continues to be predominantly male-dominated, and IFS is actively working to change this. We are committed to helping women establish and grow their careers in technology by offering additional opportunities for success and advancement. In 2024, IFS has increased the number of female managers to 33.02% of the business (2023: 31.91%).

| Female | Male | Gender |
|----------------------|----------------------|--|
| 37% Employees | 63% Employees | 0.04% of all employees are non-binary or undisclosed |
| 33% Managers | 67% Managers | 0% of all managers are non-binary or undisclosed |
| 40% Board members | 60% Board members | 0% 0 % of all C-suite members are non-binary or undisclosed |

* This refers only to IFS' Board of Directors, excluding shareholder representatives.



Discussing Gender Bias in the Tech Industry as Part of IFS Unleashed

IFS uses a variety of channels to promote diversity, and inclusion within the workplace. In 2024, as part of IFS Unleashed, our CIO Helena Nimmo (above) hosted a thought-provoking discussion with speakers from IFS, BakerTilly, and PwC. The conversation explored the challenges and opportunities of addressing gender bias in AI.

The session was filled with insightful examples, real-life stories, and practical advices on navigating the evolving landscape of AI and diversity within the IT sector.



Our People

continued

Employee engagement

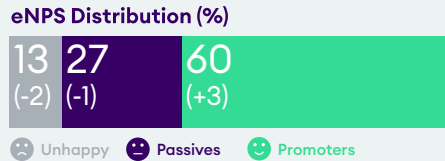
Engaging and retaining a motivated workforce is a key priority for us, which involves actively seeking, listening to, and responding to employee feedback. As we continue to grow, our global employee engagement survey provides an important opportunity for employees to share candid feedback about their experience at IFS. The ideas and suggestions from our employees play a vital role in helping us refine our work practices and culture, ultimately shaping the future of IFS.

To track progress, IFS conducts the Heartbeat survey two times a year, which is sent to all employees. This concise, regular survey allows us to consistently measure employee engagement and adjust questions to focus on specific themes, while also maintaining a core set of questions.

In 2024, we maintained best-in-class participation rates for our survey, **achieving a global participation rate of 93% with a total of 18,300 comments**. We believe that the high participation rates and the volume of comments reflect an actively engaged workforce, eager to provide feedback and collaborate on future improvements.

Heartbeat summary

IFS Global – October 2024 Pulse Survey, excluding Copperleaf IFS



Employee Wellbeing

IFS is committed to ensuring that mental and physical wellbeing support is accessible to all employees across the business. As part of this effort, we continually raise awareness about the importance of wellbeing and develop inclusive and accessible training modules to promote healthy practices.

In 2024, we launched several initiatives to enhance workplace wellbeing. Employee wellbeing was a central theme of this year’s IFS Link sessions, featuring workshops and e-learning opportunities designed to support both personal and professional development.

To further support employees, we have a dedicated Workplace group page where we regularly share information on health and wellbeing. Additionally, we continue to promote our Employee Assistance Program (EAP) services, ensuring that employees have access to confidential support whenever they need it.



Copperleaf’s Women in Tech Group

Copperleaf’s Women in Tech group is a vibrant community dedicated to empowering women in the technology field. This group provides a platform for the women of Copperleaf to connect, share experiences, and advocate for gender equality in the industry. It raises awareness about the challenges women face in tech and offers mentorship programs and professional development opportunities to support their growth.

“
Being a woman in a male-dominated field can feel isolating. In 2017, I created the Women In Tech group as a safe space for women to support one another, and connect with both male and female champions of gender equality and inclusion in tech.”

Kirsten Harrold
Director of Client Solutions, Extensions and Delivery, Copperleaf



Our People continued

Neurodiversity Employee Resource Group

Another example of our strong commitment to employee wellbeing is the establishment of a Neurodiversity Employee Resource Group (ERG) dedicated to supporting our global IFS community.

Neurodiversity is the concept that people experience and interact with the world in many ways, and there's no single "right" way of thinking, learning, or behaving. It recognizes brain differences, such as those seen in ADHD, autism, dyslexia, and other conditions, are natural variations in the human population, much like diversity in race or gender.

The main mission of our Neurodiversity ERG is to **foster an inclusive environment** where neurodivergent individuals feel valued, understood, and empowered to reach their full potential.

Another example of our strong commitment to employee wellbeing is the establishment of a Neurodiversity Employee Resource Group (ERG) dedicated to supporting our global IFS community.



CASE STUDY

IFS Poka Celebrates Pride in Montreal

As a global company, IFS employees have numerous opportunities to show their support for various causes worldwide. For instance, in May 2024, IFS Poka celebrated the LGBTQ+ community by participating in the annual Montreal Pride Parade, highlighting their commitment to Diversity and Inclusion.



Improving Physical Health Through a Walk and Mental Health Through a Chat

This year, we celebrate the fourth consecutive year of our Global Get Fit Challenge. This initiative encourages employees to set personal fitness challenges over the course of a week, while also providing a fundraising opportunity for the IFS Foundation through participant sponsorship.

In 2024, as part of this initiative, we organized several office walks across our global IFS offices, with the goal of "improving physical health through a walk and mental health through a chat." The initiative not only demonstrated a high participation rate but also positive feedback afterwards.





Human Rights & Anti-Corruption

At IFS, safeguarding fundamental rights related to dignity, fairness, respect, and equality is a core commitment.

We are dedicated to upholding the human rights of our employees, ensuring they are treated with dignity and respect in accordance with international standards. All employees and business partners are expected to adhere to the principles outlined in the Universal Declaration of Human Rights. As part of our commitment, we follow the **UN Guiding Principles on Business and Human Rights** and have signed the UN Global Compact.

IFS is committed to respecting human rights, including adherence to the International Labor Organization's Core Conventions governing labor conditions. We work closely with our partners to ensure these rights are consistently respected, prohibiting any involvement in forced labor, child labor, or discriminatory employment practices. We avoid any transactions that present a risk of human rights violations, assessing and managing such risks in line with the UN's framework for business and human rights.

New Addition to IFS' Global Policies

In 2024, as part of our commitment to safeguarding human rights, we introduced a global IFS Anti-Bullying, Harassment, and Sexual Harassment Policy. This policy reinforces our dedication to maintaining a workplace free from all forms of harassment and ensuring that all employees are treated with dignity and respect.

Anti-Corruption

At IFS, we maintain a zero-tolerance policy towards corruption. We are fully committed to complying with all applicable anti-corruption laws and regulations. Our compliance program is guided by recommendations from industry and regulatory bodies, as well as legally binding standards established by the OECD Anti-Bribery Convention.

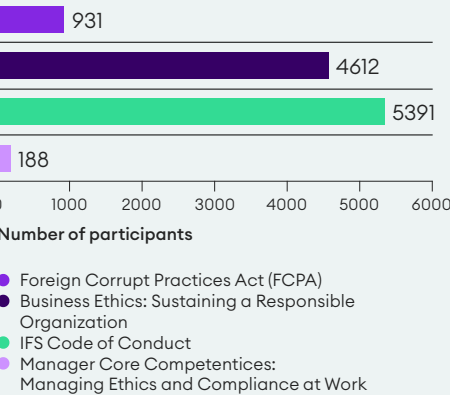
All employees are required to complete mandatory training on anti-bribery and corruption. Employees in higher-risk roles receive regular training as part of a structured training plan. Additionally, as part of the onboarding process, new employees must complete training on anti-corruption, fraud, and money laundering.

Whistleblowing

Our whistleblowing platform allows employees and business partners to raise concerns anonymously about actual or suspected serious misconduct in the Group. The system is hosted by an external, independent third party, providing whistleblowers the ability to track the status of their cases.

