

# IFS UN Global Compact COP

## Communication on Progress 2021

### CEO Statement of Continued Support

IFS endorsed the UN Global Compact in 2021, and we remain fully committed to acting on its ten principles in the areas of human rights, labor, environment and anti-corruption. We strive to build a responsible business that generates value over the long term for all our stakeholders, whether they be customers or shareholders, employees or partners, or the communities we serve.

We have taken important steps over the last year to evolve our approach to sustainability and environment, social and governance (ESG), and progress is reported in our 2021 Sustainability Report. In 2021, we built a solid foundation for success, developing our governance, and setting ourselves challenging targets. We also nominated a member of the Board to have specific responsibility and oversight of our ESG agenda. Our multi-year strategy will guide us as we continue our sustainability journey, and I look forward to seeing the impact we have in 2022 and beyond.

Information is shared below against specific UN Global Compact principles with further details reported in linked sections of the Sustainability Report and our website.

### Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** Make sure that they are not complicit in human rights abuses.

### Assessment, Policy and Goals

IFS complies with and is dedicated to putting into practice the UN Guiding Principles on Business and Human Rights and the principles in the Universal Declaration of Human Rights.

Our commitment to human rights is codified in the IFS Code of Conduct which details practices regarding ethical and moral codes, such as professionalism, legality, care for our property and respect in the workplace. 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 the Swedish Corporate Governance Code.

### Implementation

- The major topics covered in the IFS Code of Conduct were made compulsory onboarding training modules such as Fraud, Bribery, Corruption, Office Safety and Security Awareness.
- IFS increased our focus on the wellbeing of employees through the creation of a resource library and two training curriculums on wellbeing. These are now available to all employees and managers, together with a guide to assist managers in managing teams remotely and identifying whether an employee may be struggling with their mental health.

- IFS continued to offer support to colleagues globally via a First Response Team consisting of key IFS functions, established in 2020. This team supported staff who contracted COVID-19, guided local teams regarding offices re-opening/closing during local country lockdowns and developed return to work processes when offices opened.
- In connection with new business opportunity in 2021, potential sustainability risks including human rights risks were identified and assessed at country and counterparty level and classified according to the level of risk.

## Measurement of Outcomes

- With increased awareness of the impact on mental health during the pandemic, IFS trained 8 Mental Health First aiders within the company. The Mental Health First aiders act a first point of contact for employees experiencing mental health issues or employees who are concerned about a fellow employee's mental health.
- IFS also trained 16 employees to be [Let's Talk Mentors](#), where employees were given training on how to create a sense of psychological safety in the workplace and improve communication.
- IFS created a Health and Wellbeing Curriculum that was made available to all employees.
- The IFS First Responders Team provided assistance to 344 employees in 2021.
- Between 2020 and 2021, the employee engagement score related to mental health support for employees increased from 7.1 to 7.7.

To find out more about our actions regarding human rights please refer to pages 23-24 in our 2021 Sustainability Report: [IFS Sustainability Report 2021](#)

## Labor

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labor;

**Principle 5:** the effective abolition of child labor;

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

## Assessment, Policy and Goals

At IFS, we respect the ILO Core Conventions pertaining to labor conditions. IFS does not accept any form of forced labor, child labor, or discrimination in respect of employment and occupation and complies with all labor laws in countries where we operate.

Furthermore, 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.

To read the IFS Modern Slavery Statement, please visit [ifs.com](https://ifs.com)

## Implementation

- IFS has continued to work with relevant work councils globally ensuring visibility of planned actions as appropriate. This included process or policy change to ensure continued support and engagement with local employee populations.
- IFS published our annual Modern Slavery statement which is available to the public on our website. This was further supported through the implementation of training, made mandatory for colleagues in Procurement and HR roles, to raise awareness of modern slavery and human trafficking and IFS actions. This training was also included within IFS onboarding for all new colleagues.
- IFS continued to foster diversity in the workplace regarding ethnicity, cultural background, gender equality or sexual orientation through discussions, workshops, Women in Tech support groups and in conjunction with the annual equity salary revision.
- IFS released compulsory training in Unconscious Bias to educate our employees on workplace discrimination.
- IFS published a new target on female managers, working towards achieving 30.5% female managers by year-end 2027.
- IFS built specific checks on labor conditions into due diligence when assessing a potential asset for acquisition.

