



2022 Sustainability
Annual
Report

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Introduction

We report on sustainability annually on our website, *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. The report is for the calendar year 2022 and is for the organization IFS AB and its subsidiaries, referred to as ‘IFS’, ‘Group’ or ‘the company’ throughout, excluding acquisitions made during this period, unless specified. Our Sustainability Report was prepared with reference to the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) Standards. Additionally, EY provided limited assurance over selected environmental and social key performance indicators, disclosed under the section “Sustainability Risk Management” of this report. For further information or queries about the report please contact sustainability@ifs.com.

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Our approach



Chief Executive's letter

At IFS, we see a future where technology enables long-term sustainable value creation, supporting entire industries to become more socially and environmentally responsible.

We honor this vision by holding ourselves and our value chain to the highest ethical standards, and by reflecting our commitment to sustainability in our product development.

2022 saw macroeconomic turmoil. With the effects of Covid-19 persisting, the start of a war in Ukraine, and rapidly increasing inflation rates, we also saw a global push for action and accountability on climate change. Within this context of global uncertainty, Environmental, Social and Governance (ESG) performance must remain a priority to ensure business resilience.

2022 was an important year for IFS' ESG approach. We developed our Sustainability strategy around three key pillars: 'Excellence in Our Business', 'Supporting Our Customers' and 'Making a Broader Impact'. We made significant progress against our targets in these areas, which included using 100% renewable electricity across our operations, increasing volunteering with over 600 colleagues taking up the opportunity, and achieving bronze medal status with EcoVadis for our sustainability performance.



Our Unleashed conference in October generated incredible interest around the potential of technology to support ESG goals in every industry we serve. Over two thousand customers and partners attended the Sustainability sessions. At Unleashed, we also celebrated the launch of IFS Sustainability Hub's carbon footprint tool for Scope 1 and 2, developed to help customers measure and reduce their emissions.

“We will continue to integrate ESG across our business, so that it is embedded in all that we do, and build on the support for our customers so that we can achieve a wider impact, together.”

I am more convinced now than ever that the ambitions we set and our relentless focus on ESG will deliver measurable business value for our customers and for IFS. In 2023, we will maintain this momentum. We will continue to integrate ESG across our business, so that it is embedded in all that we do, and build on the support for our customers so that we can achieve a wider impact, together.

Darren Roos, CEO

Our strategy

Sustainability Strategy

Through technology we can transform and improve entire industries as well as individual lives – and this is our mission. In 2022, we established a sustainability strategy designed to drive action against the material environmental, social and governance (ESG) topics where we can have the biggest impact. This is framed around three key pillars which support a clear and actionable mission: ‘Excellence in Our Business’, ‘Supporting Our Customers’ and ‘Making a Broader Impact’.

Vision	To create long-term sustainable value and through technology, transform and improve industries and lives		
Three Pillars	<p>Excellence in our own business</p> <p>As a global employer, we recognize the responsibility we hold within our own business. In line with global frameworks and regulations, we are committed to lead by example as we strive to further improve our operational sustainability performance.</p>	<p>Supporting our customers</p> <p>This pillar focuses on enabling customers to achieve their own sustainability goals and commitments. Our strategy supports customers with ESG data and asset lifecycle management, shifting towards more sustainable and responsible methods of production, consumption and doing business.</p>	<p>Making a broader impact</p> <p>We aim to make a positive contribution across industries and society through activities including employee volunteer days, fundraising for our charity of choice, the IFS Foundation, our IFS Change for Good awards program, and supporting the promotion of STEM skills through the IFS Education Program.</p>
Topics	<ul style="list-style-type: none"> ● Environmental impact ● Diversity and inclusion ● Wellbeing ● Data privacy and cyber security ● Ethical supply chain ● Risk management and reporting 	<ul style="list-style-type: none"> ● Business innovation ● Customer emissions and energy use ● Market opportunity 	<ul style="list-style-type: none"> ● Digital exclusion and STEM talent ● Volunteering and Community ● Ambassadorship
Targets	<ul style="list-style-type: none"> ● Carbon Neutrality by 2025 ● Female managers 30.5% by 2027 ● Less than 2 major reportable data breaches and cyber security incidents per year ● Science-based emissions reduction target by 2030 	<ul style="list-style-type: none"> ● All customers deploying IFS in the cloud ● Sustainability Hub v2.0 launch by end 2023 	<ul style="list-style-type: none"> ● IFS Education Program to reach 150 institutions by 2025 ● CSR Day 10% use in 2022

Materiality Assessment

In Q4 2021, we conducted a materiality assessment and identified the ESG topics where we can have the most impact and are most important to our stakeholders. The assessment included surveys to business leadership, our investors, customers, and suppliers which scored the importance of ESG topics. The results were a key input to our strategy.

Following the 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

In 2022, we have improved our ESG data capture and measurement processes, and we keep track of our progress with regular reporting to the Board



IFS Education Program:

99
institutions engaged

Key Targets

In response to the findings of the materiality assessment, as well as in anticipation of ESG related regulation, we have established some key targets. Setting ambitious sustainability goals is a critical part of delivering on our strategy and embedding it within the business. In 2022, we have improved our ESG data capture and measurement processes, and we keep track of our progress with regular reporting to the Board, quarterly monitoring by the ESG Steering Committee (ESG SteerCo) and our annual disclosure in our Sustainability Report.

- **Female managers:** For the percentage of the Group's female executives, directors, officers and managers (collectively known as people managers), we have targeted an increase to 30.5% by year end 2027.
- **Data breaches and cyber security incidents:** We have set a target of less than two major reportable data breaches* and cyber incidents per year.
- **IFS Education Program:** We want to expand our education partnerships to 150 institutions globally over the next 3 years.
- **CSR Days:** We wanted to have at least 10% of our employees using their CSR Day in 2022.
- **Carbon neutrality:** We want to achieve carbon neutrality across our operations by 2025.

Year-Over-Year Progress Table

Target	2021 Status	2022 Status
Female Managers %	28.1%	28.26%
Number of Data Breaches	0	0
Number of Educational Institutions Engaged (cumulative)	50	99
Number of CSR Days	156 (4.07% of employees**)	570 (12.39% of employees**)
Carbon Neutrality	In 2021, we completed exercises including a calculation of our Group emissions for Scope 1, 2 (location and market based) and 3 emissions.	We have submitted a commitment letter to the Science-Based Targets Initiative and created a Decarbonization Roadmap.

* "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 cyberattack, and which the Group is obligated to report to the relevant regulator.

**Percentage calculated based on average number of employees in period. Please see KPI Definitions on page 28 for further information.

External standards and 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.

Our Support of the United Nation's Sustainable Development Goals

In addition to our commitment to the UN Global Compact, IFS is proud to support the UN's Sustainable Development Goals (SDGs). Adopted globally, the SDGs are a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

In addition to our commitment to the UN Global Compact, IFS is proud to support the UN's Sustainable Development Goals (SDGs)



We have identified five key SDGs most relevant to our business and sector, based on our sphere of impact and materiality to our key stakeholders:



Find out more about our SDG's contributions in the case studies in this report.