The whistleblowing process is managed by a cross-functional team of senior staff. IFS enforces a zero-tolerance policy for retaliation against anyone who reports wrongdoing in good faith.

Anti-corruption and Bribery Trainings*



*These four training courses include anti-bribery and corruption as part of their agenda.

Compliance Trainings

Our commitment to high-quality training and education for all employees is demonstrated through our partnership with a digital learning platform. This collaboration allows us to offer courses that cater to employees at various levels and across all divisions. As part of our focus on continuous improvement, employees are required to retake courses periodically, especially when content is updated, ensuring their knowledge stays current.

Mandatory training ensures that every IFS employee has the necessary knowledge and skills to perform their duties in the safest possible way, minimizing risks to themselves and others. In 2024, we have updated our compulsory training curriculum to ensure the agenda remains fresh and as relevant as possible.

“As part of our commitment to maintaining a safe, ethical, and legally compliant workplace, I would like to emphasize the importance of compliance training. Compliance training isn’t just a checkbox exercise – it’s about legal responsibility. By understanding and adhering to regulations, we protect both ourselves and IFS.”

Matthias Heiden
CFO





Sustainable Procurement

At IFS, Sustainable Procurement is at the heart of our operations, and we are committed to embedding sustainability at every stage of the procurement process.

Our goal is to ensure that our sourcing practices foster long-term resilience, uphold human rights, reduce environmental impact, and drive positive change in our supplier network.

Our Progress So Far

In our ongoing commitment to sustainable procurement, 2024 has been a year focused on consolidating and enhancing our existing initiatives. We continue to build on the momentum from previous efforts, strengthening an ethical and resilient supply chain to ensure a lasting, measurable impact.

Internal Policies and Procedures

We continue to roll out the IFS Global Procurement Policy across our operations, ensuring that key sustainability principles are integrated into our supplier due diligence and management processes.

Supplier Engagement and Accountability

We are further embedding the Supplier Code of Conduct to uphold environmental, social, and governance standards. This is reinforced through the integration of social and environmental clauses into supplier contracts, and we have also taken steps to promote diversity and inclusion within the workforce of our suppliers.

Sustainability Training

At IFS, we understand the importance of capacity building. In 2024, we have engaged with our supplier network by offering training and corrective action plans. We have also upheld last year's achievement by ensuring that 100% of our procurement team participates in sustainability training.



The road ahead

Key focus areas for 2025

Moving forward, we will enhance our dedication to sustainable practices in supplier selection and due diligence, placing a strong emphasis on incorporating sustainability considerations into these processes. In 2025, our commitment will also encompass meeting regulatory requirements, including rolling out a Supplier Assurance Program and introducing a strategy for late payments.

Top 2025 Focus Areas



Develop a comprehensive supplier risk assessment framework.



Implement a dedicated Supplier Assurance Program focused on conducting thorough audits of suppliers regarding environmental and social issues.



Enhance our supplier policy guidelines to include clear sustainability criteria.



Utilize corrective action programs along with targeted training on environmental and social issues.



Continuously monitor our supply chain based on key performance indicators and regulatory requirements



IFS Cybersecurity & Privacy

Given the ever-evolving nature of cyber threats, IFS employs an adaptive and proactive strategy.

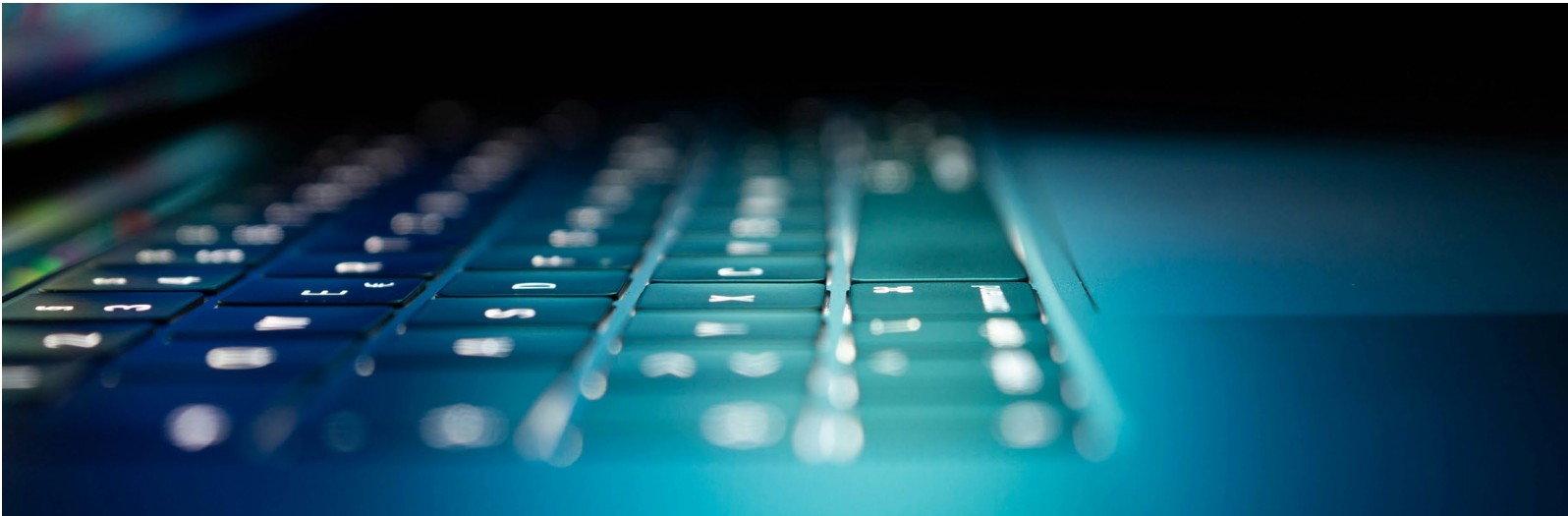
The IFS Cybersecurity program incorporates strong technological safeguards, proactive threat detection and response systems, and fosters a culture of cyber awareness among our employees. This multi-layered approach ensures we stay ahead of the curve.

Built to Adapt

At the heart of our efforts is the IFS Internal Information Security Management System (ISMS). Designed in accordance with globally recognized security frameworks such as ISO 27001, SSAE18/ISAE3402, SOC 1 & 2, and the National Institute of Standards and Technology (NIST), this system is in constant review and evolves in tandem to industry best practices and emerging threats.

As a result, IFS has been able to maintain an impeccable record with no major security incidents nor data breaches for 6th year in a row. This milestone is a testament to our commitment to protecting the data and privacy of our stakeholders in an increasingly complex digital landscape.

No major security incidents nor data breaches for 6th year in a row.



Key 2024 updates

IFS continues to strengthen our cybersecurity posture, and this year has driven multiple key initiatives:



Unified Security through acquisition alignment

This year, we made further progress in aligning our new acquisitions with IFS' established security management policies, standards, and processes. This approach creates a unified strategy that reduces risks and ensures consistent safeguards throughout our continually expanding ecosystem.



Cyber security management and system improvement

IFS has enhanced its security monitoring and detection tools, incorporating additional automated detection and protection capabilities. Moreover, we have continued to invest in testing IFS' security defences, applying greater breadth and depth of scrutiny. To support these advancements, we have expanded our security team, in line with the growing business and evolving security threats.



