

Annual Report

Sustainability Report 2021



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Our approach



IFS 2021 Sustainability Report is designed to supplement our integrated Annual Report, and recognise the rising need for transparency in this area.

Each year, we gain a better understanding of the impact of environmental, social and governance (ESG) issues on the world, and the responsibility of businesses to have a positive impact. Technology is an important enabler of change, and this report details not only how we are looking at our own operations, but also how we are leveraging technology to support our customers and the wider industry to become more sustainable. We also set out how we have been supporting our employees and the communities in which we operate over the last year, including in response to the Covid-19 pandemic.

We report on sustainability on our website and Annual Report. The contents of this report, including all information and data, have been internally reviewed and assessed by management. The report is for the calendar year 2021 and is for the organization IFS AB, referred to as 'IFS' or 'the company' throughout.

Chief Executive's letter

The world is changing faster every year. From the global pandemic to the escalating conflict in Ukraine, to climate change and the ongoing battle for diversity, we are facing challenges on multiple fronts, and the pace is always increasing.

However, we must fight to change the world for the better. Now more than ever, there must be a global focus on building a brighter future for the next generation, and the imperative for businesses and institutions to lead from the front is greater than at any other point in history.

A clear, strategic approach to environment, social and governance (ESG) is essential for companies to create this future. I am therefore delighted to be sharing the IFS 2021 Sustainability Report, setting out our priorities, commitments, and progress as we strive to build a responsible business that generates value over the long term for all of our stakeholders, whether they be customers or shareholders, employees or partners, the environment we live in or the communities and industries we serve.



“Now more than ever, there must be a global focus on building a brighter future for the next generation, and the imperative for businesses and institutions to lead from the front is greater than at any other point in history.”

Our ESG strategy comprises three pillars, focused on:

- 1 What we can do ourselves to be more sustainable
- 2 What we can enable our customers to do
- 3 The influence we can have on our industry to drive change on a wider scale.

From reducing our own emissions and increasing diversity, to enabling our customers to be more sustainable with free software, to generating industry awareness with the Change for Good Awards, we have built ESG into the DNA of our business.

In 2021, we made great progress in each of our ESG pillars, building a solid foundation for success, developing our governance, and setting ourselves challenging targets for the future. Our multi-year plan will guide us as we continue our sustainability journey, and I look forward to seeing the impact we have in 2022 and beyond.

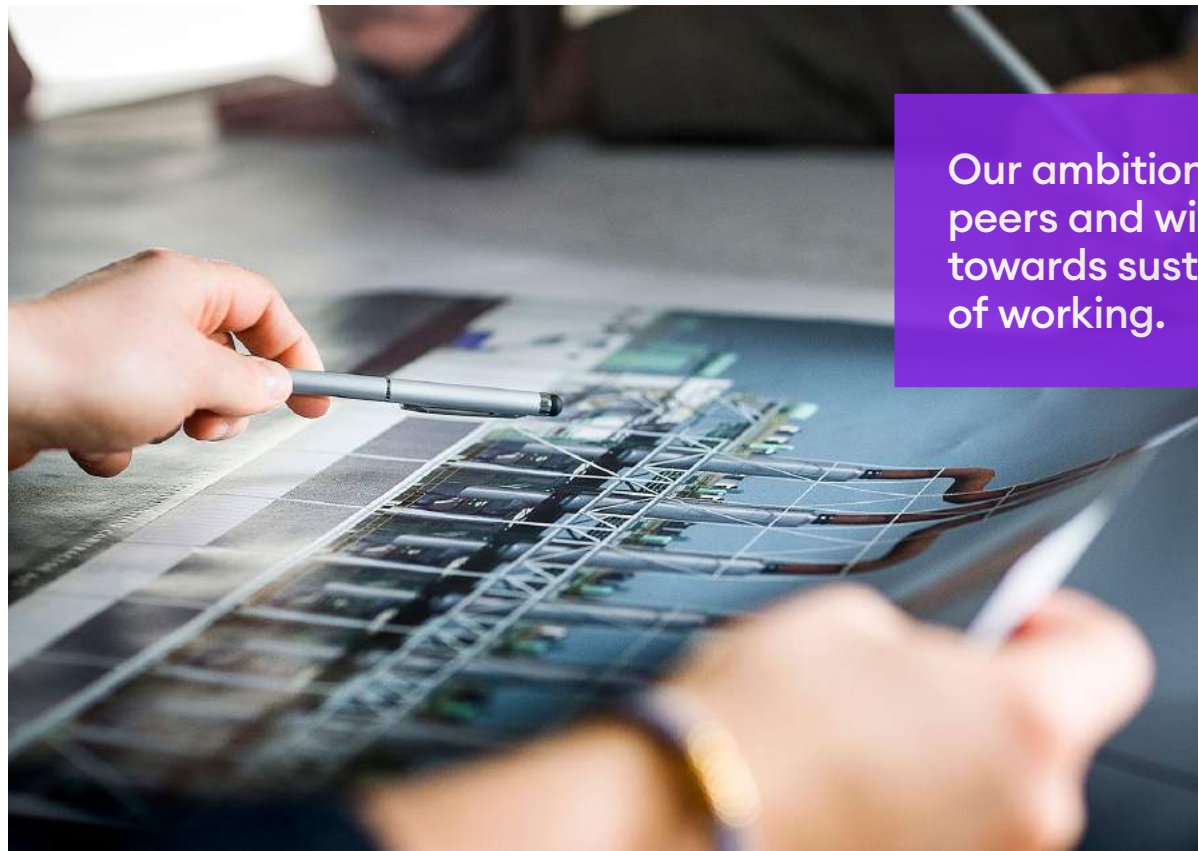
Darren Roos, CEO

Executive summary

Foundational year and commitment to progress

IFS has placed sustainability at the core of its values since its inception in 1983, and we believe that our industry has a critical role to play in the sustainability movement. Technology has the potential to enable change for the better by creating solutions that can tackle ESG issues, such as driving environmental efficiencies to tackle climate change, or providing visibility into the supply chain to enable better management of human rights issues. Our core values of Trust, Collaboration and Agility frame the manner in which we work with our partners, customers and colleagues.

Our approach is shaped around three pillars: acting sustainably in our own business; supporting our customers to be more sustainable, and influencing the technology industry at large to be more sustainable. While we recognise that greatest potential for impact is through transforming our customers behaviour, managing the environmental and social impact of our own business is paramount.



Our ambition is to influence peers and wider industry towards sustainable ways of working.

We are committed to meeting the rising expectations of our stakeholders in this area, and continually improving our approach. Finally, our ambition is to influence peers and wider industry towards sustainable ways of working and development of sustainability solutions, through innovation and thought leadership. This year we have taken steps to establish a strong foundation in sustainability and set out our ambition in this area. This includes improving our governance through appointments from Board to managerial level with ESG expertise and responsibility.

We also committed to the UN Global Compact and defined our focus areas for the UN Sustainable Development Goals. Our materiality assessment has helped to identify priority areas and review the level of understanding of our stakeholders, including colleagues, around how these topics apply to our business. We have set ourselves ambitious targets, including carbon neutrality by 2025, to continuously drive action and hold ourselves to account.



Carbon neutrality by

2025

We have set ourselves ambitious targets, including carbon neutrality by 2025.

Inaugural IFS Change for Good Awards



In 2021 we launched the IFS Change for Good awards to recognize sustainability excellence across our community of customers and individuals who continue to raise the bar.

In addition to establishing and delivering on our own sustainability goals, we want to champion customers who are leading the charge in adopting sustainable initiatives. As a business the greatest impact we can have is supporting our customers to achieve their sustainable goals and we want to show how technology will be essential to enable a fairer, greener society. The engagement with customers on sustainability helps us better understand their needs and develop a dialogue on sustainability that can influence our product development.