GRI and SASB

Our Sustainability Report has been prepared with reference to the updated GRI Standards and SASB. The selection of the material topics is based on the materiality assessment conducted in 2021 and our current priorities and targets.

Governance

Our commitment to building a sustainable business begins at the top and is embedded throughout the entire company

Sustainability is governed by a quarterly ESG SteerCo, chaired by our Chief Sustainability and Talent Officer and managed by the ESG Director. This SteerCo includes executives and colleagues with direct responsibility for elements of the ESG agenda to enable regular updates on progress and top-level support. During 2022, the SteerCo's agenda covered our decarbonization strategy, TCFD and Science-Based Targets initiative (SBTi), as well as diversity and inclusion, ESG Product Development, KPIs and reporting standards. Each key area has a workstream lead who directly works with the ESG Director to provide quarterly updates to a wider group.



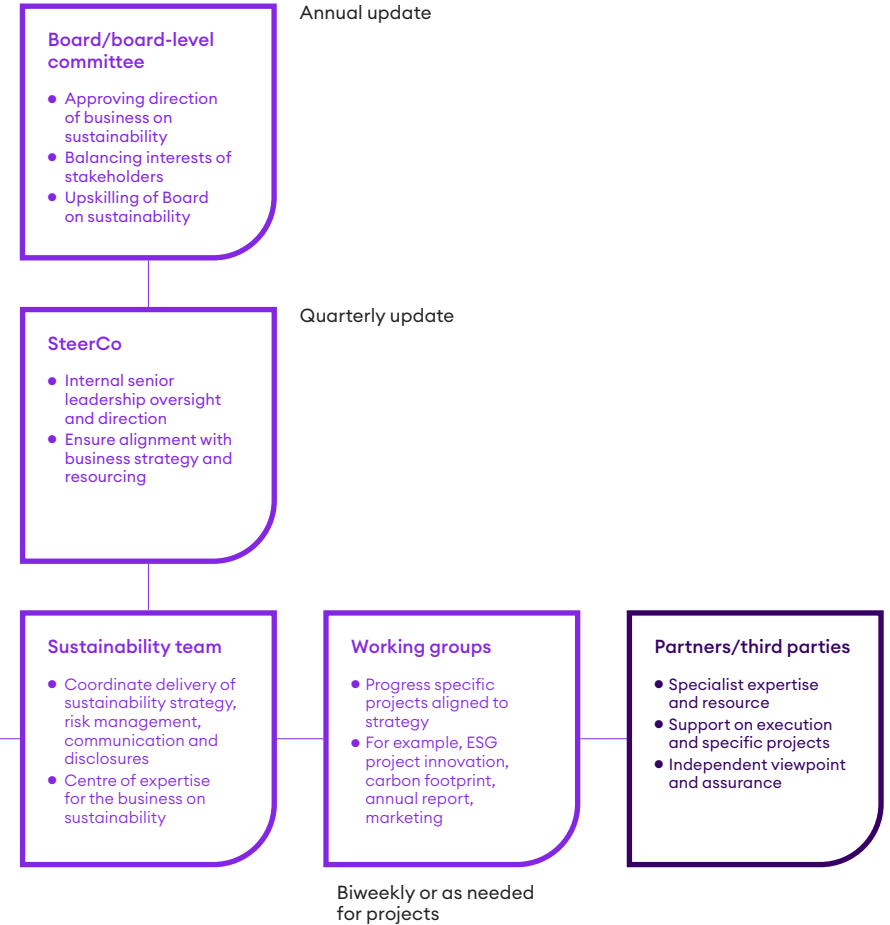
Case Study

New Sustainability Training

In Q4 2022, we developed custom “Sustainability at IFS” training designed to educate our colleagues on our sustainability initiatives and bring them along our journey.

The training contains modules dedicated to our focus ESG areas. It gives an overview of the sustainability agenda, covers IFS multi-year strategy for sustainability and shares action points that can help our colleagues become more sustainable.

Sustainability is governed by a quarterly ESG SteerCo, chaired by our Chief Sustainability and Talent Officer and managed by the ESG Director



Sustainability highlights

2022 Key Highlights

In 2022, we continued to build on efforts to progress within our sustainability journey, working on multiple initiatives across our three main pillars.

In 2022, IFS completed its first EcoVadis Group assessment, obtaining the Bronze Medal at a global level



EcoVadis

The EcoVadis platform scores companies based on environmental, labor and human rights, ethics, and sustainable procurement criteria. It is used by companies to assess their sustainability performance and support with supply chain management.

In 2022, IFS completed its first EcoVadis Group assessment, obtaining the Bronze Medal at a global level. In previous years, some of our local markets such as Benelux, Canada, France and Sweden were assessed individually and achieved Bronze and Silver Medals. IFS has set the target of achieving a Gold Medal score by 2025 globally and has prepared an action plan based on the gaps identified in this first assessment.



IFS at the ERP Today Awards

Excellence in Our Business	Supporting Our Customers	Making a Broader Impact
Committed to set science-based target for emissions reduction	FS Sustainability Hub's carbon footprint tool launched for Scope 1 and 2, pilot customers providing feedback	Collaborated with 99 educational institutions
100% certified renewable electricity across our facilities*	2000+ customers and partners attended ESG & Sustainability sessions at Unleashed	265% increase in volunteering CSR days by our employees (compared to 2021)
Launched the LGBTQ+ IFS employee resource group and our Transitioning Policy	Growth of IFS Cloud, 52-79% more energy efficient than compute equivalents	Hosted 6 events with Lewis Pugh, UN Patron of the Oceans and IFS Sustainability Ambassador in 2022
Published first UN Global Compact COP publication	IFS Change for Good customer awards	Continued our partnership with the IFS Foundation, contributing to projects such as the construction of a computer lab in rural Sri Lanka

Achieved Bronze IFS Group EcoVadis Certification

*We used 100% renewable electricity across our operations, successfully covering all of our non-renewable electricity volumes via green tariffs or Energy Attributes Certificates (EACs), except for our Sri Lanka volumes (2,253 MWh), as no EACs were available in the 2022 period in this market.

Awards	Category	Status
THE SOFTWARE REPORT	Top Women in SaaS	Won
	Sustainability Leadership Award	Won
	Fortress Cybersecurity Award	Won
	Sustainable Vendor of the Year	Shortlisted
	Sustainability Excellence Award	Shortlisted

Our TCFD journey

We are committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to better understand the risks and opportunities that climate change presents to our business. In 2022, we undertook our first steps towards TCFD alignment.

TCFD recommendations

TCFD was established in 2015 by the Financial Stability Board to help identify the information needed by investors, lenders, and insurance underwriters to assess and price climate-related risks and opportunities. The TCFD recommendations are focused on enhancing market transparency and enabling the efficient allocation of capital in the transition to a low-carbon economy as envisioned by the Paris Agreement.