Proactive threat detection and response

Given the increasing complexity of cyber-attacks, we have upgraded our IFS phishing simulation tools to deliver more targeted and sophisticated tests, tailored to an increasingly aware user base and an evolving threat landscape (including AI-based attacks, deep fakes, etc.). Additionally, we continue to test and refine our IFS Cyber Incident Response Plan and processes through regular simulation exercises, including at the Board level.



Certification and regulatory compliance

Staying ahead of the regulatory curve continues to be a key priority at IFS. In 2024, we broadened our cyber certification roadmap to encompass acquired products, while maintaining our existing certifications. Additionally, we enhanced our tracking and alignment with new and evolving regulations, including the EU AI Act, NIS2, and DORA.



AI and emerging technology governance

As we embrace transformative technologies, such as Artificial Intelligence/ Machine Learning, Data Lakes, and others, we have established secure governance frameworks and development guardrails to ensure their ethical and secure use.



Tax Strategy

In line with IFS' Sustainability strategy, IFS aims to make a positive contribution across society and is committed to paying its taxes and supporting communities.

We are committed to complying with all tax laws and regulations in the territories in which we operate including the UK, while also maintaining open and constructive relationships with tax authorities.

The publication of this IFS Tax Strategy complies with the duty specified in paragraph 16 (2) of Schedule 19 (Publication of Tax Strategies) in Finance Act 2016. This strategy applies to the overall IFS Group, which includes the application of UK legislation to the operations of IFS and our relationship with Her Majesty's Revenue and Customs (HMRC). It is published on behalf of all our UK companies and UK branches which are direct or indirect subsidiaries of IGT Holdings 1 AB for the year ended 31 December 2024.

We are committed to complying with all tax laws and regulations in the territories in which we operate including the UK, while also maintaining open and constructive relationships with tax authorities.

The IFS Group is committed to:

- **Following all applicable laws and regulations** relating to its tax activities.
- **Maintaining an open and honest relationship** with the tax authorities based on collaboration and integrity.
- **Ensuring that the tax strategy adopted is consistent** with the Group's overall strategy.
- **Applying diligence and care in our management of tax risks** and ensuring that our tax governance is appropriate.
- **Using incentives and reliefs to minimize** the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.
- Where we have choices in how we structure our commercial activities, structuring these with a view to **maximising value on a sustainable basis for our shareholders**, considering both the letter and the spirit of the tax laws of the countries within which we operate and the OECD domestic base erosion and profit shifting initiative including Pillar 2.
- Our approach to tax planning is to **align any choices with commercial and economic substance and regard to the potential impact on our reputation and broader goals**. We will not undertake planning that is contrived, artificial or knowingly contradictory to the intent of the legislation.

Tax Risk Management

IFS Group actively seeks to identify, evaluate, monitor, and manage tax risks. We are committed to correctly applying the tax legislation to our business operations having our communities in mind, and we intend to conduct our tax affairs to the highest standards and to comply with all applicable anti-bribery, money laundering and anti-tax evasion legislation. Internal controls and escalation procedures are put in place with the aim of identifying, quantifying, and managing key tax risks.

The Group Audit & Risk Committee oversees IFS' tax control environment through the regular review of the tax strategy.

Appropriate training is carried out for staff who manage or process tax matters. We recognize that tax legislation can be complex and sometimes subject to interpretation and this uncertainty could give rise to tax risk. Where there is uncertainty in how the relevant tax law should be applied, external advice is sought to support the Group's decision-making process. Where tax positions are subject to significant unresolved uncertainty, filing positions should be subject to robust risk assessment and supported by full disclosure. We may also look to engage with global tax authorities ("Tax Authorities") to disclose and resolve issues, risks, and uncertain tax positions.

We ensure documentation is collected and retained for at least the minimum statute of limitations period and if under audit, a time period needed to satisfy such activities.

Tax Governance

IFS' Chief Financial Officer (CFO) has executive responsibility for tax matters, while the ultimate responsibility for tax strategy, its approval, and compliance rests with the Group Board. They work towards ensuring that the appropriate framework is in place to oversee the identification and management of tax risk. Day-to-day management of tax affairs is delegated to the Global Head of Treasury and Tax for corporate income tax, indirect taxes and withholding tax, and to the Chief Human Resources Officer for employment taxes. They are supported by local finance and payroll teams who work on an integrated basis to identify and manage tax risks utilizing their combined knowledge of operations and law. The Group CFO, together with the Global Head of Treasury and Tax and, where relevant, the Chief Human Resources Officer, conduct regular assessments on significant tax developments and participate in all material tax-related decisions.



Our Customers

“

Our vision for Sustainability Embedded in IFS Cloud, is based on the fact that our customers are integrating sustainability into their business strategy – sustainability is not stand-alone. We focus on “data at the source”, where sustainability-related data is captured where it has a logical place within an existing process, helping companies act not just report.”

Caitlin Keam
VP Sustainability Applications at IFS

| | |
|-------------------------------|----|
| Strategic Focus for IFS Cloud | 31 |
| Product Direction | 33 |



Supporting Our Customers

IFS strives to enable a more sustainable future, both through our own actions and by supporting our customers. In 2024, we made further progress with a focus on embedding sustainability across our product offerings. This is achieved in three ways:

- 1. **Developing** new products that address growing disclosure requirements
- 2. **Integrating** sustainability into existing products, and
- 3. **Enhancing** and promoting products that already support customers in their sustainability initiatives.

Strategic Focus for IFS Cloud

With IFS Cloud, our unique positioning enables us to effectively navigate the sustainability landscape. Our open architecture and comprehensive portfolio of solutions provide a solid foundation to help customers embed sustainability into their business strategies.

We strongly believe that sustainability should never be treated as a standalone effort; it is only successful when embedded within an organization's business strategy and day-to-day operations. This is why **"Sustainability Embedded" is at the heart of our message.**

We specifically focus on **data at the source**, strategically positioning relevant environmental and social data where it logically fits in with our customers' business processes.



Product Direction

Success in sustainability lies in its seamless integration into business strategy and operations. Our goal is to embed sustainability capability in the core of our IFS products. Over the past year, we have identified five key long-term investment areas that we prioritize, forming the foundation of our overall product strategy for sustainability.

Sustainability management

New solution in IFS Cloud, launched in 2024, to support customers with growing disclosure needs. This initially supports the Corporate Sustainability Reporting Directive (CSRD) in EU, covering environmental, social and governance disclosures, with ISSB (International Sustainability Standards Board) coming early 2025. This new module was developed in collaboration with PwC UK to ensure that disclosures are standardized and that the right controls and processes are in place for transparency and auditability.

Circular Operations

To support customers with the growing needs of producer responsibility, where repair, remanufacturing and refurbishment become more and more critical.

Supply Chain Sustainability

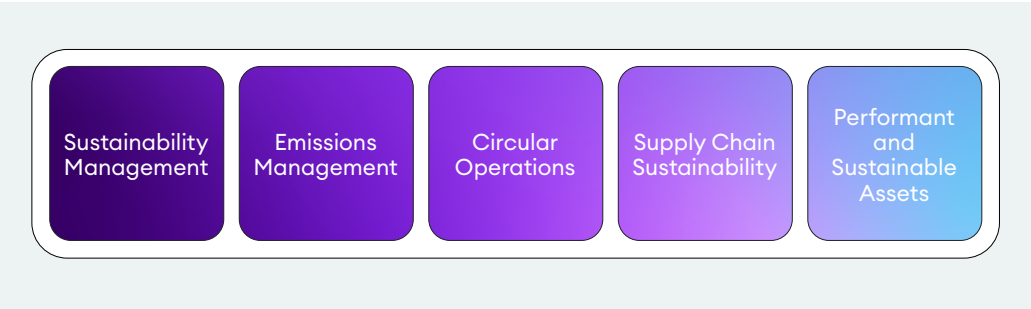
To enable supply chain environmental and social data collection and management, to inform reporting, and supplier development and engagement.