This inaugural year of the awards, a total of 36 nominations from across the globe were reviewed by an expert judging panel that included Lewis Pugh, the United Nations Patron of the Oceans and IFS's new Sustainability Ambassador; Jacqueline de Rojas, President at TechUK, business advisor and advocate for diversity and inclusion; and Michelle Lancaster, Director of Sustainability at Microsoft.

A selection of the winners and runners-up are featured in this report, with the full list at ifs.com

Key data points

Our key performance indicators include ensuring that an agreed percentage of our Group's executives, directors, officers and managers are female, as well as reporting on major cyber security incidents and major data breaches as part of a 'reportable events' regime.

For 2021, there were no major reportable data breaches or major cyber incidents. For more on how we manage data security and cyber security risk, please see the 'Governance' section of this report.

2021 Performance	Reportable Data Breaches	Reportable Cyber-Attacks
Q1	0	0
Q2	0	0
Q3	0	0
Q4	0	0

For the percentage of the Group's executives, directors and managers that are female (collectively known as people managers), we targeted an increase to 30.5% by year-end 2027. In 2021, we increased to 28.1% female people managers. This KPI is reported by taking an average across our quarterly data for the year, in order to accurately represent our annual position and account for short term fluctuations.

2021 Performance	Female Managers %	Bench-mark 2020	Target 2021	Actual 2021
Q1	28.47	27.38	27.92	28.10
Q2	28.03			
Q3	28.15			
Q4	27.75			

Materiality and ESG governance



Materiality

In 2021, we performed a materiality assessment to understand the sustainability priorities for our stakeholders and help us define the most relevant ESG issues. We followed a three-step process with external support, overseen by Group management.

1 Identification of all sustainability issues:

Using standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB)

2 Identification of stakeholders:

We engaged with internal and external stakeholders, including employees and senior management, customers, implementation partners, investment partners, regional heads, and strategic suppliers, in order to ensure a holistic internal and external perspective on what matters for IFS.

3 Surveying and aggregate ranking:

We used surveys to collate scores for each ESG topic on the importance to the individual stakeholder and the importance to IFS. These were then compiled and ranked in a matrix.

Materiality continued

Results

Following the 2021 assessment, the top issues for IFS' stakeholders were focused on governance and human capital. These were ranked as follows:

- 1 Human rights, including anti-slavery
- 2 Privacy protection
- 3 Valued customer relations
- 4 Information security, cybersecurity, and system availability
- 5 Business innovation
- 6 Workforce diversity and inclusion
- 7 Risk and crisis management
- 8 Human capital development
- 9 Ethical business conduct
- 10 Labor practice indicators

Next steps

This exercise provided us with insight into the level of understanding of these topics for different stakeholders, and how they apply to a software technology company such as IFS. We will use the prioritization as one input to inform strategy development, resource allocation and disclosures related to sustainability. In future years, we will continue to develop and refine our materiality assessment and focus on building understanding around sustainability topics with stakeholders. Our materiality matrix has informed the topics and disclosures within this Sustainability Report, and we have also aligned to relevant Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) indicators.

We launched Sustainability 101 training and made this mandatory for all employees in May 2021.



Governance

In 2021, IFS has established improved governance around sustainability. We have made progress this year by appointing new full-time sustainability employees and a dedicated Board member for sustainability.

Within the business, this includes the appointment of a Global Sustainability ESG Director to oversee this agenda, as well as an ESG Product Manager to embed sustainability into our product design and respond to customer needs through creation of specific ESG solutions.

Sustainability is governed by a monthly Steering Committee, made up of executives and colleagues with direct responsibility for elements of the ESG agenda, to enable regular updates on progress and top-level support. During 2021, the focus of this SteerCo covered environment, customers, products, CSR, employee wellbeing, education, diversity, governance, KPIs and reporting standards. Each key area has a workstream lead who work with the ESG Director to provide monthly updates.

We launched Sustainability 101 training and made this mandatory for all employees in May 2021.

Our priorities and targets

IFS is committed to improve the company's own operations, enable customers to achieve their sustainability goals, as well as influence the industry at large to improve its accountability to our environment.



Our priorities

Pillar approach

IFS's values, culture, and business model are linked to its vision to provide the best possible experience to its customers. Our roadmap lays out the stepped approach across three pillars, with the aim to produce a positive impact with our business activity, for our customers and the industry at large.

Our own business

As a large employer, IFS recognizes the responsibility we hold within our own business. In line with the United Nations Sustainable Development Goals, IFS has identified several areas where it will increase its focus for greater impact:

- Education
- Carbon emissions
- Philanthropy
- Developing an Impact Mindset through:
 - Volunteering
 - Employees
- Governance

Our customers

In March 2021, IFS launched IFS Cloud, a single platform that IFS customers can deploy on premise or in the cloud in a modular way, taking advantage of the latest and most efficient technology to reduce computer processing and storage requirements. When deployed in the cloud, such as on Azure, IFS Cloud is 52-79 percent more energy efficient than compute equivalents deployed in traditional data centres, and storage is 71-79 percent more energy efficient than storage equivalents deployed in traditional enterprise data centres.

Recognizing the need and pressures many customers must monitor, manage, and report on their own sustainability goals and commitments, in 2021, IFS launched a new module within IFS Cloud specifically for sustainability management reporting. With so much information held within the value chains that IFS Cloud connects, this new module is offered as standard to all IFS Cloud customers.



IFS has made two significant appointments, one internal in creating the role of Global Director of Sustainability (ESG) and one external by appointing Lewis Pugh as its Sustainability Ambassador.

Our industry at large

To raise awareness around the importance of sustainability at a macro level and to help improve its own approach to sustainability, IFS has made two significant appointments in 2021, one internal in creating the role of Global Director of Sustainability (ESG) and one external by appointing Lewis Pugh as its Sustainability Ambassador.

Lewis Pugh is the UN Patron of the Oceans, and will influence IFS's sustainability plan, as well as engage with the IFS ecosystem to challenge and celebrate sustainability best practice. Our ambition with Lewis Pugh is to make a direct impact on our employees, customer and communities, as well as the wider industry, raising awareness on the importance of climate change and the impact of our behaviours on our beautiful planet.

Targets and KPIs



Female managers
28.10%
The percentage
of Group's female
executives, directors,
officers and managers
in 2021.

We have established a select number of KPIs to measure our progress across environmental, social and governance issues. Our aim is to further develop our strategy and management of ESG data, enabling us to set additional targets to drive improvement in material sustainability topics.

- **Female managers:** For the percentage of the Group's executives, directors, officers and managers are female (collectively known as people managers), we have targeted an increase to 30.5% by year-end 2027
- **Data breaches and cyber security incidents:** we measure and report the number of reportable incidents in our annual sustainability reporting
- **Carbon neutrality:** we plan to achieve carbon neutrality across our operations by 2025
- **IFS Education Program:** we plan to expand this to 150 institutions globally over the next 3 years



UN Sustainable Development Goals and Global Compact UN Global Compact Signatory

IFS is proud to disclose that we are signatories to the UN Global Compact as of August 2021. The UN Global compact acts as a framework and guidance for all businesses and companies to enable us in defining our sustainability strategy and provides a universal language for Corporate Responsibility and its related activities and policies. It details how companies can align strategies and operations regarding the topics of human rights, environment, labor, and anti-corruption through 10 principles. For more information on the compact please refer to:

Our Support of The United Nation's Sustainable Development Goals

In addition to our commitment to the UN Global compact, IFS has aligned to the UN's 17 Sustainable Development Goals (SDGs) to help further structure our sustainability approach. Adopted globally, the SDGs are a necessary call to action which represents a global agenda to address the following issues: environmental degradation, peace, justice, poverty, inequality, and climate change. We comprehend the significance and critical nature of this global initiative and how we, as IFS, play an important role in innovation, advancing quality of life, and furthering global development sustainably. As a part of our duties toward the UN Global Compact, we have identified the key SDGs that pertain to our company when considering where we have made, and can continue to make, a substantial difference.