The TCFD recommendations fall into four key areas:

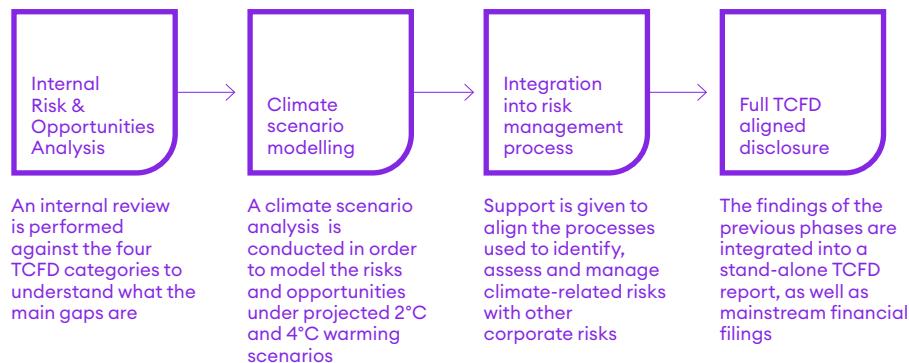
- Governance
- Strategy
- Risk management
- Metrics and targets

Our Approach to TCFD

We started our alignment with the TCFD framework, implementing our first steps in 2022.

We conducted a climate exposure analysis with internal stakeholders in areas such as Internal Audit, Procurement, Facilities, Marketing, Research & Development, and Data Centers & Infrastructure, which resulted in a heatmap illustrating the relative exposure of IFS against TCFD's 16 identified climate-related risks and opportunities.

IFS TCFD Roadmap



This heatmap table shows the relative exposure of IFS against TCFD's 16 identified climate-related risks, with 25.0 being the maximum exposure level.

Heatmap analysis

Climate-related issues	Exposure level
● Average increased severity of extreme weather events such as cyclones and floods	15.95
● Average changes in precipitation patterns and extreme variability in weather patterns	15.53
● Average rising mean temperatures	15.01
● Average increased stakeholder concern or negative stakeholder feedback	14.95
● Average substitution of existing products and services with lower emissions options	13.59
● Average score for increased pricing of GHG emissions	12.63
● Average enhanced emissions-reporting obligations	12.59
● Average changing customer behavior	11.73
● Average rising sea levels	11.72
● Average shifts in consumer preferences	10.94
● Average increased cost of raw materials	10.55
● Average uncertainty in market signals	10.00
● Average costs to transition to lower emissions technology	9.33
● Average mandates on and regulation of existing products and services	8.20
● Average unsuccessful investment in new technologies	7.71
● Average stigmatization of sector	6.90

Three out of four climate-related issues with a high exposure level are physical risks: including increased severity of extreme weather events, changes to precipitation patterns and rising mean temperatures.

These risks are pushed into the High exposure category due to very high average probability scores combined with high impact scores. Another risk identified is increased stakeholder concern or negative stakeholder feedback due to the rising interest in ESG and corporate sustainability.

In terms of opportunities, potential enhanced emissions-reporting obligations, site efficiencies and new products and services were identified as the most applicable to IFS as a software technology company.

Next steps

In 2023, we will be conducting a detailed climate scenario analysis, modelling the risks and opportunities under projected 2°C and 4°C warming scenarios. An analytical and modelling-based scenario analysis is a key recommendation of TCFD, which allows a company to understand and quantify the risks and uncertainties it may face under different hypothetical futures.

2

Excellence in our business

We work consistently on improving our operational sustainability performance as we aim for excellence across our business. We are committed to leading by example and, as a global employer, we adhere to global frameworks, regulations and best practices that support our strategy and ambitions.

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Environmental impact

Addressing climate change is an urgent and complex challenge. It requires a fundamental transformation of the global economy, so that society stops adding to the total amount of greenhouse gases in the atmosphere. The technology sector has a critical role to play in supporting the economy to reach this goal. At IFS, we are determined to play our part. In 2021, we announced our ambition to become carbon-neutral across our operations by 2025.

In 2022, we took strides forward on our commitment, continued progress on carbon removal, and improved our methodologies and measurement of emissions across the company. We will continue to further refine how we measure and approach these categories as we move forward.

Emissions

We measure and report on our Greenhouse Gas (GHG) emissions through a global energy management system.

IFS's preparation of carbon footprint data is based on the GHG Protocol Scope 1, Scope 2 Guidance and the Corporate Value Chain (Scope 3). In alignment with the GHG Protocol Scope 2 Guidance, we report our net carbon emissions based on two different calculation approaches: the location-based method and the market-based method.

Our global combined Scopes 1, 2 and 3 emissions in 2022 were 22,054 metric tons of CO₂e, of which the majority (92%) were Scope 3 emissions. A detailed table showing how much of our data is based on estimates can be found in the Annex section of this report.



Emissions measure	Unit	2021*	2022
Scope 1	tCO ₂ e	302	248
Scope 2 (market based)	tCO ₂ e	1,082	1,494
Scope 2 (location based)	tCO ₂ e	2,454	2,093
Scope 3	tCO ₂ e	17,819	20,312

*2021 volume was revised and adjusted due to changes in the measurement methodologies and emission factor correction. This has resulted in lower emissions than previously reported.

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. At IFS, this covers fuels and refrigerants used to run heating and cooling systems across the Global Real Estate portfolio.



Renewable energy

100%

renewable electricity across our operations

Scope 2

Refers to indirect carbon emissions and is defined as emissions from the consumption of purchased electricity, or other sources of energy generated upstream from the organization. We use the market-based method to calculate the Scope 2 emissions, covering 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, and the following emissions categories are covered by Scope 3 at IFS:

- Business travel
- Capital goods
- Employee commuting
- Purchased goods and services

Decarbonization strategy

Our decarbonization strategy focuses on the following three areas:

Reduce	Conduct operations more efficiently: energy efficiency assessment of Facilities, moving to more efficient sites, reducing business travel, using a network of sustainability business partners to drive reduction through the business.
Replace	Switch from carbon-intensive energy to low-carbon sources: including Energy Attribute Certificate (EAC) purchase for renewable electricity and consideration of greener alternatives such as biogas for heating and cooling.
Engage	Engage with customers and suppliers to drive transition to a low-carbon economy: including product carbon footprint and engagement with customers and suppliers.

Renewable energy

In 2022, we made further progress on our goal of carbon neutrality by using 100% renewable electricity*.

Type of electricity	Unit	2021	2022
Renewable electricity	%	63**	100

* We used 100% renewable electricity across our operations, successfully covering all of our non-renewable electricity volumes via green tariffs or Energy Attributes Certificates (EACs), except for our Sri Lanka volumes (2,253 MWh), as no EACs were available in the 2022 period in this market.