Performant and Sustainable Assets

To ensure the optimal balance of asset performance, maintenance costs, asset reliability, risk and emissions

Emissions Management

To enable Organizational Carbon Footprint calculation (Scope 1, 2), and to embed carbon calculations for relevant Scope 3 directly at the source in IFS Cloud. As an example, in 2024, we launched Emissions in Procurement for Scope 3 purchased goods and services. Emissions related products and features are conducted in partnership with Climatiq for access to scientifically vetted emission factors and results.





STRATEGIC PARTNERSHIPS

Collaborating with PwC UK for IFS' New Module

Sustainability is most effectively achieved through collaboration, with a strong emphasis on knowledge sharing.

In 2024, IFS have collaborated with PwC UK to develop a CSRD KPI catalog as part of our new Sustainability Management Module. We provide value by combining PwC UK's expertise in ESG criteria and the ever-evolving regulatory landscape with IFS' technical capabilities. We have also successfully mapped a subset of CSRD key performance indicators in 2024, including metrics like employee turnover rate, total full-time employees, and gender statistics.

Looking forward, we will keep broadening the scope of our module, mapping additional KPIs and ensuring a supporting embedding sustainability into our customers' business processes. Once completed, the solution will help IFS customers navigate the new requirements of the CSRD and other emerging mainstream global regulatory standards that our customers are facing.

“Accurate and comprehensive ESG data is essential for organizations to monitor progress, identify improvement opportunities, and comply with regulations. Reliable data also enables businesses to make informed decisions, be transparent with stakeholders, and build trust. Through our collaboration with IFS and their Sustainability Management Module in IFS Cloud, we leverage our PwC ESG expertise and regulatory knowledge to provide valuable guidance, insights and support. This enables organizations to effectively deliver their corporate sustainability objectives, and navigate the evolving regulatory landscape.”

Iain Anderson

ESG Technology
& Data Leader, PwC UK





Product Direction

Emissions Management

To continuously enhance our offerings and provide more sustainability-focused solutions to our customers, Emissions Tracker has evolved into Emissions Management in IFS Cloud launching early 2025. This evolution strengthens our embedded solutions, leveraging existing IFS Cloud functionality and allowing customers to reuse their asset hierarchy and integrate available activity data from IFS Cloud. Emissions Management will bring several benefits, including:

- **Access to over 70,000+ Verified Emission Factors:** Our partnership with ClimaTiq brings in one of the largest and up-to-date carbon impact databases, enabling businesses to gain carbon visibility and drive meaningful emission reductions.
- **Out of the box pre-configured templates:** Pre-configured emission templates will automate most of the configuration work required for emission calculation
- **Seamless integration with Asset Management:** Ability to reuse asset hierarchy and existing emission sources data from Asset Management for consistency

In 2024, IFS has started utilizing this tool to monitor our own corporate emissions. This hands-on experience with our own product provides valuable insights into our customers' journey, allowing us to continuously make informed adjustments to the product.



Sustainability Management

Our vision is centered around providing our customers with seamless access to sustainability data within IFS Cloud. As part of this effort, we introduced a dedicated Sustainability Management Module. This assists companies in aligning with new regulation such as CSRD. IFS Cloud Sustainability Management Module makes it easier for businesses to efficiently manage and disclose sustainability data, boosting visibility of sustainability performance across the organization.

The Sustainability Management Module provides a **centralized platform to create and manage tailored sustainability plans** across single or multiple entities, integrating KPI tracking and automated data collection for selected KPIs, which reduces manual effort, prevents data silos, and ensures consistent progress monitoring, enabling organizations to meet their sustainability goals efficiently.

The Sustainability Management Module is **centered around a KPI Catalog**, which includes all CSRD KPIs, where our customers can activate based on what is material to their industry, making it easy for companies to meet reporting requirements right from the start.

We collaborated with PwC UK to develop this catalog. We have also automated a subset of these KPIs within IFS Cloud in 2024, including employee turnover rate, total full-time employees, and gender statistics.

Sustainability Management Key Features



Out-of-the-box KPI library aligned with CSRD



Data mapped to IFS Cloud for sub-set of KPIs



Quantitative and qualitative KPIs, with notes and source documentation



Custom-defined KPIs



Externally imported or manually updated KPI measurements



Multi-entity Sustainability plans



Product Direction

continued

CASE STUDY

IFS Planning and Scheduling Optimization Boosting Customer Efficiency and Sustainability

As global gasoline prices rise and the climate emergency intensifies, customers must optimize their field workforce. IFS offers the industry’s leading scheduling optimization engine, helping reduce fuel costs, carbon emissions, and improve workforce efficiency. Over time, the solution’s benefits are enhanced through machine learning capabilities. It also features a unique predictive planning tool, the ‘What-If’ Scenario Explorer (WISE), which allows customers to explore how their business could adapt to scenarios like transitioning to an electric fleet.

Tangible benefits include:

- **Cost Reduction:** Reduce travel and downtime by intelligently assigning the right technician, with the right skills and parts, to the right job at the right time.
- **Boosted Efficiency:** Achieve higher first-time fix rates and streamlined operations powered by real-time data and predictive street-level routing.
- **Improved Sustainability:** Minimize unnecessary travel and fuel use, helping you meet environmental goals without sacrificing performance.



We have different technologies, such as electric vehicles and hydrogen vehicles, but refueling and charging options are not readily available in some locations. The optimization provided by PSO and MWM allows us to use these clean technologies for our vehicle fleets without risking field technicians getting stranded or needing a tow. It enables us to utilize our workforce in the most effective way. That’s really the benefit we’re gaining from a stabilization standpoint—and overall, it’s because of PSO and MWM that we’ll be able to continue expanding our technologies.”

Chris Stille
Operational and Readiness Manager,
SoCalGas



IDC MarketScape: Worldwide Remanufacturing Management Software, 2024



Circular Operations

We have continued to strengthen our support for circular operations within IFS Cloud. A significant recognition of our progress is **IFS being named as a leader in the latest remanufacturing IDC MarketScape.**

Through 2024, our capabilities in circular operations served as a central and differentiating factor for customers selecting IFS Cloud. This is a strong testament to how we can help our customers transform to a circular economy.

Service management also plays a major role in circular operations. IFS enables the extension of customer-owned product lifespans through preventative maintenance and repair processes. With a full lifecycle view, IFS supports part refurbishment and environmentally responsible disposal and recycling practices.

IDC highlighted IFS’ strengths in AI-powered Planning and Scheduling Optimization and our multi-focused field service offering that meets the needs of resource, customer, outcome, project, and asset-centric environments.

Supply Chain Sustainability

This year, we focused on enhancing our Procurement and Supply Chain functionalities to assist customers in addressing sustainability challenges, particularly by tackling Scope 3 emissions.

Through this initiative, we introduced new functionality to manage **‘Emissions in Procurement,’** enabling our customers to make significant progress toward sustainability by more effectively tracking their emissions. This aligns with our vision of Sustainability Embedded, allowing emissions insights to be accessed directly at the source in Procurement.

This new feature empowers Procurement teams to track and store carbon emission data for purchased goods and services, leveraging a variety of sources in a robust and flexible platform. It supports both activity-based and spend-based emission calculation methods. Users can input emission data collected internally, directly from suppliers via B2B portals, or through scientifically validated external data sources.