Environmental impact

We recognize the role of technology and business in addressing environmental issues and tackling the climate crisis

We make the following promise to our customers, partners, employees and other stakeholders: we will continue to assist in combating the climate crisis through our sustainability goals and improve our disclosures by reporting our environmental performance and responsibilities.



As a software technology services company, IFS carries a low environmental risk. The Group's most significant operational environmental impact is energy consumption from its office premises, business travel, fleet, purchasing of office material and handling of used computer hardware. In all these areas there are ongoing initiatives to reduce the company's environmental impact, for instance through technology that enables remote work and virtual meetings, minimizing travel, as well as sensors that regulate power supply in the offices, reduction in the volume of fleet cars and ensuring existing fleet schemes offer cars with lower emissions and smart solutions that minimize paper waste like central cloud printing.

In 2021, IFS digitized many of its paper processes around invoices, purchase orders, reporting, digital signatures, workflow automation and online pay slips that have seen a significant reduction in daily printing. IFS is also consolidating its internal data centers – during 2021, we closed the internal Data Centres at Horesham and Edinburgh, centralizing servers and other computer equipment in a few locations managed by suppliers that meet the Group's environmental requirements, thus reducing the emissions from cooling and power consumption.

Operational environmental impact

Emissions

A key component in measuring and reducing our environmental impact is emission reporting. This uses the sum of all greenhouse gas emissions (tCO2e) measured and reported for IFS, including the compensation with renewable energy or offsets. In 2021, we completed an exercise to measure our carbon footprint using a baseline of 2019. IFS's preparation of the carbon emissions is based on the GHG (Greenhouse Gas) Protocol Scope 1, Scope 2 Guidance and the Corporate Value Chain (Scope3). In alignment with the GHG Protocol Scope 2 Guidance, we report our net carbon emissions based on the two different calculation approaches: the classic location-based method and the market-based method.

Emissions measure	Unit	2019	2021
Scope 1	tCO2-e	284.4	297.4
Scope 2 (market based method)	tCO2-e	7,291.1	11,469.7
Scope 2 (location based method)	tCO2-e	7,030.7	12,732.5
Scope 3	tCO2-e	131,342.1*	195,563.1

*estimation using 2020 data for use of sold products

2020 was considered an outlier year due to the pandemic and is therefore not included in the emissions reporting.

In 2021, we made progress on our goal to carbon neutrality by using 100% renewable electricity. Remaining scope 2 (market based) emissions in 2021 come from district heating and cooling.



Scope 1

Refers to direct carbon emissions and is defined as emissions from sources that are owned by the organization as well as leased offices. For IFS, this includes fuels and refrigerants used to run heating and cooling systems across the global real estate portfolio.

Scope 2

Refers to indirect carbon emissions and is defined as emissions from the consumption of purchased electricity, steam, or other sources of energy generated upstream from the organization. To determine IFS's global net emissions, we use the location-based method to calculate the Scope 2 emissions. At IFS, the following emission categories are covered by Scope 2: energy consumption across the global real estate portfolio.

Scope 3

Refers to other indirect carbon emissions and is defined as emissions that are a consequence of operations of an organization but are not directly owned or controlled by the organization. Scope 3 emissions are divided into upstream and downstream emissions. For IFS, this includes purchased goods and services, business travel, and estimated customer energy consumption.

Carbon Neutrality by 2025

In the last year, we completed exercises including a calculation of our Group footprint for scope 1, 2 (location and market based) and 3 emissions. In 2021 we set a target of achieving carbon neutrality by 2025 and we will be reducing the environmental impact of our operations through the management of our portfolio, travel and additional emissions.

From mid-2019 to date, IFS has reduced the square meterage of its global real estate by 9.5 percent, shrunk its car fleet by 86 percent versus 2019 and is committing to reach carbon neutrality by 2025.



Operational environmental impact continued

Strategy for travel reduction

Global business travel accounts for 11.93MT of carbon emissions, and at IFS, our goal is to reduce the impact we cause to the planet through business travel. One means of achieving this is through limiting the number of business class travellers as these account for a higher proportion of carbon emissions. We also aim to decrease business travel by providing our employees with access to online telecommunications solutions such as Microsoft Teams, which enables employees to fulfil the needs of suppliers, customers, and other employees through online virtual means.

Property portfolio strategy

At IFS, when selecting new premises, sustainability and energy performance credentials are considered as a material factor. These include elements such as EPC ratings or equivalent and if there are any building certifications such as LEED or BREAM. Where possible, new buildings built specifically with sustainability in mind are also selected for viewing as part of the process.



Zero to Landfill

0^t

of waste sent to landfill
by our Staines Office

In addition to this, and since the Covid-19 pandemic, the main strategy of increasing real estate has changed to a hybrid approach to working. IFS employees now have the ability to either work from home or in the office. When an office is due for renewal or a new location is sought, occupation on any given day is now worked as being 66% of what it was pre-pandemic. IFS has also started issuing new joiners with home working employment contracts. This enables a reduction in the overall square footage of leased premises, which also reduces our carbon footprint.

Responsible consumption

We strive for responsible resource consumption across our portfolio. At IFS, waste management is part of our commitment to responsible consumption. Globally, our facilities feature a comprehensive recycling system where paper, plastic and food waste are all accounted for. In multiple IFS locations, we cooperate with international and local e-waste disposal partners contracted by our landlords to ensure that all waste is handled in a responsible way as well as using the ethos of reduce, re-use, recycle.

Additionally, as a company in the software space, we acknowledge the role we play in responsibly disposing and recycling our electronic waste (e-waste). Our e-waste comes from data centre servers and from IT equipment including PCs, peripherals, and mobile devices. We operate a rental system for our laptops and monitors so that our e-waste can be responsibly handled.



Recycling at Staines office

In our UK Head Office, Staines, we are zero waste to landfill, meaning any general waste is incinerated, with the energy created placed back into the national grid and the ash created from this process is used for tarmac in roads. Since 2019, we've partnered with a local service provider to achieve this.

Our products

R&D Product Management – Sustainability

At IFS we believe in investing in sustainability and the value it can drive to your business. Through investments in technology and connected data, more businesses can better build, manage and measure their sustainability initiatives.

Our commitment to sustainability is built upon our plan to improve operations, enabling our customers to achieve their sustainability goals and commitments. We are also dedicated to supporting the industry at large, to encourage more accountability to our environment, across the industry.



IFS Cloud is

52-79%

more energy efficient than compute equivalents and 71-79 percent more energy efficient than storage equivalents deployed in traditional data centres

IFS considers sustainability in different product solution areas, including circular economy principles, optimization and efficiency gains.

IFS is in a unique position to help our customers with their sustainability ambitions, across our entire application portfolio. We are one of the few enterprise vendors able to approach sustainability in a holistic way.

IFS Applications

IFS Cloud is 52-79 percent more energy efficient than compute equivalents, and 71-79 percent more energy efficient than storage equivalents deployed in traditional data centres. This is all made possible by hosting solutions on the Azure virtualised environment.



Our commitment to sustainability is built upon our plan to improve operations, enabling our customers to achieve their sustainability goals and commitments.