**Renewable energy percentage for 2021 was revised and adjusted to account for a correction to energy usage volumes in this period. This resulted in a lower percentage than previously reported.

Case Study

Science-Based Targets Initiative

We aim to set ambitious goals to address climate change challenges. As part of this ambition, we have committed to the Science-Based Targets initiative (SBTi) which requires us to clearly define the pathway we will take to reduce our emissions. IFS is committed to taking climate action and has submitted a near-term, company-wide target to the SBTi for validation.

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi not only defines and promotes best practice in emissions reductions and net-zero targets, but also provides technical assistance and expert resources to companies who set science-based targets in line with the latest climate science.



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 and other reliable building certifications such as LEED or BREAM. In 2022, we have successfully opened four new sustainable office buildings.

Office Footprint Reduction

With IFS's hybrid working arrangement, a further footprint reduction of 17% (total of 115,400 sq. ft) of the overall global real estate portfolio was achieved during 2022.

Responsible consumption

At IFS, waste management is part of our commitment to responsible consumption. Globally, our facilities feature a comprehensive recycling system where employees are encouraged to follow the ethos of reduce, re-use, recycle across the whole real estate portfolio.

Our Staines office in the UK continues to be zero to landfill with 21.55% waste being recycled. The remaining 78.45% of its waste is described as Energy From Waste (EFW), which is put back into the national grid.

We understand that there is still room for improvement, and we strive to further expand our efforts within this sustainability area across our other global locations.



Waste-to-landfill

0%

Our Staines office in the UK continues to be zero waste to landfill

Diversity and inclusion

At IFS, we are committed to promoting an inclusive, diverse, and respectful culture to bring out the very best of our global workforce and to encourage creativity and innovation to flourish. We maintain a culture where all employees feel recognized and valued for their differences. A working environment fueled by employees of different backgrounds, skills, experiences, and knowledge directly contributes to greater innovation and creativity.

Our strategy to diversity and inclusion at IFS centers around 5 core themes. These themes are Employee Representation, Employee Experience, Talent Lifecycle, Leadership Involvement and External Influence. By ensuring all initiatives and actions fit under at least one of these themes, we maintain scope of our Diversity and Inclusion work whilst ensuring it has tangible, measurable impact on the business.

We continuously strive to improve, whether this includes celebrating awareness days, reviewing and developing supporting policies or training opportunities. We understand that there is always room for improvement, and we aspire to do more in 2023.

1. G7 average performance: female share of employment in the technology industry is 30%. (Women in Work. PwC, 2020).

Gender Diversity

Technology is still a male dominated industry and IFS is taking action to change this reality. We work towards enabling women to establish their careers in technology and thrive through additional opportunities. At IFS, 35% of employees are women, 17% above industry average.¹

We want employees to feel encouraged to bring their whole selves to work and we have established targets that help us shape our strategy around gender diversity.

2022 Diversity Statistics

Female	Male	Gender
34.77% female employees	65.20% male employees	0.04% of all employees are non-binary or undisclosed
28.26% female managers*	71.74% male managers*	0% of all managers are non-binary or undisclosed*
40.00% female Board members**	60.00% male Board members**	0% of all Board members are non-binary or undisclosed**

* Data is calculated as a point in time average of the actual number of female managers at each quarter end in the year 2022.

**Board members that are Non-Executive Directors.



Female employees

34.8%

The percentage of Group's female employees in 2022

Case Study

IFS Pride and Transitioning Policy

2022 saw a focus around LGBTQ+ support and visibility. The company celebrated Pride 2022 globally and used Pride month in June to show support for LGBTQ+ colleagues, encourage allyship, launch a Global Transitioning policy and further educate our employees.

The IFS Global Transitioning Policy aims to support employees throughout their transition and to support both employee and manager through the process. This was additionally supported by inviting employees to share their pronouns in their email signatures. Not only does this normalize using correct pronouns and the importance of creating the opportunity to share them, but it also helps to support the development of an open, accepting culture.

Training was offered to all colleagues covering modules such as Understanding Pronouns, Supporting co-workers during their transition, Gender Identity vs. Sexual Orientation and Supporting employees coming out at work.

Internal communications around Pride month also featured thought leadership from our Chief Human Resources Officer and the announcement of an LGBTQ+ Employee Resource Group, which was launched in October.

IFS also celebrated LGBTQ+ History month locally, using the opportunity to share spotlights on historical figures.



Diversity Awareness Days

At IFS, we use awareness days as opportunities to celebrate diversity, launch supporting initiatives and educate our employees. In 2022, IFS was proud to celebrate a number of diversity awareness days, including International Women’s Day, Black History Month, LGBTQ+ History Month, International Men’s Day and others. By celebrating these days, we not only open a dialogue to show appreciation for these communities, but also explore opportunities to support them further.



Pulse survey
employee
participation

91%

The October pulse survey received a 91% global participation rate



Employee Engagement

Building and maintaining an engaged workforce is a key priority for us. This means seeking, listening to and acting on employee feedback. We regularly provide opportunities for our employees to voice their thoughts and opinions on how we can improve the employee experience through various channels, including our pulse surveys.

Measuring our Success: Key Heartbeat Results

IFS measures success by circulating the Heartbeat survey to all employees 3 times a year. This short and regular survey allows us to measure employee engagement throughout the year and helps us tailor surveys to specific themes, while maintaining a list of consistent questions. Overall, the October pulse survey received a 91% global participation rate and saw employee engagement increase from 8.1 in April 2022 to 8.2 in October. We are celebrating and working to maintain the success of our Top drivers while addressing our Bottom drivers with reviews by function and team as part of our 2023 strategy.

We focused our October’s employee engagement survey on Diversity and Inclusion, asking colleagues if they felt that employees from all backgrounds were treated fairly at IFS and if IFS was a place where they could bring their whole self to work. We are proud to share that we scored 8.9 and 8.5 respectively.

- Participation rate: 91%
- Engagement Score (eNPS): 40
- Engagement Score (EEI): 8.2
- Top drivers:
 - Peer Relationships: 8.9
 - Management Supp: 8.9
 - Organizational Fit: 8.7
- Bottom drivers:
 - Growth: 8.0
 - Workload: 7.8
 - Reward: 7.2

In 2022, IFS was proud to celebrate a number of diversity awareness days, including International Women’s Day, Black History Month, LGBTQ+ History Month, International Men’s Day and others



A healthy and safe working environment is key to employee wellbeing. IFS is committed to ensuring that mental and physical support is provided to employees across the business. Our opportunities and resources vary from country to country, and we continue to review the resources on offer globally to support our employees.

In 2022, we refreshed our global Wellbeing curriculums, which provide bitesize, accessible training modules to facilitate good health and wellbeing practices. At IFS, we offer two customized curriculums: one for managers and one for employees. Managers courses include training to build resilience in teams, cultivate workplace culture and how to recognize when an employee is struggling. The employee curriculum offers learning modules on sleep, diet and exercise as well as stress management, remote working and communication. We believe that by encouraging practical, easy to implement habits, employees are empowered to prioritize their wellbeing and build a better understanding of their individual needs.