This emission data is used throughout the Procurement processes to make informed decisions at every step of the way. The benefit of these enhancements is not only enjoyed by Procurement organizations but also contribute to overall organizational emission management, emissions capture in manufacturing processes, and beyond.

We are also prioritizing enhanced supply chain sustainability by expanding our supplier evaluation capabilities to include environmental and social supplier metrics.

This empowers customers to make sustainability-driven decisions during their sourcing and supplier onboarding processes.



Product Direction

continued



These enhancements help build a more sustainable and resilient supply chain, enabling organizations to balance environmental responsibility with operational efficiency.

Performant & Sustainability Assets

Asset performance management helps our customers to understand the condition, performance and expected availability of their assets. It also leverages insights to reduce unplanned asset downtime, drive predictive maintenance, optimize energy and resources, and enhance their asset planning strategies.

Failure Modes, Effects, and Criticality Analysis (FMECA)

In 2024, we successfully integrated FMECA (Failure Modes, Effects, and Criticality Analysis) into IFS Cloud, enabling our customers to conduct a Risk-Based Assessment for any critical or complex asset.

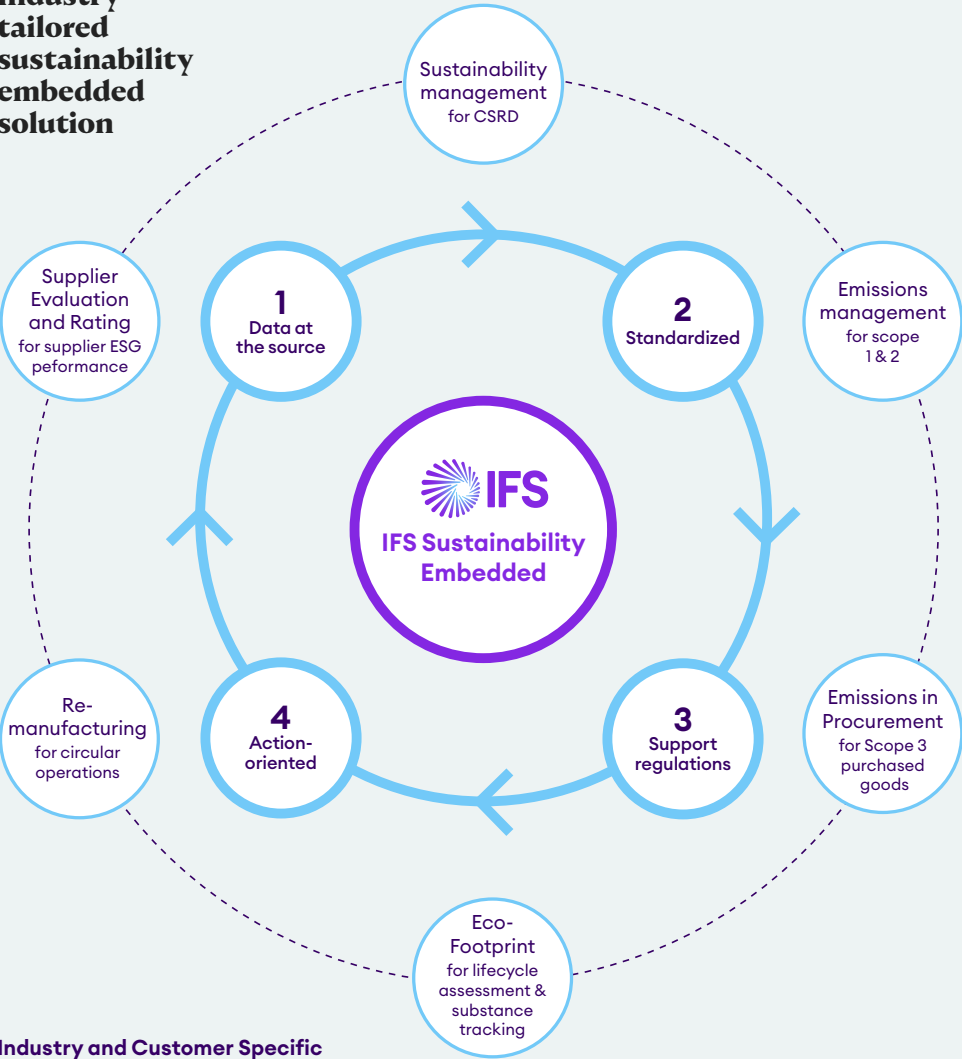
FMECA is a systematic approach used to identify and evaluate potential failures and failure modes. It utilizes a criticality matrix to assess and prioritize these failure modes based on their severity, probability, and detectability. This capability allows customers to create and adjust maintenance strategies, effectively minimizing the impact of the most critical failures.

Anomaly detection

Another significant integration is the introduction of anomaly detection with Operational Intelligence (OI), which allows us to identify sub-optimal performance in assets that may lead to increased energy consumption or emissions.

This tool enables automated anomaly handling, guiding users on the next steps to take when an anomaly is detected, ensuring timely intervention and optimization of energy efficiency and emissions control.

Industry tailored sustainability embedded solution



Industry and Customer Specific Sustainability Embedded Solutions

Instead of using a one-size-fits-all approach, IFS focuses on delivering tailored solutions that help customers meet their unique sustainability goals. This approach ensures that our solutions are aligned with what matters most to each customer. By understanding the sustainability objectives of our customers, we can provide the right offerings to suit their needs.



Product Direction continued

CASE STUDY

EDF Renewables UK Chooses IFS Cloud to Power Ambitious Growth Plans

EDF Renewables UK and Ireland, a leading renewable energy company specializing in wind, solar, and battery technology, has selected the IFS Cloud platform to implement Enterprise Asset Management (EAM) in support of their ambitious growth objectives.

IFS offers a future-proof solution based on the concept of a composable enterprise, providing EDF Renewables UK and Ireland with the operational flexibility and business agility essential for innovative, high-growth companies.

IFS powers the company's Enterprise Asset Management, including Operation & Maintenance, Work Order Management, Contract Management and Mobile Workforce Management – a key aspect for the energy company that puts their employees at the heart of their business. As IFS Cloud is a single platform with a single data model supported by key value drivers such as Asset Performance Management, Internet of Things (IoT), mobile work execution and live dashboards and KPIs, the company is able to provide end-to-end visibility across multiple organizational structures and business units. IFS Cloud is deployed to 380 full users, with 90 mobile technicians.



Delivering IFS Cloud forms a key part of our future growth strategy. The new platform will allow us to scale our business more efficiently and consistently, whilst also capturing the richer management information needed to drive continuous improvement and inform key decision-making. Using IFS Cloud will enable us optimize the quality and utilization of our assets, as well as create shareholder value through improved information flows. I couldn't be more pleased to be working with IFS."

Piero Maggio

Director of Asset Operations
EDF Renewables UK & Ireland





Product Direction continued

CASE STUDY

Anglian Water's Investment Planning for Climate Resilience

Anglian Water partnered with Copperleaf to enhance decision-making, manage asset risks, and align investment planning with sustainability goals, including achieving net zero by 2030. Together, they developed a value framework based on Anglian Water's six capitals model, promoting consistent and transparent decision-making across the organization. Copperleaf's system supports investment planning by identifying high-value investments, adapting quickly to changes, and ensuring alignment with strategic goals and Sustainability factors.

Anglian Water provides water to 7 million people in one of the hottest and driest areas of the UK, meaning climate resilience is a priority. Copperleaf decision analytics solution incorporated climate risk models developed by MapleSky, identifying the water mains most vulnerable to climate change. Through Copperleaf's optimization, Anglian Water expects to achieve 1.5-2% greater customer value in service risk mitigation, potentially saving up to £50 million over five years.