IFS Cloud Sustainability Hub

In 2021, we launched the IFS Cloud Sustainability Hub app. To meet best practice and common sustainability standards, this offers specific templates which customers can pre-select. The IFS Cloud Sustainability Hub application enables managers to track progress and compliance across teams and assign tasks and deadlines to specific employees, so they can quickly identify any gaps or see where additional support might be needed. It supports progress reporting against specific business targets or internal audits.

In the next phase of the application, we plan to connect to data sources to collect non-financial data. A database of non-financial data is essential to monitor progress against ESG objectives, and to report on progress consistent with ESG frameworks. At the same time, we intend to further assist customers with their sustainability objectives by pulling together areas from across IFS into a single shared vision that is cohesive and actionable.



Our products continued

IFS Cloud Sustainability Hub

IFS Cloud Sustainability Hub is a new application which provides forms and templates to help organizations meet their ESG requirements. The app enables personalized form creation to easily gather, communicate and collate ESG information centrally across sites. The application provides an environment for collaboration that integrates people, content, and tools.

IFS Planning and Scheduling Optimization

One example of how IFS considers sustainability is through the IFS Planning and Scheduling Optimization solution, which optimizes the routes of our customers' mobile field workers by around 30%.

Optimizing the productivity of a field workforce while delivering a great experience for customers is ever more challenging in today's on-demand economy. IFS's world-class real-time scheduling and optimization tool uses AI and advanced algorithms to deliver the optimum schedule, resulting in optimization of around 30%.

IFS Remote Assistance

Our remote assistance solution enables customer self-resolution of equipment failures.

IFS Remote Assistance is a merged reality solution blending a remote expert with another person to instantly diagnose, solve and validate issues. Remote experts can support customers, technicians or engineers in inaccessible locations, even from thousands of miles away. This represents significant efficiency gains and avoided emissions through reduction in business travel.

Supporting Rolls Royce UK to realise 'intelligent engine' vision, dramatically improving efficiency and avoiding emissions

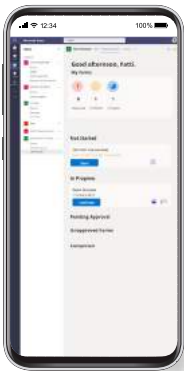
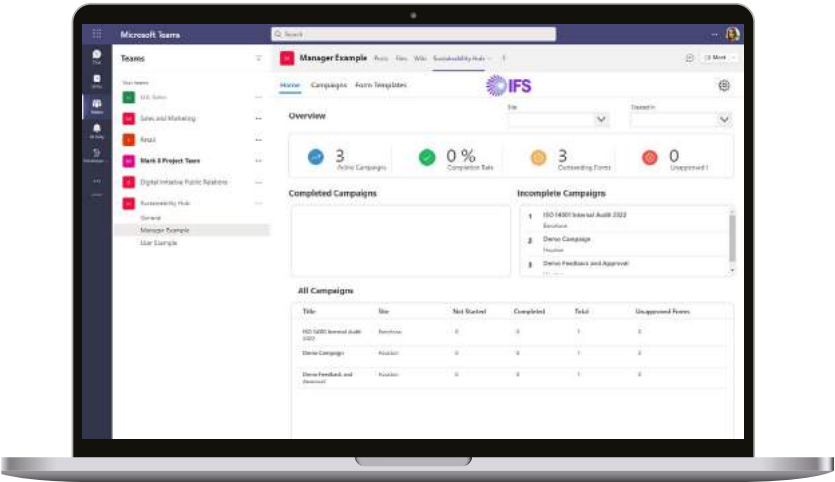
Rolls Royce UK won the Best Use of IFS Technology in a sustainability initiative award. IFS plays a vital role in realizing Rolls-Royce's 'Intelligent Engine' vision, the Blue Data Thread enabled by the partnership between Rolls-Royce and IFS provides the data connectivity between airline and Rolls-Royce that allows the business to dramatically improve the time between engine overhauls.

To get a sense of the sustainability impact, around 50% of these overhauls require the business to transport the engine via a chartered Boeing 747, which burns around 10 tonnes of fuel an hour. With a flight to and from the overhaul base, 200 overhaul shop visits would generate 30,000 tonnes of CO₂. Through the Blue Data Thread Rolls Royce is able to avoid these overhauls and emissions by demonstrating the engine is safe to remain on wing for up to 45% longer.



30%

The IFS Planning and Scheduling Optimization solution optimizes the routes of our customers mobile field workers by around 30%.



A Boeing 747 burns

10^t

of fuel an hour. With a flight to and from the overhaul base, 200 overhaul shop visits would generate 30,000 tonnes of CO₂

Our products continued

IFS had a dramatic impact on the company, providing it with better control over its supply chain.

Hackathon

To further build sustainability capabilities into IFS Cloud, we ran an annual hackathon for three days across Earth Day 2021. The focus was on how our solutions can help IFS's customers in their industry by reducing their environmental impact. Teams from all over our R&D, customer-facing and internal divisions took part together with our partner ecosystem.



Using IFS applications 10 to achieve reductions of waste by 25%

The highly commended entry in the Best Use of IFS Technology in a Sustainability Initiative award was Urban Remedy, US, an organic food company that embodies the belief that 'Food is Healing'. By blending ancient medicinal principals with modern culinary innovation, Urban Remedy offers the cleanest naturally functional food. All its ready-to-eat meals, snacks and juices are certified organic, certified non-GMO, gluten-free and low-glycemic.

Using IFS Applications 10 has helped Urban Remedy to reduce its waste. As it doesn't use preservatives, there is a lot of expense on fresh ingredients, with a threat of high wastage. IFS had a dramatic impact on the company, providing it with better control over its supply chain. There was a 3-4% reduction in waste on finished goods that were being sold rather than purged, as well as a total 25% reduction in waste on prepared meals. In the manufacturing process, it has reduced raw materials waste by 25%.

Using IFS software to quantify sustainability impact

The highly commended category for 'Most Innovative Solution for Sustainability' award was shared between Australian company, Geofabrics, and Sweden's Derome. Geofabrics' vision is to be the Australian leader in providing sustainable solutions for a better world. Geofabrics has collaborated with suppliers of Australian recycled PET plastics (plastic bottles), and use this recycled PET raw material to manufacture its high-tech geotextiles. Green is unique as it is the only geotextile in Australia produced with recycled Australian plastics, ultimately addressing the increasing call for greater sustainability in the Australian construction and infrastructure industry.

Geofabrics uses IFS as its Enterprise Resource Planning software across almost every aspect of the organisation. The IFS data driven dashboards gives the business the ability to quantify the bottles saved from landfill and waterways and during 2020 this figure was over 11 million. Based on current usage estimates, the production of bidim Green will remove around 1,700 tonnes of CO₂ annually and more than 1,000 tons of plastic.



Social impact

IFS is committed to providing an environment where employees, suppliers and customers can thrive.



Diversity and inclusion

Commitment

IFS is committed to maintaining a positive environment that focuses on fostering diversity in all aspects – whether it be regarding skills, ethnicity, cultural background, gender equality or sexual orientation. We recognize that a multitude of perspectives and expertise fosters innovation and helps us succeed together. Efforts to achieve diversity can contribute to the United Nations Global Compact in several ways, notably by promoting equality, educational opportunities, job creation and high-quality employment.

Our commitment to our customers and employees is that we aim to increase representation amongst all job levels and roles. We consider diversity to be one of our strong points where the knowledge, skills, and abilities of every individual is respected and valued, regardless of gender, gender identity, ethnicity, religion, disability, sexual orientation, or age.

Approach

IFS has an equality and diversity statement setting out the position of IFS regarding diversity and equality in the workplace. This has been incorporated into recruitment platforms and onboarding for new employees. We disclose a Key Performance Indicator (KPI) on gender diversity for ‘People Managers’ against an increased year on year target.