Global Employee Assistance Program

In May, we launched a global* Employee Assistance Program (EAP). This program looks to offer additional levels of support to our employees worldwide and their family members. The confidential, easily accessible service provides support 24/7 on multiple issues including family issues, medical information, stress & anxiety and bereavement. The service is offered in the local language and connects employees to local resources.

* Excluding US, Canada and UK



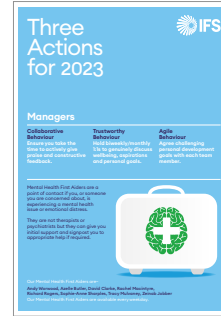
Case Study

Mental health, Asia Pacific and Japan

At IFS, the Let's Talk Program was implemented in 2020 and has been run annually since across the Asia-Pacific region. The program focuses on building a more connected, caring, and collaborative culture through a structured approach to open communication. Volunteers support colleagues by using the TALK method:

- Tell when something might be going on
- Acknowledge any concerns
- Listen with intent
- Keep in touch with ongoing support

In 2022, IFS sponsored a further 16 employees to go through the training, bringing the total number to 49 since the program's launch.



Mental Health First Aiders

10

From the initial cohort of seven MHFA, three additional colleagues have joined their ranks in 2022

Mental Health First Aiders (MHFAs), UK

We offer employees the opportunity to train as Mental Health First Aiders (MHFA) as an additional level of support to promote good health and wellbeing among employees. MHFA not only acts as a first point of contact when employees experience a mental health or emotional issue, but also directs them to internal and external support resources. Following from the initial cohort of seven MHFA, three additional colleagues have joined their ranks in 2022.

Global Get Fit Challenge

In May, we ran the 2022 Global Get Fit Challenge. Building on the success of 2021, the Global Get Fit Challenge encouraged employees to set themselves a fitness challenge over the course of a week. Employees took part globally through cycling and running. The Challenge was amplified by a communications campaign highlighting employees and their favorite activities, providing insight into how they got started and tips they had for others. In addition to being an opportunity to engage in conversation around the benefits of exercise, the challenge provided a fundraising opportunity for the IFS Foundation through participant sponsorship.



Case Study

Bikeathon in Sri Lanka

At IFS, we know that our minds and bodies are connected as they both play an integral part in our overall wellbeing. We also believe that reducing the stigma of seeking help for mental health is vital.

In 2022, IFS sponsored the "1333 Bikeathon" in Sri Lanka. The Bikeathon is a 1,333 km bike ride around Sri Lanka aimed to raise awareness of the 1333 toll free crisis support line to help prevent suicide and promote mental health.



Heartbeat Survey – Wellbeing

In order to better understand our colleagues and their needs, the employee engagement survey specifically addresses health and wellbeing as part of its agenda. In October, we scored 8.2 across the business. Even though this demonstrates that our efforts are being valued by IFS community, there is still room for improvement. IFS will work further on expanding these efforts in 2023.

Human rights



Employees
79%

of employees completed
e-learning in anti-corruption

Protecting essential rights with regards to dignity, fairness, respect, and equality is one of our commitments at IFS. All employees and business partners are expected to fully comply with the Universal Declaration of Human Rights.

We are dedicated to putting into practice the UN Guiding Principles on Business and Human Rights, as signatories to the UN Global Compact. In 2022, we published our first UN Global Compact Communication on Progress, which is a key component of a company's commitment.

IFS's operations respect human rights, including the International Labor Organization Core Conventions pertaining to labor conditions, and the company works to ensure they are respected by its partners. We do not accept any form of forced labor, child labor, or discrimination in respect of employment and occupation. We also refrain 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 continues to work with relevant work councils globally ensuring visibility of planned actions as appropriate. This includes process or policy change to ensure continued support and engagement with local employee populations.



The IFS Code of Conduct

The IFS 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.

At IFS, we expect all our employees and suppliers to respect our Employee Code of Conduct and Supplier's Code of Conduct.



Modern Slavery Act

IFS acknowledges our responsibility to comply with all relevant legislation including the UK Modern Slavery Act 2015. In accordance with the requirements of the Act, we release an annual IFS Group Statement on Modern Slavery, which outlines the actions we have taken in seeking to identify and address the risks of modern slavery and human trafficking in our operations, supply chain, and customer and client relationships.

Anti-Corruption

At IFS, we have a zero-tolerance policy toward corruption. We are committed to complying with all applicable anti-corruption laws and we use recommendations issued by industry and regulatory bodies to guide our compliance program, as well as legally binding standards set by the OECD Anti-bribery Convention.

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. As a part of the on-boarding process, employees are required to complete training on anti-corruption, fraud and money laundering. Between 2020 and 2022, 3,975 employees (79%) completed e-learning in anti-corruption and 3,042 (60%) employees completed e-learning in compliance with the UK Criminal Finances Act.

Whistleblowing

Our whistleblowing platform enables employees and business partners to anonymously raise concerns regarding actual or suspected serious wrongdoings within the Group. The system is hosted by an external and independent third party and gives the whistleblower the possibility to follow the status of the case.

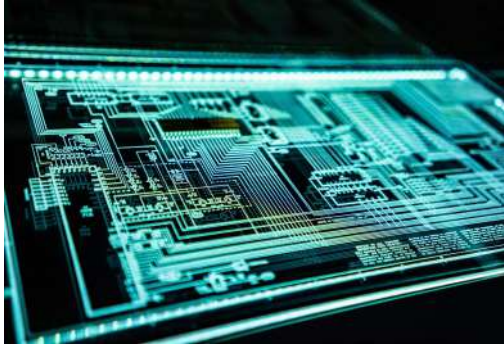
The whistleblower function is managed by a cross-functional team of senior staff. IFS applies zero tolerance for retaliation against anyone who reports wrongdoings in good faith.

Sustainable Procurement

We are committed to facilitating an ethical supply chain where modern slavery, human rights, and environmental considerations are integrated into our supplier due diligence and management.

We also hold suppliers to our Code of Conduct as well as IFS Supplier Sustainability Policy, which applies to all suppliers globally.

IFS Cyber Security and Privacy



IFS uses a range of robust cyber security protective measures, based on industry best practice.

As cyber threats are dynamic, our approach to cyber security is proactive and under continual review. At IFS, we take time to reach out directly to our customers and colleagues, so that we can clearly understand and respond to their needs and expectations. We have not experienced any major reportable data breaches in the last 4 years.

In 2022, we worked on several key initiatives that helped us to further enhance our cyber security and privacy commitments:

At IFS, we take time to reach out directly to our customers and colleagues, so that we can clearly understand and respond to their needs and expectations

1

Strengthened Phishing Defenses



Phishing emails remain one of the largest threats for all organizations and is the most common way in which a ransomware attack is started. One of the main aspects of our risk mitigation is the procurement and implementation of a machine learning-based tool. This new defense system identifies and automatically remediates any threats by blocking malicious emails, nullifying their malicious links. This initiative strengthens our past security awareness program run each month to test our colleague's response rate to phishing emails via a phishing simulation tool.