Anglian Water has also exceeded its targets, cutting capital carbon by 61% compared to 2010 levels. Analysis shows that reducing capital costs and carbon are closely linked.

love every drop
anglianwater

 | IFS Copperleaf





“

In supporting the IFS Foundation, we strengthen our social license to operate in Sri Lanka, and help the Foundation connect its work to donors globally.”

Stephen Keys
Chief Talent Officer
and Chair IFS Foundation

Broader Impact

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IFS Foundation

We leverage the global fundraising capabilities of IFS to support our charity of choice, the IFS Foundation. The IFS Foundation helps kids in underserved Sri Lankan communities access a decent education, investing in projects that improve access to clean water, sanitation, healthcare, school infrastructure, and employment opportunities.

Through 2024, we organized multiple fundraising initiatives by promoting the IFS Foundation across various channels. We always aim to implement creative ways to engage our colleagues, spreading awareness of the work we do. For instance, every year, IFS publishes a special book to support the IFS Foundation. In the past, we have produced a cookbook with recipes and a travel guide featuring our colleagues' recommendations. This year, we invited colleagues to share photos of their homes or workspaces, which we then used to create a collective photo album.

As a result of our collective efforts, the IFS Foundation raised over \$300,000 in 2024, including contributions from IFS employees, partners and shareholder community.

Building Meaningful Partnerships to Promote STEM

The Hg Foundation, a grant-giving charity focused on improving tech education and skills, partnered with IFS and the IFS Foundation to promote STEM (Science, Technology, Engineering, and Mathematics) skills in remote and rural communities in Sri Lanka.

The £64,000 grant from the Hg Foundation will fund the construction of a computer lab and staff training to deliver IT and STEM classes in the village of Weralugahamula. This crucial infrastructure will help ensure that children in the community have access to quality education.

This year, we have also made tangible progress across projects in three villages, Welusumanapura, Weralugahamula and Madampe.

Completed projects include:

Weralugahamula

- Created home employment opportunities for 6 households
- Built 15 toilets for homes that have none
- Established a reverse osmosis water treatment plant for the local school

Welusumanapura

- Completed 6 new classrooms, expanding school capacity from 450 to 650 students

Madampe

- Refurbished the dental facility at a local medical center
- Built a new neonatal care facility, vaccination center, sanitation facility, waste disposal and reverse osmosis water treatment plant for the medical center

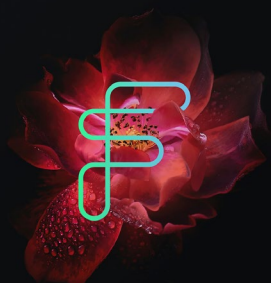


IFS Foundation volunteering initiatives

The CSR Volunteer Day is one of the ways we empower our colleagues to actively contribute to our Sustainability strategy. This year, many IFS employees dedicated their CSR days to volunteering for the IFS Foundation.

As an example, several of our colleagues used their CSR day to paint and hand over a new dental facility, vaccination center and neonatal care room in Sri Lanka. This initiative received further support from IFS Chief Sustainability Officer, Sophie Graham, as well as representatives from Planted, an IFS partner and brand ambassador for the IFS Foundation.

The IFS Foundation
Photographic Album



IFS Foundation



Education Program

Education is the cornerstone of stronger, more prosperous societies. As a large employer, we are committed to promoting the benefits of education to individuals and families. This commitment was one of the key drivers behind our goal to expand our Education Program to 150 institutions worldwide.

The IFS Education Program aims to foster interest and engagement in STEM subjects while expanding opportunities and creating pathways into the technology sector for young people. We achieve this through four key methods: providing scholarships and internships, utilizing IFS software, donating equipment, and encouraging employees to volunteer their time.

As part of this program, every year we:

- Donate software and hardware such as laptops and software licenses to schools, colleges and universities.
- Use our CSR volunteering days to attend career talks and career fairs
- Mentor students and fund scholarships
- Hire young people into graduate and intern roles



Inspiring the Younger Generation: STEM Career Fairs

As part of the IFS Education Program, we have partnered with IEEE to run STEM career fairs and talks in schools and colleges across Sri Lanka.

One of the first career fairs in 2024 took place at Galigamuwa Central College. The team talked about careers in STEM and the opportunities available for the students.

Some of the feedback we received from the students attending these events:

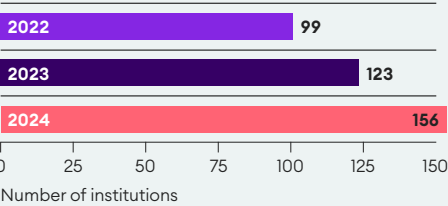
“I was blind about my future until the session. Now, I know the path to achieve my ambition to be a lawyer.”

“Today’s program was exceptionally good. We learned many new things that will be very useful in our future.”

“I feel fortunate to have attended. I now have clarity on reaching my dream job.”



Educational Institutions Engaged



We are proud to announce that we hit our target with 156 educational institutions engaged in 2024.

We believe that this milestone is a testament to our dedication, collaboration, and strong commitment to make an impact. Over the years, we have established strong partnerships with organizations such as IEEE, a charity based in Sri Lanka that visits schools in rural areas to inspire and encourage students to consider careers in STEM.

Next Steps

Having achieved our original target, we will now be reviewing our Education Program strategy, targets, and success metrics to ensure we continue inspiring people to explore careers in STEM as we move forward.

Our 2025 focus will be on:

- Developing AI skills that will be essential in the future
- Upskilling individuals whose jobs may evolve due to AI advancements
- Continuing to encourage more females to pursue careers in STEM
- Expanding our reach to other underrepresented groups



Volunteering

The CSR Volunteer Day is one way in which we enable colleagues to play an active role in directly supporting our Sustainability strategy.

In 2024, 25% of IFS employees volunteered, beating our target of 20% and achieving a growth of 5x since 2021

We give every colleague one day of paid volunteering leave to spend time supporting their local communities and organizations close to their hearts.

In 2024, we demonstrated compelling progress as 25% of IFS employees volunteered, beating our target of 20% and achieving a growth of 5x since 2021. This compares to an industry average of 11% and global benchmark of 9% corporate volunteering uptake.* We're proud to see community engagement becoming part of our culture, including kicking off 2025 with the largest corporate volunteering event IFS has held to date.



How CSR Volunteer Days are Being Used Around the World

During last year, IFS teams volunteered their time to support activities as varied as beach cleans, hospital painting and blood donations. Some of the standout team activities include:



Sri Lanka

In Sri Lanka, our colleagues from the Engineering Hub Team spent their CSR day supporting Hewagama Junior School by conducting a workshop for its teachers. The session covered MS PowerPoint, presentation creation with tips and tricks, as well as an introductory IT session to enhance their skills.



Germany

IFS colleagues used their CSR day by helping local church and kindergarten to prepare for the St. Martin's celebrations. The team was involved in baking St. Martin's cookies, as well as preparing a farmstead for the evening celebrations.



Denmark

IFS team committed to volunteer for Red Cross as part of their CSR day. The team spent their day volunteering in a secondhand store, where they helped to sort and display for sale the donated items, as well as picking up donations.

IFS Executive Leadership Team Stepped Up to Lead by Example

In partnership with the Thomas Franks Foundation, our IFS Executive team packaged 500 meal portions that would have otherwise gone to landfill. These meals were then distributed to various groups in the Southeast England area, including the homeless and those reliant on food banks.