Gender Equality

As a company within the software industry, IFS recognizes our role in continuing to support women in technology and we have high ambitions in terms of furthering this target. Equality within the workplace is of paramount importance, as it critical to create an environment where men and women alike feel valued, appreciated, and comfortable in their positions. We are constantly striving to encourage and attract more women to enter the software industry, by leading by example, through discussions, workshops, Women in Tech support groups and in conjunction with the annual equity salary revision.

Diversity & Inclusion in Recruitment

In 2021, IFS reviewed how diversity and inclusion is reflected in our recruitment processes, to help every individual feel represented throughout the process. Part of our approach to this is by scrutinizing our recruitment panels so that their balanced nature provides the ideal environment for our employment candidates to prosper.

Another manner we show our consideration of the recruitment process is through our Unconscious Bias internal course. Through our partnership with an external course provider, we are able to provide our employees and managers with a tool to help recognize and combat unconscious bias.



We are proud that by the end of 2021, women made up 33.93% of IFS globally, which compares favorably to the industry average¹. However, we are ambitious and committed to continuing to grow the talented population of women in our workforce.

The IFS Board has evolved during 2021 with the appointment of two female non-executive board directors, representing 50% of our non-executive directors, and the gender diversity representation is now at 37.5% (an increase of 25% to the previous board structure).

2021 data

33.93% female employees	66.05% male employees	0.02% of all employees are non-binary or un-disclosed
27.75% female managers	72.25% male managers	0% of all managers are non-binary or un-disclosed
33.33% female Board members	66.66% male Board members	0% of all board members are non-binary or un-disclosed

¹ 2021 Top Companies for Women Technologists - AnitaB.org

Diversity and inclusion continued

Structure of the board

Chairman of the Board	Jonas Persson
Board Director	Jacqueline de Rojas CBE
Board Director	Johannes Reichel*
Board Director	Hanna Jacobsson
Board Director	Naveen Wadhera*
Board Director	Craig Conway
CEO	Darren Roos
CFO	Constance Minc

*Representatives

Employee engagement

At IFS, the feedback of our employees plays a key role in creating an agile, collaborative and trustworthy culture. Working with an external provider, we run 2 employee surveys a year, after which the leadership review feedback and work with teams to take action. By 2025, we have targeted an 8/10 score for employee engagement. In 2021, the full survey resulted in a score of 7.8/10 for this metric (compared to 7.5/10 in 2020 and 2019).



Health and well-being

At IFS, we believe that the only way to serve our customers to our fullest potential, is through creating a healthy and safe working and learning environment, where all our employees are confident and comfortable to put their best work forward. We promote and provide a healthy environment by prioritising the mental health, physical health and needs of our employees whilst simultaneously recognizing them for their achievements and accomplishments. The opportunities offered by IFS vary from one country to another.

In 2021, IFS increased focus on the mental well-being of employees. Not only is mental health seen as a fundamental part of health and well-being, but the need for focus was recognized throughout 2021 due to the challenges of Covid-19. Addressing current challenges and providing coping mechanisms is important to maintain a productive, resilient, and healthy workforce, able to adapt to change.

As a result, additional internal communications were delivered through the intranet by a dedicated Health and Well-being group as well as the creation of a resource library and two training curriculums available to employees and managers. Topics included the benefits of physical exercise, sleep and diet as well as building resilience and maintaining good mental health. A guide for managers was also created to assist managers in maintaining relationships whilst working remotely and how to identify if an employee may be struggling with their mental health.


This was further supported by campaigns such as the Global Get Fit Challenge, whereby employees were encouraged to set themselves a fitness challenge between the 17th-21st May. Colleagues were encouraged to share their training and progress in the run-up to the event.

IFS also established a First Response Team consisting of key IFS functions to help staff during the two-year pandemic period. Any member of staff who contacted Covid-19 received support from the First Response Team, travel was curtailed and managed and each office was guided on work instructions during local country lockdown. The First Response Team also provided guidance when people return to the office with a Return to Work set of policies to ensure local government guidelines were implemented.

Case Study: United Kingdom Mental Health First-Aiders

In 2021, we began to offer employees the opportunity to train as Mental Health First-Aiders, in an effort to promote good health and well-being amongst employees. First-Aiders act as a first point of contact when employees experience a mental health or emotional issue and provide internal and external support resources. Seven First-Aiders are now active within the business.


Mental Health First Aid



Our Mental Health First Aiders are:

Andy Worwood
Azelle Butler
Nicola Carton
Rachel Macintyre
Richard Rogers
Sophie-Anne Sharples
Tracy Mulvaney

Our Mental Health First Aiders are available every weekday.



Mental Health First Aiders are a point of contact if you or someone you are concerned about, are experiencing a mental health issue or emotional distress.

They are not therapists or psychiatrists but they can give you initial support and signpost you to appropriate help if required.



Corporate citizenship and IFS Foundation



At IFS, we have established good corporate citizenship since the inception of our company, as we constantly strive to gain a greater outreach and impact on a global level through our activities. While philanthropy is one aspect, our corporate citizenship activities go beyond the scope of philanthropic donations. We also support all our employees by driving the importance of our company CSR days and creating opportunities for the future labor force through the IFS education program.



Volunteering

Volunteering is key method of encouraging employees to contribute to society and the planet, as together we can make a significant impact. At IFS, we encourage all employees to invest one workday a year to support a charitable cause of their choice. Using their volunteer day, IFS employees have participated in initiatives such as helping children to read, harvesting vegetables for community kitchens, coaching/career advice workshops for university students and litter picking around local communities. In 2021 a total of 156 CSR days were taken globally by IFS employees.

Employees can book their CSR Days through the central IFS absence management system and a post-volunteering survey was introduced in order to measure the impact of volunteering on both employees and the community. However, due to Covid-19, volunteering was severely impacted especially in early 2021 due to global social distancing, restrictions, and local lockdowns. At these times, remote volunteering opportunities were promoted to encourage employees to utilize their CSR Day while remaining in their homes. Despite this, employees have persevered through this unpredictable time and have managed to still make a difference.

In the year of 2021, most employees took their CSR day in the form of litter-picking, hackathons, research projects, marathons, and volunteering in charity shops. This provided an opportunity for employees to make a significant impact within local communities whilst still respecting the Covid-19 restrictions that were prevalent at the time.



3 yrs

of offering an annual
volunteering day
to all employees



APJ ME&A

In June 2021, 23 IFS employees from all across Asia, Australia and the Middle East, participated in a Hackathon, where they worked with talenTtrust, an organisation that aids businesses in addressing a specific issue for a local charity.

They helped our employees' partner with Daughters of Tomorrow, a charity that creates livelihood opportunities for under privileged women to support them in their journey towards financial independence for themselves and their families. This was a prime opportunity for our employees to utilize their professional skills to provide tangible solutions to issues and barriers around training, upskilling and entrepreneurship opportunities to women in Singapore supported by Daughters of Tomorrow.

Corporate sponsorship continued

Education Program

Education is the foundation of building stronger societies and communities and can make a true impact. As a large employer we recognize our duty to promote the benefits that education provides individuals and families. In 2021 we actively participated with 50 universities.

The goal of IFS's education program moving forward is to take the very best of all the local initiatives and promote them as the global best practice across the organization. The Group will also focus on improving interest in and understanding of the technology industry among the coming generation of IT workers, with the hope of increasing the proportion of underrepresented groups within the Technology sector. IFS believe that a growing interest for IT from all social groups will benefit not only the Group, but also its customers and partners, through a larger and broader pool of potential future co-workers.

During 2021, IFS continued to sponsor university students undertaking their degree as well as to provide graduates who have completed their studies with an internship opportunity at IFS. IFS provided either a six month or one year internships for 82 students from both state and private universities to gain significant work experience.