2

Overhaul of Incident Response Plan and Playbooks



In 2022, we performed a full bottom-up review of our incident response plan to ensure that the company is well prepared to handle a major security or data protection incident. Building upon low level technical playbooks, the activity has strengthened our approach in line with industry best practice taken from both ISO 27035 and the experience of other organizations who have been involved in such incidents. To test the effectiveness of these changes we ran two major incident simulations to ensure that our processes are practical, effective and well-communicated.

3

Network Micro-Segmentation



As part of our further protection against a ransomware attack, we strategically isolated our critical resources and services by establishing network segmentation. Once a threat actor has compromised a user's account using a phishing attack and established a persistent foothold on a network, their next primary objective is to move laterally across the network, elevating user permissions as they attempt to access higher value assets. The importance of network micro-segmentation is that it significantly reduces the opportunity for the threat actor to move across the network, reducing their ability to do further harm to the internal services and information.

4

Increased Automation of Threat Remediation



In 2022, we have increased the effectiveness of our threat remediation processes, reducing their potential impact upon our networks, services and users. Additionally, these efforts enabled IFS to demonstrate a proactive threat hunting model, allowing us to monitor global threat intelligence resources and seek out risks before they are exploited. The speed of response in addressing detected security risks was key to minimizing the adverse impact they have upon our systems and networks. The approach therefore was to increase the level of automated remediation using remediation scripts and services linked to the security monitoring and detection tools within our Security Operations Centre (SOC). This allowed us to lower our meantime to detect, contain and remediate such events, with averages now down to minutes.



Data breaches

Zero

We have not experienced any major reportable data breaches in the last 4 years



Group Approach to Tax

We are committed to complying with all tax laws and regulations in the territories in which we operate, 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 covers 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 our UK companies for the year ended 31 December 2022.

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.

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 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 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. We may also look to engage with global tax authorities ("Tax Authorities") to disclose and resolve issues, risks, and uncertain tax positions.

We are committed to correctly applying the tax legislation to our business operations having our communities in mind, and we will continue to conduct our tax affairs to the highest standards



Constance Minc
IFS's Chief Financial Officer (CFO)

Tax Governance

IFS's Chief Financial Officer (CFO) has executive responsibility for tax matters, while the ultimate responsibility for tax strategy 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, VAT and withholding tax, and with the Chief Human Resources Officer for employment tax. 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 Chief Human Resources Officer, conduct regular assessments on significant tax developments and participates in all material tax-related decisions.

Sustainability Risk Management

As a global enterprise software solutions company, IFS carries low environmental, social and governance risks. To ensure responsible and transparent practices, we continue to integrate ESG factors into business and risk management processes.

In 2022, climate-related risks were added to our internal risk management registry, and we evaluated how IFS's operations directly or indirectly impact the surroundings negatively in respect of business ethics, corruption, climate and the environment, human rights and labor conditions. We identified 12 ESG-related risks concerning the business and our specific ESG KPIs and implemented individual control strategies and mitigation processes.

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.

Other impacts identified by IFS are related to human and labor rights, anti-slavery, diversity and inclusion and anti-corruption. Our ongoing initiatives and controls in these areas are described in this report under the Compliance Trainings, Diversity and Inclusion and Human Rights sections.

IFS adopted the precautionary principle as a general risk management rule, 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. Proactively managing risk is an important part of IFS's business. IFS's measures to manage those 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.

In 2022, we expanded the scope of our externally audited Sustainability KPIs, increasing their number from two in 2021 to six in 2022. IFS appointed EY to perform limited assurance over the following KPIs:

- % of renewable energy in IFS operations (see page 13)
- % of Group's female managers (see page 14)
- % of women within the organization's board (see page 14)
- Number of data breaches (see page 18)
- % of employees who have taken CSR leave (see page 26)
- Number of Anti-bribery and Corruption training participants (see this page)



Unconscious bias

64%

of IFS employees completed the Unconscious bias training

Each KPI definition can be found in the Annex section of this report. EY provided limited audit report in accordance with the International Standard on Assurance Engagements (ISAE) 3000 assurance standard.

Compliance Trainings

We are committed to quality training and education for all our employees and, to support this, we partnered with a digital learning platform to provide courses that instruct employees across all levels and divisions. Employees are required to retake courses on a regular basis and after content updates.

Employees who completed compulsory training between 2020 and 2022

Course	Number and % of total
International Fraud, Bribery, and Corruption	3,975 (79%)
Data Privacy, General Data Protection Regulation (GDPR), and Information Security	3,423 (68%)
Office Safety and Ergonomics	637 (13%)
Modern Slavery	3,837 (76%)
Criminal Finance Act	3,042 (60%)
Unconscious Bias	3,227 (64%)



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Supporting our customers

We recognize the impact that technology can have in empowering our customers, and the industries that we work with, to achieve their sustainability goals and commitments

ESG and Sustainability Product Strategy

Sustainability is embedded in the core of IFS products, for example through support of remanufacturing processes and circular economy principles, as well as route optimization technology that promotes more responsible methods of production, consumption and doing business. In 2021, we formally established ESG as a Product area to further support customers with their broader sustainability goals and bring a cohesive ESG strategy to our product.

As climate change is a complex and global problem, greater value chain visibility is integral in tackling this problem through an improved engagement with all aspects of ESG performance

2022 was a foundation year for our ESG Product Strategy as we defined a pathway to our vision, which is focused on enabling our customers to exceed their sustainability goals.

Through engagement with our customers, we identified three strategic focus areas that guide our overall product strategy:

1. ESG Disclosure

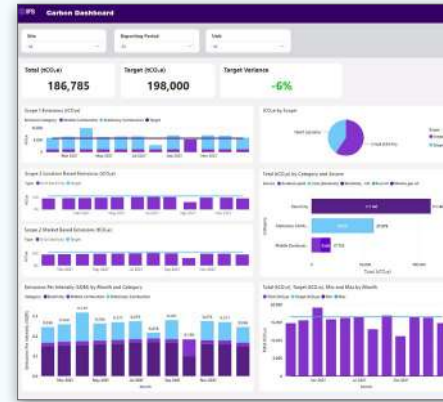
To assist customers with their growing ESG disclosure needs, we have a new product area for ESG, with the following product development:

IFS Cloud Sustainability Planner

This product development is available in the Microsoft Teams store, allowing users to collect information, using templates, from multiple stakeholders within their organizations.

IFS Cloud Emissions Tracker

Our custom Scope 1 and 2 organizational carbon footprint calculator. At IFS, we often heard from our customers that obtaining emissions data for ESG disclosures is complex and time consuming. That is why we decided to develop a carbon emissions management tool. This new technology aims to help customers to effectively manage their impact on climate change and easily start their ESG reporting journeys. Going forward, we intend to expand to include Scope 3.