## Measurement of Outcomes

- By the end of 2021, women made up 33.93% of IFS globally, with the IFS Board of Directors at 37.5% female representation.
- Female managers consist of 28.1% of the IFS workforce in 2021, reported annually with further detail in our Sustainability Report.
- Over 2419 (54%) employees completed the Unconscious Bias training.
- 124 employees completed the Modern Slavery training, which will be made compulsory for all employees in 2022.

**To find out more about our actions towards Labor please refer to pages 19 -20 and 25 in our 2021 Sustainability report: [IFS Sustainability Report 2021](#)**

## Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies

## Assessment, Policy and Goals

IFS has ongoing initiatives to reduce our environmental impact within the following areas: energy consumption from office premises, business travel, fleet, purchasing of office materials and handling of used computer hardware.

In 2021, we set a target of achieving carbon neutrality by 2025 and will achieve this through the management of our portfolio, travel, and additional emissions. We also aim to reduce business travel by encouraging our employees to take advantage of online telecommunications solutions such as Microsoft Teams.

## Implementation

- IFS calculated our carbon footprint with the support of a third-party expert consultancy and reported on Scope 1, 2 and 3 carbon emissions for the first time.
- IFS is creating new technology products for customers to enable them to progress their sustainability goals.
- IFS implemented energy saving initiatives, including utilizing sensors that regulate power supply in the offices, reducing the volume of fleet cars and ensuring existing fleet schemes offer cars with lower emissions, as well as smart solutions that minimize paper waste such as central cloud printing.
- IFS also digitized many of our paper processes around invoices, purchase orders, reporting, digital signatures, workflow automation and online pay slips resulting in a significant reduction in daily printing.
- IFS consolidated data centers, reducing the emissions from cooling and power consumption.
- In multiple IFS locations, we cooperated 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.
- Our UK Head Office, Staines, is zero waste to landfill, meaning general waste is incinerated, the energy created is placed back into the national grid and the ash created is used for tarmac in roads.

## Measurement of Outcomes

- IFS calculated our carbon footprint and will be tracking this going forward with external reporting in our Sustainability Report and Integrated Annual Report. Please see the IFS Sustainability Report, page 13 for the breakdown of the IFS carbon footprint (scope 1, 2 and 3) in 2021. 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 (Scope 3).
- In 2021, we made progress on our goal to carbon neutrality by using 100% renewable electricity.
- By using the Azure virtualized environment, IFS Cloud is 52-79% more energy efficient than compute equivalents, and 71-79% more energy efficient than storage equivalents deployed in traditional data centers.

To find out more about our actions regarding the environment please refer to pages 13-17 in our 2021 Sustainability report: [IFS Sustainability Report 2021](#)

## Anti-Corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

### Assessment, Policy and Goals

IFS has a zero-tolerance policy toward corruption, and we are committed to complying with all applicable anti-corruption laws.

The IFS 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. This is further supported by the use of Transparency International's Corruption Perception Index, one of the many tools used by IFS in assessing risk.

## Implementation

- Improvements and enhancements were made to our compliance program guided by recommendations issued by industry and regulatory bodies as well as the OECD Anti-Bribery Convention.
- IFS conducted a company-wide risk assessment of the Group's corruption risks.
- It was mandated that all employees are 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.

## Measurement of Outcomes

- The anti-corruption risk assessment included an employee survey with questions regarding 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.
- IFS subscribed to a new whistleblower reporting system in 2021, which will be fully implemented in 2022. This new platform will enable employees and business partners to anonymously raise concerns regarding actual or suspected serious wrongdoings within IFS. 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.
- In 2021, 3390 (76%) employees completed anti-corruption training and more than 2550 (57%) employees completed training on compliance with the UK Criminal Finances Act. Additionally, a training module on Sustainability was completed by 2808 (63%) employees.

**To find out more about our actions regarding anti-corruption please refer to pages 24-25 and 28 in our 2021 Sustainability report: [IFS Sustainability Report 2021](#)**