IFS Education Program

The IFS Education Program aims to counter low interest in STEM subjects by helping students and young people get enthusiastic about technology, learn new skills, and give them an idea of what it is like to work in IT. We achieve this by collaborating with universities globally, to provide scholarships and IT equipment in order to inspire students – especially female students – into career in the tech industry. We also spread practical knowledge by creating valuable opportunities through internships and mentorships for graduate and undergraduate students.



Eight students joined the graduate scholarship program, and an additional eight students were given a monthly stipend, available to less privileged students, to support them during their studies. Despite the lockdown, we carried out Guest Lectures, Tech Talks, Career Guidance, and Mentoring Programmes at several of the major universities. We continued the teaching of our technology core curriculum subjects at several of the major universities. FS continues its collaboration with leading universities across Sri Lanka².

Our Charity Partnerships

IFS partners with charities and organizations to aid local communities and address wider societal issues. One way we contribute toward these goals is through partnering with the IFS Foundation, which is a group of independent, charitable organizations set up to help break the poverty cycle in Sri Lanka.

Working in partnership with IFS, the Foundation is investing in a series of projects with local communities in remote and rural areas to improve education and healthcare facilities, provide access to fresh water and sanitation, and create employment opportunities. When given tools, impoverished communities can develop the skills necessary for creating stable environments that can thrive under autonomy.



In 2021, IFS supported a number of projects in Welusumanapura, Sri Lanka, including the donation of medical supplies, personal protective equipment and thermometers to support local healthcare in managing the impacts of COVID-19. In order to encourage home industry and opportunities for families to receive regular income, 12 sewing machines and 4 coconut husk chipping machines were donated. IFS also assisted in the construction of a reverse osmosis water plant, providing safe and clean drinking water for the community.

In partnering with the Foundation, IFS is able to extend CSR efforts within rural Sri Lanka. Future projects will look to further support educational facilities, create safe and healthy communities and increase the number of individuals with access to IFS Foundation projects.

² University of Colombo, University of Colombo School of Computing, University of Kelaniya, University of Moratuwa, University of Peradeniya, University of Rajarata, University of Uwa Wellassa, University of Jaffna, University of Ruhuna, Sri Lanka Institute of Information Technology, National School of Business Management, Informatics Institute of Technology, Asia Pacific Institute of Information Technology, Kothalawela Defense Academy and University of Sabaragamuwa, across all of Sri Lanka.

Governance



It is important for IFS to conduct its business with honesty, integrity, and respect for others.

This means that we do not just follow the business principles of IFS as well as applicable laws and regulations in the countries where we operate: we are also determined to follow the highest ethical standards of business conduct. We carefully monitor the development of international legislation, social standards, and voluntary initiatives, including anti-bribery, anti-corruption, anti-slavery and conflict of interest.

Governance continued

Human Rights

At IFS, we are committed to protecting essential rights with regards to dignity, fairness, respect, and equality. IFS complies with and is dedicated to putting into practice the UN Guiding Principles on Business and Human Rights as we are signatories to the UN Global Compact. IFS supports and respects the principles in the Universal Declaration of Human Rights.

Human rights, including the ILO Core Conventions pertaining to labor conditions, are respected in IFS's operations, and the company works to ensure they are respected by its partners. IFS refrains from any transaction where a risk exists that human rights will be neglected and where the company assesses that the risks will not be managed in line with the UN's framework for business and human rights. IFS does not accept any form of forced labor, child labor, or discrimination in respect of employment and occupation.



IFS strives to be a transparent and responsible company that cultivates confidence, collaboration, and commitment. High standards in terms of business ethics are crucial in maintaining a good reputation and repeat customers. Accordingly, IFS is steadfast in advocating good work conditions for its employees and partners and has zero tolerance for corruption and violations of human rights.

The IFS Code of Conduct

At IFS, we expect all our employees and suppliers to respect our respective Employee Code of Conduct and Supplier's Code of Conduct. The aim of these policies is to outline the responsibilities and proper practices for our employees when working with or in IFS. The policies detail practices regarding ethical and moral codes, such as professionalism, legality, care for our property and respect in the workplace.

IFS's Code of Conduct defines the principles and policies of business ethics that the organization must conform to. This includes the Anti-Corruption Policy, Export-Control Policy, Environmental Policy, and Information Policy.

The Code of Conduct is based on the Universal Declaration of Human Rights adopted by the United Nations, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the International Labor Organization's Conventions and Recommendations, and the Swedish Corporate Governance Code. Training on the Code of Conduct is compulsory for all IFS employees and is arranged through introductory lectures for new employees as well as online information and training. The IFS code of conduct is reviewed regularly by senior management.

IFS has zero tolerance for bullying and harassment and takes a very serious stand should anyone be exposed to such treatment. The company's work-environment policy clearly stipulates how such situations are to be handled. These guidelines are explained to all employees through introductory lectures and courses regarding IFS's Code of Conduct.

Governance continued



In 2021

3,390

employees completed
training in anti-corruption.

Modern Slavery Act

IFS adheres to the United Kingdom Modern Slavery Act 2015, and we are committed to ensuring modern slavery and human trafficking do not exist in our business and supply chain. Our approach and Modern Slavery Statement reflect the global nature of our business.

We commit to providing our customers with goods and services that have been produced in safe and decent working conditions, treating those who produced them with integrity and fairness.

Anti-corruption

IFS has a zero-tolerance policy toward corruption, and we are committed to complying with all applicable anti-corruption laws. Improvements and enhancements to our compliance program are guided by recommendations issued by industry and regulatory bodies as well as the OECD Anti-bribery Convention.

The Group Anti-corruption Policy outlines the expectations that the company has on all persons who work with or on behalf of IFS. It is, in addition to the Code of Conduct, key to the anti-corruption compliance program.

The Group's policy is supplemented by more in-depth guidance for employees in certain areas, such as gifts, hospitality, and events.

As a part of the on-boarding process, all employees are now required to complete training on anti-corruption, fraud and money laundering. All employees undertake compulsory training on anti-bribery and corruption and employees who are exposed to higher risk are trained regularly in line with a set training plan. In 2021, 3,390 employees (76 %) completed e-learning in anti-corruption and more than 2,550 employees completed e-learning in compliance with the UK Criminal Finances Act. Additionally, adapted training on responsible business was carried out for more than 2808 employees.

The international scope of IFS's sales organization means that we are active in several countries where there is a higher risk of corruption. One of many tools used by IFS in assessing risk is Transparency International's Corruption Perception Index. A company-wide risk assessment of the Group's corruption risks was carried out in 2021. This assessment included an employee survey with questions about the business principles of IFS, experiences of potential corruption, as well as overall compliance with and awareness of internal rules. The results confirmed that there are no corruption issues in the business, and provided insights to support our continued development of initiatives.

Governance continued

Sustainable Procurement

We are committed to facilitating an ethical and moral supply chain where modern slavery, human rights, and environmental considerations are integrated into our supplier due diligence and management. We also offer supply chain management software to encourage other companies to play their role in guaranteeing a smooth and ethical supply chain.

At IFS, we strictly adhere to our own procurement policy which describes in detail all procurement activities and responsibilities such as supply agreements, purchase orders, and procurement and supplier engagement.

IFS also holds suppliers to our Code of Conduct as well as our [Supplier Sustainability Policy](#), which applies to all suppliers globally.

Privacy Protection and Cyber Security

At IFS, we assign the highest degree of priority towards business ethics, privacy, and protection, and to assuring that we play our role as a business organization to act responsibly. IFS has not experienced any major reportable data breaches in the last 3 years.