Our 2023 Roadmap

Our 2023 roadmap will help us engage with our customers on sustainability. IFS continues to enhance its carbon emissions management tool to leverage automated data collection, as well as expand on the emissions categories supported.

As part of our roadmap, we will also focus on ESG disclosure capability, which tackles one of the main challenges that our customers currently face: the difficulty of effectively automating and consolidating ESG data management across the business.

IFS Cloud Sustainability Hub

To support customers with ESG measurement and disclosure, this product focuses on ESG data as it is often the most common ESG challenge that organizations face. In our initial phase we will focus on the automation of ESG from IFS Cloud as a core system of record, and in further phases expanding to third party data as comprehensive ESG data management requires consolidating data across many disparate sources.

2. Lifecycle

We aim to promote collaboration across the IFS Solution areas to bring enhanced value chain transparency among our customers. This will allow them to gain a deeper insight into their broader environmental and social footprints.

As climate change is a complex and global problem, greater value chain visibility is integral in tackling this problem through an improved engagement with all aspects of ESG performance.

3. Efficiency

As part of our customer-centric approach, we continuously assess how to further utilize and innovate to help our customers operate more efficiently. This pillar focuses on leveraging the role of technology in enabling organizations to increase their overall efficiency.

IFS Solution Areas

In 2022, we held a Sustainability Spotlight initiative to uncover and promote sustainability across multiple IFS solutions areas.



HCM

IFS Cloud HCM allows insights into diversity and inclusion, pay equity, workplace safety and other aspects of workforce.



Manufacturing

IFS Cloud for Manufacturing supports the shift from a linear to a circular economy. It offers tools for waste reduction, ecological footprint management and repairing.



Artificial Intelligence and Machine Learning

The machine learning capabilities in IFS Cloud provide our customers with insights on their data and aid decision making around sustainability challenges.



Change For Good Awards

We use our voice to advocate for change across industry and society. One of the key examples is our IFS Change for Good Sustainability Awards program, which strives to champion customers who are leading the charge in adopting sustainable initiatives. The engagement with customers on sustainability helps us better understand their needs and develop a dialogue on sustainability that can influence our product development.

In 2022, we received customer nominations from around the globe. Our judging panel included UN Patron of the Oceans Lewis Pugh, President of Digital Leaders and IFS board member Jacqueline de Rojas and Ian Gillott, managing director of WrightBus.

Case Study

Volvo Group Circular Operations & Solutions

Halving emissions and using just 20% of the energy required for new part manufacture, Volvo Group Circular Operations & Solutions was the 2022 winner of our 'Best Use of IFS technology in a Sustainability Initiative' category in the IFS Change for Good Awards.

One of the main ways that IFS technology is helping Volvo is by maximizing the value chain within the remanufacturing plants. "We want to create the highest possible salvage grade products for customers. By visualizing historic data in IFS, we can see the optimum remanufacturing processes that should be applied, and necessary new components needed, to maximize quality and efficiency," says Andreas Gustafsson, VP of Circular Operations & Solutions.



IFS Change for Good Awards Winners 2022

Company	Category
Cape Air	Transformation
Technogroup	Innovation
Tucson	Social Impact
Volvo	IFS Tech

4

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Making
a broader
impact

At IFS, we constantly strive for good corporate citizenship as we gain greater outreach and impact on a global level through our activities

We harness the global fundraising potential of IFS for our charity of choice, the IFS Foundation. The IFS Foundation is a group of independent charities established to reduce poverty in rural Sri Lanka, investing in projects to address access to clean water, sanitation, healthcare, education and employment opportunities.

Over the course of 2022, we have facilitated fundraising opportunities through promotion at our World Conference, Unleashed and through opportunities such as payroll donations and other events.

Employees and other local entities were also encouraged to raise funds for causes close to their hearts. Although we encourage fundraising for our charity of choice, we celebrate the generosity of employees in supporting local causes.

The IFS Foundation is a group of independent charities established to reduce poverty in rural Sri Lanka



Case Study

Computer lab in Welusumanapura

Education is vital in helping to break the poverty cycle. Many children, particularly girls, can struggle to access adequate education to secure the skills they need for later life.

In 2022, through our partnership with the IFS Foundation, IFS contributed to the construction of a newly built computer lab at the Welasiya Government School, which has 30 computers and seating facilities. This initiative aims to develop essential IT skills and further develop the student's education across other subjects.



IFS Contributed towards

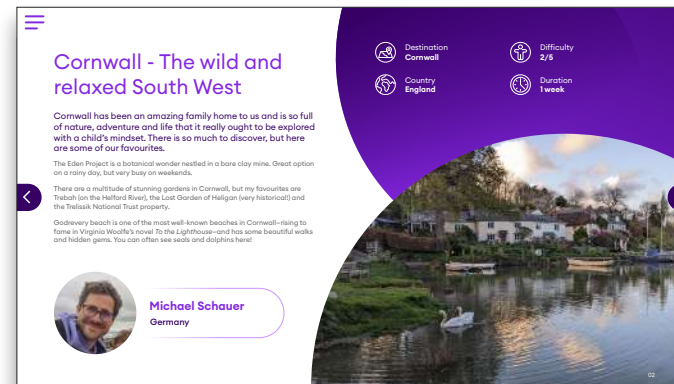
30

new computers and the construction of a computer lab at the Welasiya Government School

IFS Foundation Travel Guide Launch

At IFS, we always strive to implement creative and engaging ways in raising awareness around our partnerships.

The IFS Foundation Travel Guide was launched in 2022, which featured travel recommendations submitted by colleagues globally. Our Travel Guide was developed as an e-book and made available for download on ifsfoundation.org. It is free to download with a suggested contribution to the IFS Foundation through JustGiving.



Case Study

Medicines for Villagers

In light of the challenges faced in Sri Lanka during 2022, the IFS Foundation identified the need for additional support including the need to secure vital supplies, including life-saving medicines.

While the Foundation typically focuses on longer-term investments with wide-spread impact, it also recognizes the importance of addressing the needs of the local communities particularly during times of crisis.

Some parts of Sri Lanka were experiencing an acute shortage of medicines and other vital supplies. Hence, in partnership with IFS, medical officers and community leaders, the Foundation sourced medical supplies and helped ensure their on-time delivery.



IFS Education Program

Education is the foundation of stronger and prosperous societies. As a large employer, we want to promote the benefits of education to individuals and families. This is one of the main drivers for our commitment to expand our Program to 150 institutions globally over the next 3 years. In 2022, we reached a total of 99 educational institutions engaged.

IFS Education Program looks to encourage interest and engagement in STEM subjects as well as to expand opportunities and facilitate routes into the technology sector for young people. We do this through four main methods: scholarships and internships, the use of IFS software, donation of equipment and employees volunteering their time.