IFS Ultimo Joins the UNICEF Business Buddies Program

In 2024, IFS Ultimo became a part of the UNICEF Business Buddies program, which aims to help children in the Ivory Coast access education. The Plastic Bricks project not only promotes education in the region but also works towards creating a cleaner environment. A local UNICEF recycling plant purchases plastic waste and transforms it into plastic building bricks. These bricks are then used to construct classrooms.



* Benevity Impact Labs, The State of Corporate Reporting 2024 report"



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Auditor's Limited Assurance Report

To IGT Holding III AB, corporate identity number 559033-9742

We have been engaged by the Board of Directors of IGT Holding III AB ("IGT") to undertake a limited assurance engagement on below specified information, presented in IGT's annual accounts and consolidated financial statements for the year 2024.

- Number of data breaches (page 10)
- % of employees who have taken CSR leave (page 10)
- % of renewable energy in IFS operations (page 20)
- Total scope 1 and scope 2 emissions tCO₂e (page 20)
- % of Group's female managers (page 23)
- % of women within the organization's board (page 23)
- Number of Anti-bribery and Corruption training participants (page 26)

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report in accordance with applicable criteria. The criteria are defined on page 47 in the Sustainability Report and consist of the GRI Sustainability Reporting Standards, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the above specified information based on the limited assurance procedures we have performed. The selection of information to be reviewed has been made by the management of IGT. Our review is limited to the above specified information in this document and does not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures.

The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies International Standard on Quality Management 1, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of IGT in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the above specified information is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm, 29 April 2025
Ernst & Young AB

Andreas Nyberg Selvring
Authorized Public
Accountant

Outi Alestalo
Specialist member of FAR



KPI Definition

| KPI Definition | | | | |
|------------------------|---|---|-------------------------------------|---|
| | KPI | Definition | Scope | Methodology |
| ESRS E1 Climate Change | E1-5 Energy Consumption and Mix (Percentage of renewable energy in IGT III operations) | Renewable electricity (RE) is generated from renewable resources, which are naturally replenished on a human timescale, such as sunlight, wind, rain, tides, waves, and geothermal heat. IFS purchases Energy Attribute Certificates (EACs) to cover its grid electricity consumption across global facilities that are under its operational control. 1 EAC represents 1 MWh of verified 100% RE generated by a provider. Green tariffs refer to contracts for 100% RE that usually consist of bundled EACs. Purchasing EACs therefore enables IFS to decarbonize its electricity supply. | IFS sites under operational control | Managed and reported via IFS Cloud Emissions Management, our proprietary energy and emissions calculation software. |
| | E1-6 Gross Scopes 1 and 2 GHG emissions (Scope 1 and Scope 2 emissions related to energy use in IGT III's facilities and offices) | <ul style="list-style-type: none">• IFS reports direct GHG emissions from sources under operational control as IFS Scope 1. Emissions are generated from stationary combustion of fuels (natural gas and fuel oil) at global facilities.• IFS purchases electricity, district heating and district cooling for consumption at global facilities under its operational control. The indirect GHG emissions released from the generation of this purchased energy by utilities and power generators is reported as IFS Scope 2. IFS reports its Scope 2 emissions under both location-based and market-based approaches as defined by the Greenhouse Gas Protocol. | IFS sites under operational control | Managed and reported via IFS Cloud Emissions Management, our proprietary energy and emissions calculation software. |
| | E1-7 GHG removals and GHG mitigation projects financed through Carbon Credits (quantitative only) | <ul style="list-style-type: none">• IFS invests in a portfolio of carbon removal and GHG mitigation projects to support scaling of the global carbon removals market.• These projects are financed through carbon credits. One credit equals one tonne of carbon dioxide equivalent (tCO₂e) removed or avoided.• Carbon credits can be “retired” or “cancelled” in a different year to the investment year. Under ESRS E1-7 we will specify and report the carbon credits that are cancelled in the reporting year. | | Purchased and reported via Patch and their digital carbon portfolio platform. |



KPI Definition

continued

| | | | | |
|--|---|---|----------------|--|
| SRSS1 Own Workforce | SI-1 Policies related to own workforce | IFS Volunteering Policy and Guidelines | IFS employees | Shared by the IFS' HR team |
| | SI-2 Processes for engaging with own workforce and workers' representatives about impacts (Percentage of employees who have taken CSR leave) | This KPI demonstrates the percentage of employees who used their CSR leave in part or whole against the average number of employees across the Group in the period. These hours include volunteering in company time that has been directly recorded via internal HR system. | IFS employees | Obtained via internal HR Dashboard |
| | SI-9 Diversity Metrics (Female Managers) | This KPI demonstrates the percentage of women among the Group's executives, directors, officers and management roles ('People Managers') against the total number of employees at those levels. Data is calculated as a point in time average of the actual number of female managers at each quarter end in the year 2024. | IFS employees | Obtained via internal HR Dashboard |
| ESRS S4 Consumers & End User | S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (Number of Reportable Events) | This KPI includes major Reportable Events of data security breaches. "Reportable Event" means any major security incident resulting in: 1. Loss of customer, employee or financial data outside of the Group; 2. Major business and operational disruption to services as a direct result of such cyber incident; and 3. Financial loss, in each case as a result of a ransomware or other major cyber-attack, and which the Group is obligated to report to the relevant regulator. | IFS operations | Continuous monitoring via formal system reporting |
| ESRS G1 Business Conduct | G1-1 Business conduct policies and corporate culture | IFS Code of Conduct | IFS employees | Annually reviewed by HR and Compliance |
| | G1-3 Procedures to address corruption and bribery (Number of anti-bribery and corruption training participants) | This includes the number of existing IFS employees, who completed the IFS's mandatory Antibribery and Corruption training in the year of 2024. | IFS employees | Tracked by internal training platform, IFS Academy |
| EU Taxonomy | Eligible Activities | This involves mapping all of IFS activities and matching them with the activities listed in the EU Taxonomy. | IFS operations | Conducted with the assistance of a third-party provider. |
| ESRS 2 General Disclosures (incl DMA) | GOV-1 The Role of administrative, management and supervisory bodies | N/A | IFS operations | N/A |
| | GOV-2 Information provided to and sustainability matters addressed by the undertakings administrative, management and supervisory bodies | N/A | IFS operations | N/A |
| | GOV-5 Risk management and internal controls over sustainability reporting | N/A | IFS operations | N/A |
| | IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities | N/A | IFS operations | N/A |
| | IRO-2 Disclosure Requirements in ESRS covered by the undertakings sustainability statements | N/A | IFS operations | N/A |

GHG Inventory Breakdown

The tables below contain a breakdown of IFS Scope 1, 2 and 3 greenhouse gas emissions in 2024.

Emissions are defined as 'estimated' when the underlying activity data used for the emissions calculation has been estimated, using historical data or assumptions, due to 'actual' data being unavailable.

| Scope 1 | | | |
|-----------------------|--------------------------------|-----------|---------------|
| Category | Emissions (tCO ₂ e) | Share (%) | Estimated (%) |
| Stationary Combustion | 351 | 53 | 63% |
| Mobile Combustion | 265 | 40 | 0 |
| Fugitive Emissions | 46 | 7 | 96 |
| Total | 662 | 100 | 40 |

| Scope 3 | | | | |
|---------|-------------------------------------|--------------------------------|-----------|---------------|
| # | Emissions Category | Emissions (tCO ₂ e) | Share (%) | Estimated (%) |
| 1 | Purchased goods and services | 15,028 | 47% | 1% |
| 2 | Capital goods | 1,210 | 4% | 0% |
| 3 | Fuel- and energy-related activities | 366 | 1% | 0% |
| 5 | Waste generated in operations | 3 | 0% | 96% |
| 6 | Business travel | 11,167 | 35% | 0% |
| 7 | Employee commuting | 2,855 | 9% | 91% |
| 15 | Investments | 1,522 | 5% | 0% |
| Total | | 32,153 | 100% | 9% |

| Scope 2 | | | | | |
|------------------|---|-----------|---------------|---|---------------|
| Emissions Source | Market-Based Emissions (tCO ₂ e) | Share (%) | Estimated (%) | Location-Based Emissions (tCO ₂ e) | Estimated (%) |
| District Cooling | 9 | 19% | 7% | 9 | 0% |
| District Heating | 38 | 81% | 7% | 38 | 2% |
| Electric Power | - | 0% | 0% | 2,157 | 98% |
| Total | 47 | 100% | 7% | 2,204 | 100% |

GRI Index Table

Statement of use
IFS AB has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024, with reference to the GRI Standards.