IFS has implemented and maintains strict governance processes and controls that help protect personal data, both that controlled by IFS itself and that which is processed by IFS and controlled by our customers or partners. This includes full and strict compliance with GDPR regulations. Recognizing that policies, processes and technology-based controls can only go so far in providing the necessary protections, we work hard to maintain and strengthen a security and privacy aware culture across the organization. Starting with induction training, and continuing throughout their time with IFS, our staff are provided with the support they need to serve as the “human firewall”, with mandated security training in our policies, testing their response and awareness using simulation and external penetration testing techniques. We provide regular guidance on the latest threats and techniques, as well as support should an event occur.



3yrs

IFS has not experienced
any major reportable
data breaches in the
last 3 years.

IFS Privacy

IFS maintain a globally consistent approach to privacy achieved through its global privacy program. Our privacy policy, supporting processes and code of conduct form the heart of our privacy management system that is implemented across every IFS business unit. Designed to go beyond just legal compliance, the management system includes the framework for local data protection and privacy laws compliance and adopts a ‘highest common denominator’ approach to different country requirements within a global enterprise.

Protection of information we process on customers’ behalf is of paramount importance. This is both in terms of compliance with our legal responsibilities as data processor as well as supporting them in meeting their own requirements and applicable laws. Our Data Processing Addendum (DPA) is available for our customers and partners to use and fully describes the nature of processing performed by IFS in execution of our contractual agreements, as well as identifying the sub-processors that support us with the delivery of such services.

The DPA is maintained in accordance with adjustments to laws and regulations which include amendments to the Standard Contractual Clauses (SCCs) under the General Data Protection Regulation (GDPR) and the SCHREMS II ruling.

Key to our privacy management system is the technical and organizational measures implemented to safeguard personal information wherever it resides. This includes best practice approaches to data safeguarding including privacy by design and by default within our product and service development, service delivery, and day-to-day business operations activities. We provide clear and understandable privacy notices for all those using our web-based services. We apply the principle of minimalization and only collect and process the information we need to service our employees, customers and partners. We protect the confidentiality of communications and sensitive personal information to the same high standard regardless of who it belongs to. We ensure that we are accessible to those we work with, and are responsive to enquiries received through privacy@ifs.com

Governance continued

IFS Cyber Security

Our cyber security program comprises the combination of effective technical security controls, continuous monitoring and detection processes, education and awareness for our employees, and a continuous cycle of testing and improvement. Built in accordance with the most effective security frameworks including ISO 27001, SSAE18/ISAE3402 SOC 1 & 2, and the National Institute of Standards and Technology (NIST), our Internal Information Security Management System (ISMS) is constantly reviewed and updated to keep pace with evolving threats and best practice.

Cyber security requires the bringing together of an extensive set of processes, toolsets and skills at the critical moment to ensure that attempts to compromise our networks and services are foiled. We adopt the mindset of generating security ‘moments of service’ not just for IFS and its stakeholders, but for all our customers and partners and which motivates us to deliver beyond the bare minimum. Implementing security controls in accordance with prescribed best practice is not a guarantee, so we regularly employ specialists to verify the strength of our security defences and take action on any weaknesses discovered.

In addition to following best practice security frameworks, we invest in certifications to ensure that we are working in full compliance with the safeguarding mechanisms in place. For transparency, we share information with our customers regarding the findings of such audits and security tests and permit customers similarly to test the security of our services.

We recognise that the global security threat is increasing and that we cannot afford to be complacent. We have ensured that, should such an event occur, we have immediate access to all the resources necessary to facilitate the most efficient and effective recovery. We recognise the importance of working closely with our customers and partners to tackle this common threat and listen and respond to their needs whilst safeguarding our common interests. Our continuous investment in information security continues in 2022, aligned to evolving threats.

IFS also runs a strict Security Governance across Internal IFS, Customer Cloud Operations and Product Management with monthly Security Operations Board; quarterly Security Reviews; and quarterly Cyber submissions to the IFS Board.



Compliance training

IFS partnered with a digital learning platform to provide courses that educate employees, across all levels and divisions. As of May 2021, we began to set mandatory courses for all employees to complete with regards to certain deadlines specific to when they were assigned the course. Our mandatory courses include the following as of 2021:

- Sustainability 101**
 This interactive self-study e-learning course provides an introduction to the subject of sustainability and the environment. It has been designed to help employees think about their behavior, and to promote good habits within the organization.
- Unconscious Bias**
 Unconscious Bias covers the basic concepts of unconscious (also known as implicit) bias and promotes diversity and inclusion in the workplace. The course provides eye-opening opportunities to shift perspectives and experience the world in a way that challenges us to examine how we think about the people around us.

2021 Training Data

Course	Number of employees who completed the course updates
International Fraud, Bribery, and Corruption	3,390
Security Awareness Essentials Challenge	3,133
Sustainability 101	2,808
Office Safety and Ergonomics	2,385
Criminal Finance Act	2,550
Unconscious Bias	2,419

Governance continued

Whistleblowing

IFS subscribed to a new whistleblower reporting system in 2021, which will be fully implemented in early 2022. This new platform will enable employees and business partners to anonymously raise concerns regarding actual or suspected serious wrongdoings within the Group. The system will be hosted by an external and independent third party and gives the whistleblower the possibility to follow the status of the case. The whistleblower function is managed by a cross-functional team of senior staff. IFS applies zero tolerance for retaliation against anyone who reports wrongdoings in good faith.

Approach to Risk

IFS's primary goal is to generate long-term, continuous growth and thereby increase enterprise value. With a strategy that is based on sustainable long-term success, IFS strives for balance between opportunities and risks.

IFS adopted the precautionary principle as a general risk management principle, for both significant environmental and social risks. This means in the face of material adverse consequences; lack of conclusive evidence or certainty is not a reason for inaction or for taking reasonable measures to avoid such potential consequences when there is a reasonable alternative path forward which can avoid such negative outcomes.



IFS's measures to manage risks are subject to national and international regulations and guidelines, along with the company's owner instruction, pertaining to anti-corruption, climate and environmental consideration, human rights and labor conditions. The IFS Risk Register is compiled at a functional level within IFS to identify the key risks that could affect the company and the top risks are presented quarterly at the Group Board Audit & Risk Committee chaired by an independent board director.

Sustainability Risk Measurement

In connection with new business opportunity, the potential sustainability risks are identified and assessed at country and counterparty level.

- **By country**
Countries are classified according to the risk of corruption, human rights violations including labor conditions, as well as the risk of money laundering, financing of terrorism, and tax non-transparency.
- **By counterparty**
Checks are conducted as part of know-your-customer, including controls of ownership and checks against international sanction lists. An in-depth sustainability review is performed in cases of elevated sustainability risk. The extent and form of the review depends on the scope of the business opportunity, the level of the identified risks, and IFS's ability to influence the situation. Where necessary, sustainability related clauses are included in agreements. In the case of deviations from international standards or other deficient management of risks, the counterparty is required to take actions to rectify this.

Our Tax Strategy

Group approach to tax

Our tax strategy supports our business strategy. The tax strategy, which applies to Swedish taxation and to all corresponding worldwide taxes and similar duties in respect of which has legal responsibilities, aims to manage tax affairs in a responsible and transparent manner in order to comply with relevant legislation, to file all relevant tax returns on time and to ensure the timely payment of all relevant tax liabilities.

The IFS Group is committed to:

- 1 Following all applicable laws and regulations relating to its tax activities.
- 2 Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
- 3 Ensuring that the tax strategy adopted is consistent with the Group's overall strategy.
- 4 Applying diligence and care in our management of tax risks and ensuring that our tax governance is appropriate.
- 5 Using incentives and reliefs to minimise 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.