Case Study Tech Talk Series

In 2022, IFS held multiple career sessions at universities in Sri Lanka. As part of this initiative, we invited a number of speakers from the IFS Cloud team to present at the Tech Talk series. We also engaged our interns in this event as they shared their journeys at IFS, leveraging their expertise and hands-on experience. This was aimed to motivate younger students and spark an interest in their first career steps.



The opportunity to access scholarships, internships, apprenticeships and graduate schemes varies globally, however we are proud to offer multiple opportunities for young people to access careers in the technology sector.

The use of software and equipment aids students in experiencing products and their everyday usage. It encourages students to engage in their learning and develop an active interest in both IFS and our solutions.

IFS is proud that our employees play an active role in our Education Program as they are empowered to volunteer in educational institutions, whether that is through guest lectures, training teachers or project support.

Number of Educational Institutions Engaged (cumulative)	
2021	50
2022	99

Volunteering

The CSR Volunteer Day is one way in which we enable colleagues to play an active role in directly supporting our Sustainability strategy. We give every colleague one day of paid volunteering leave to spend time supporting their local communities and organizations close to their hearts.

In 2022, 600 employees used their CSR Day, contributing to 570 days of volunteering (12.39% of average number of employees in period). This demonstrates a significant increase of 265% from last year.



Case Study

CSR Days

Throughout 2022, IFS employees used their CSR Day in many different ways, including litter picking, hackathons, research projects, marathons, and volunteering in charity shops.

We are proud that our colleagues dedicate their CSR days to a wide variety of local projects such as:

France (Big outdoor activity)

The team focused on tackling the issue of biodiversity in France, by using their volunteer day to construct a dry hedge for animals and insects.

Australia (Foodbank NSW)

Our colleagues spent the day working in a foodbank warehouse, picking, packing and boxing food for children at schools, charities and individuals who were struggling.

Sri Lanka (Carehome)

One of our Sri Lankan teams spent a day in a local care home painting the building and providing lunch, as well as donating essential items including medicine, dry rations, cleaning supplies and clothes.



IFS Employees

86%

of our respondents claimed that they would recommend volunteering to a colleague.

Employee feedback

84% of IFS employees who participated in our internal survey claimed that their wellbeing either “significantly improved” or “somewhat improved” as a result of volunteering.

On the same survey, 86% of our respondents claimed that they would recommend volunteering to a colleague.

Future plans

We constantly strive to improve our efforts in creating a meaningful impact on a global level. As part of this initiative, we have set our plan to create additional volunteering opportunities for our employees by exploring skilled volunteerism in 2023. This will allow employees to leverage their professional skills and experience with charitable organizations and local communities.

By reminding colleagues of the opportunity to volunteer throughout the year, we hope to see more employees use their CSR Volunteer Day and have an even greater impact across the communities in which we operate.

5



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Annex

KPIs definition

ESG category	Metric	Definition of the KPI
Environmental	% of renewable energy in IFS operations	Renewable energy is energy that is collected from renewable resources, which are naturally replenished on a human timescale, such as sunlight, wind, rain, tides, waves, and geothermal heat. With Schneider Electric's assistance, IFS purchases Energy Attribute Certificates (EACs) for renewable energy to make progress on its goal to carbon neutrality by 2025.
Social	% of Group's 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 2022.
Social	% of women within the organization's board	The percentage of women among the Group's board against the total number of board members that are Non-Executive Directors.
Social	% 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.
Governance	Number of data breaches	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.
Governance	Number of Anti-bribery and Corruption training participants	This includes the number of existing IFS employees, who completed the IFS's mandatory Anti-bribery and Corruption training in 2022 or previously, if not required to re-take the training in 2022.

Emissions estimation %

Scope 1	Share of emissions within Scope (%)	Estimated (%)
Natural gas (kWh)	89.5	54
HFC-125 (kg)	4.2	100
HFC - 134A (kg)	3.5	100
Fuel oil (MWh)	2	100
HFC-32 (kg)	0.8	100
Scope 2	Share of emissions within Scope (%)	Estimated (%)
Electric power (kWh)	91.7	22
District heating (MWh)	6.6	19
District cooling (MWh)	1.7	17

Scope 3	Share of emissions within Scope (%)	Estimated (%)
Employee commuting	31	100
Business travel	28.3	1.9
Purchased goods and services	22.4	96.9
Capital goods	15.7	100
Fuel-and-energy-related activities	2.4	100
Waste generated in operations	0.3	100

GRI Index table

Statement of use	IFS AB has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location in Sustainability Report 2022 [SR], Year in Review 2022 [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	Emissions [SR] Renewable Energy [SR]
	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	Anti-corruption [SR]
	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 strategy [SR]
	2-23 Policy commitments	Human Rights [SR]
	2-24 Embedding policy commitments	The IFS Code of Conduct [SR]
	2-25 Processes to remediate negative impacts	The IFS Code of Conduct [SR]
	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 standards and frameworks [SR]
	2-29 Approach to stakeholder engagement	Not currently disclosed
	2-30 Collective bargaining agreements	Human Rights [SR]

GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality assessment [SR]
	3-2	List of material topics	Materiality assessment [SR]
	3-3	Management of material topics	Materiality assessment [SR]
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-corruption [SR]
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption [SR]
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption [SR]
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-corruption [SR]
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Emissions [SR]
	305-2	Energy indirect (Scope 2) GHG emissions	Emissions [SR]
	305-3	Other indirect (Scope 3) GHG emissions	Emissions [SR]
	305-4	GHG emissions intensity	Emissions [SR]
	305-5	Reduction of GHG emissions	Emissions [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	Compliance trainings [SR]
	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 2016	405-1	Diversity of governance bodies and employees	Diversity and Inclusion [SR]
	405-2	Ratio of basic salary and remuneration of women to men	Not currently disclosed
GRI 406: Non-discrimination 2016	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 and Privacy [SR]

SASB Index table

Topic/Code	Accounting metric	Location in Sustainability Report 2022 [SR], Year in Review 2022 [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 energy [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 and 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 and 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 and 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	Measuring our Success: Key Heartbeat Results [SR]
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	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 and 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 [YiR]
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	1 Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Rights [SR]
	2 make sure that they are not complicit in human rights abuses.	Human Rights [SR]
Labor	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human Rights [SR]
	4 the elimination of all forms of forced and compulsory labor;	Human Rights [SR]
	5 the effective abolition of child labor; and	Human Rights [SR]
	6 the elimination of discrimination in respect of employment and occupation.	Human Rights [SR]
Environment	7 Businesses should support a precautionary approach to environmental challenges;	Environmental Impact [SR]
	8 undertake initiatives to promote greater environmental responsibility; and	Environmental Impact [SR]
	9 encourage the development and diffusion of environmentally friendly technologies.	Environmental Impact [SR]
Anti-Corruption	10 Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-corruption [SR]

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