GRI 1 used
GRI 1: Foundation 2021

| GRI Standard | Disclosure | Location in Sustainability Report 2024 [SR] Year in Review 2024 [YR] or our website [IFS.com] |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Our Approach [SR] and [IFS.com] |
| | 2-2 Entities included in the organization's sustainability reporting | Our Approach [SR] |
| | 2-3 Reporting period, frequency and contact point | Our Approach [SR] |
| | 2-4 Restatements of information | N/A |
| | 2-5 External assurance | Our Approach [SR] |
| | 2-6 Activities, value chain and other business relationships | About us [IFS.com] |
| | 2-7 Employees | Our Business in Numbers [YR] |
| | 2-8 Workers who are not employees | Not currently disclosed |
| | 2-9 Governance structure and composition | Leadership [IFS.com] |
| | 2-10 Nomination and selection of the highest governance body | Not currently disclosed |
| | 2-11 Chair of the highest governance body | Leadership [IFS.com] |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Governance [SR] |
| | 2-13 Delegation of responsibility for managing impacts | Governance [SR] |
| | 2-14 Role of the highest governance body in sustainability reporting | Governance [SR] |
| | 2-15 Conflicts of interest | Not currently disclosed |
| | 2-16 Communication of critical concerns | Whistleblowing [SR] |
| | 2-17 Collective knowledge of the highest governance body | Governance [SR] |
| | 2-18 Evaluation of the performance of the highest governance body | Governance [SR] |
| | 2-19 Remuneration policies | Not currently disclosed |
| | 2-20 Process to determine remuneration | Not currently disclosed |
| | 2-21 Annual total compensation ratio | Not currently disclosed |
| | 2-22 Statement on sustainable development strategy | Our Climate Strategy [SR] |
| | 2-23 Policy commitments | IFS Website |
| | 2-24 Embedding policy commitments | IFS Website |
| | 2-25 Processes to remediate negative impacts | IFS Website |
| | 2-26 Mechanisms for seeking advice and raising concerns | Whistleblowing [SR] |
| | 2-27 Compliance with laws and regulations | Not currently disclosed |
| | 2-28 Membership associations | External framework [SR] |
| | 2-29 Approach to stakeholder engagement | Not currently disclosed |
| | 2-30 Collective bargaining agreements | IFS Website |



GRI Index Table

continued

| | | | |
|--|-------|--|-----------------------------------|
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | Double Materiality [SR] |
| | 3-2 | List of material topics | Double Materiality [SR] |
| | 3-3 | Management of material topics | Double Materiality [SR] |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | IFS Website |
| | 205-2 | Communication and training about anti-corruption policies and procedures | Anti-corruption [SR] |
| | 205-3 | Confirmed incidents of corruption and actions taken | 0 |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Not currently disclosed |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | Our Carbon Footprint [SR] |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Our Carbon Footprint [SR] |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Our Carbon Footprint [SR] |
| | 305-4 | GHG emissions intensity | Not currently disclosed |
| | 305-5 | Reduction of GHG emissions | Our Carbon Footprint [SR] |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | Not currently disclosed |
| | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Not currently disclosed |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Not currently disclosed |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Not currently disclosed |
| | 401-3 | Parental leave | Not currently disclosed |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | Not currently disclosed |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Compliance trainings [SR] |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | Not currently disclosed |
| GRI 405: Diversity and Equal Opportunity 20 | 405-1 | Diversity of governance bodies and employees | Our People [SR] |
| | 405-2 | Ratio of basic salary and remuneration of women to men | Not currently disclosed |
| | 406-1 | Incidents of discrimination and corrective actions taken | 0 |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | IFS Cyber Security & Privacy [SR] |

SASB Index Table

| Topic/Code | Accounting metric | Location in Sustainability Report 2024 [SR], Year in Review 2024 [YR], website [IFS.com] or answer |
|---|--|--|
| Environmental Footprint of Hardware Infrastructure | | |
| TC-SI-130a.1 | (1)Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Renewable Electricity [SR] |
| TC-SI-130a.2 | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Not currently disclosed |
| TC-SI-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data center needs | Environmental Impact [SR] |
| Data Privacy & Freedom of Expression | | |
| TC-SI-220a.1 | Description of policies and practices relating to behavioral advertising and user privacy | IFS Cyber Security & Privacy [SR] |
| TC-SI-220a.2 | Number of users whose information is used for secondary purposes | 0 |
| TC-SI-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user privacy | 0 |
| TC-SI-220a.4 | (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure | 0 |
| TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | 0 |
| Data Security | | |
| TC-SI-230a.1 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected | IFS Cyber Security & Privacy [SR] |
| TC-SI-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | IFS Cyber Security & Privacy [SR] |
| Recruiting & Managing a Global, Diverse & Skilled Workforce | | |
| TC-SI-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | Not currently disclosed |
| TC-SI-330a.2 | Employee engagement as a percentage | Employee Engagement [SR] |
| TC-SI-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | 2024 Gender Diversity [SR] |
| Intellectual Property Protection & Competitive Behavior | | |
| TC-SI-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | Not currently disclosed |
| Managing Systemic Risks from Technology Disruption | | |
| TC-SI-550a.1 | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime | Trust Center [IFS.com] |
| TC-SI-550a.2 | Description of business continuity risks related to disruptions of operations | IFS Cyber Security & Privacy [SR] |
| Topic/Code | Activity metric | Location in Sustainability Report 2022 [SR] or answer |
| TC-SI-000.A | (1) Number of licenses or subscriptions, (2) percentage cloud based | Sustainability Year in Review |
| TC-SI-000.B | (1) Data processing capacity, (2) percentage outsourced | Not currently disclosed |
| TC-SI-000.C | (1) Amount of data storage, (2) percentage outsourced | Not currently disclosed |

UN Global Compact Principles

| Area | Principle | Location in this report [SR] |
|-----------------|---|------------------------------|
| Human Rights | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | Human Rights [SR] |
| | Principle 2: make sure that they are not complicit in human rights abuses. | Human Rights [SR] |
| Labor | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | Human Rights [SR] |
| | Principle 4: the elimination of all forms of forced and compulsory labor; | Human Rights [SR] |
| | Principle 5: the effective abolition of child labor; and | Human Rights [SR] |
| | Principle 6: the elimination of discrimination in respect of employment and occupation. | Human Rights [SR] |
| Environment | Principle 7: Businesses should support a precautionary approach to environmental challenges; | |
| | Principle 8: undertake initiatives to promote greater environmental responsibility; and | Environmental Impact [SR] |
| | Principle 9: encourage the development and diffusion of environmentally friendly technologies. | Environmental Impact [SR] |
| Anti-Corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | |



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report please contact sustainability@ifs.com