Governance continued

Attitude to Tax Planning

The Group undertakes tax planning only where it supports genuine commercial activity but in doing so aims to be compliant with all relevant tax laws and practices. Accordingly, we may utilise tax incentives or opportunities for obtaining tax efficiencies where these are not considered to impair that commitment.

Tax risk management

IFS Group is committed to correctly applying the tax legislation to its business operations. We actively seek to identify, evaluate, monitor, and manage tax risks. In doing so, we consider the way we interact with the communities around us, as well as our intent 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 as well as ensuring compliance with the Global Head of Accountings rules. The Group Audit & Risk Committee oversees IFS's 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 recognise 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. We may also look to engage with global tax authorities ("Tax Authorities") to disclose and resolve issues, risks, and uncertain tax positions.

Tax Governance

The ultimate responsibility for tax strategy and compliance rests with the Group Board who ensure that the appropriate framework is in place to oversee the identification and management of tax risk.

The Chief Financial Officer (CFO) has executive responsibility for tax matters. Day-to-day management of tax affairs is delegated to the Global Head of Internal Audit and Tax who has a Global Tax Manager that is appropriately qualified. The Global Tax manager works with a team of accountants throughout the business. The Group CFO together with the Global Head of Internal Audit and Tax regularly appraises of all significant tax developments and participates in all material tax-related decisions.



EcoVadis Assessment

EcoVadis provides a platform that allows us to score our entities based on environmental, labor & human rights, ethics, and sustainable procurement.

IFS has implemented EcoVadis into our practices, for several years, to monitor our business and environmental activities and responsibilities. This aids us on our journey towards being a more sustainable company by providing us with sustainability ratings that will clearly depict our progress. EcoVadis provides a platform that allows us to score our entities based on environmental, labor & human rights, ethics, and sustainable procurement.

In 2021, we reassessed the Sweden, Benelux and Canada entities through this platform, and all entities increased their scores on the basis of reassessment. Our Benelux and Canada entities were awarded the EcoVadis silver medal in recognition of sustainability achievement, while IFS Sweden achieved the bronze medal. In 2022, IFS intends to assess on a group level.



Annex

Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) indicators

The social and environmental data and information included in the IFS Global Sustainability Report has been prepared in accordance with the GRI Standards: Core option. The selection of the material topics for this GRI Content Index is based on the materiality assessment conducted in 2021 and our current priorities and targets.

We also recognise and align where possible to the SASB indicators relevant for our industry and sector.

We refer to pages within this Sustainability Report and the document of 2021 IFS Annual Integrated Report, available on our website. In cases where data is not available or currently disclosed, or not relevant to IFS, this is noted.

GRI Index and SASB

GRI Disclosure Number	Details	Page reference and notes
General Disclosures		
2-1	Organizational Details	Page 5, see also IFS.com
2-2	Entities included in the organization's sustainability reporting	Page 3
2-3	Reporting Period, Frequency and contact point	Page 3, end page
2-4	Restatement of Information	n/a
2-5	External Assurance	Page 3
2-6	Activities, value chain and other business relationships	Page 5, see also IFS.com
2-7	Employees	Pages 18-21
2-8	Workers who are not employees	Not currently disclosed
2-9	Governance structure and composition	Page 8, 20
2-10	Nomination and selection of the highest governance body	Page 8, 21
2-11	Chair of the highest governance body	Page 8, 22
2-12	Role of the highest governance body in overseeing the management of impacts	Page 8, 23
2-13	Delegation of responsibility for managing impacts	Page 8, 24
2-14	Role of the highest governance body in sustainability reporting	Page 8, 25
2-15	Conflicts of interest	Page 25
2-16	Communication of critical concerns	Page 28
2-17	Collective knowledge of the highest governance body	Page 8
2-18	Evaluation of the performance of the highest governance body	Page 8
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	Page 10
2-23	Policy commitments	Page 11
2-24	Embedding policy commitments	Page 12
2-25	Processes to remediate negative impacts	Page 28
2-26	Mechanisms for seeking advice and raising concerns	Page 28
2-27	Compliance with laws and regulations	Page 24
2-28	Membership associations	Page 11
2-29	Approach to stakeholder engagement	Page 11
2-30	Collective bargaining agreements	Not currently disclosed

GRI Disclosure Number	Details	Page reference and notes
Material Topics		
3-1	Process to determine material topics	Page 7-8
3-2	List of material topics	Page 7-8
3-3	Management of material topics	Page 7-8

GRI Index and SASB continued

● GRI ● SASB

GRI Disclosure Number	Details	Page reference and notes
205 Anti-corruption		
205-1	Anti-corruption: risk assessment	Page 25, 27, 28
205-2	Anti-corruption: training	Page 25, 27, 28
205-3	Anti-corruption: confirmed incidents	Page 25, 27, 38
206 Anti-competitive Behaviour		
206-1	Anti-competitive Behaviour: number of actions	0
SASB Intellectual Property Protection & Competitive Behavior		
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	0
401 Employment		
401-1	Employment: number of hires and turnover	Not currently disclosed
401-2	Employment: employee benefits	Page 19
401-3	Employment: parental leave	Page 20
SASB Recruiting & Managing a Global, Diverse & Skilled Workforce		
	"Percentage of employees that are (1) foreign nationals and (2) located offshore"	Not currently disclosed
	Employee engagement as a percentage	Page 20
	"Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees"	Page 19; see IFS Gender Pay Gap report
402 Labor/Management Relations		
402-1	Labor/Management Relations: collective bargaining agreements	Not currently disclosed
404 Training and Education		
404-1	Training and Education: employee training hours	Page 27
404-2	Training and Education: upskilling and transition assistance	Page 27
404-3	Training and Education: career development	Page 27
405 Diversity and Equal Opportunity		
405-1	Diversity and Equal Opportunity: governance	Page 19-20
405-2	Diversity and Equal Opportunity: remuneration	Not currently disclosed
406 Non-discrimination		
406-1	Discrimination: number of incidents	0
409 Forced or compulsory labor		
409-1	Forced or compulsory labor: risk assessment and measures taken	Page 25

GRI Index and SASB continued

● GRI ● SASB

GRI Disclosure Number	Details	Page reference and notes
418 Customer Privacy		
418-1	Customer Privacy: number of substantiated complaints and identified leaks, thefts, or losses of customer data	Page 26-27
SASB Data Privacy & Freedom of Expression		
	"Description of policies and practices relating to behavioral advertising and user privacy"	Page 26-27
	"Number of users whose information is used for secondary purposes "	Page 26-27
	"Total amount of monetary losses as a result of legal proceedings associated with user privacy"	Page 26-27
	"(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure"	Page 26-27
	"List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring"	Page 26-27
SASB Data Security		
	"(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected"	Page 26-27
	"Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards"	Page 26-27
SASB Data Privacy & Freedom of Expression, Data Security, Managing Systemic Risks from Technology Disruption		
	"Number of (1) performance issues and (2) service disruptions; (3) total customer downtime"	Page 26-27
	"Description of business continuity risks related to disruptions of operations"	Page 26-28
305 Emissions		
305-1	Emissions: Scope 1 Greenhouse Gas reporting	Page 13
305-2	Emissions: Scope 2 Greenhouse Gas reporting	Page 13
305-3	Emissions: Scope 3 Greenhouse Gas reporting	Page 13
305-4	Emissions: Intensity ratio	Not currently disclosed
305-5	Emissions: Greenhouse Gas reduction initiatives	Page 13-14
305-6	Emissions: Production, imports and exports of ODS	Not material
305-7	Emissions: Significant air emissions	Not material
SASB Environmental Footprint of Hardware Infrastructure		
	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Page 13
	(1) Total water withdrawn, (2) total water	Not currently disclosed

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