2018 ESG Report

iress





Message from Andrew Walsh



Andrew Walsh
Managing Director &
Chief Executive Officer

During the past decade, IRESS has expanded from being a predominantly Australian operation to a diversified international technology business - with strong demand for our software across the markets we operate in.

We have a clear strategy to achieve our business goals - to be essential and desirable to our clients and users. That strategy also applies to other important groups: our people, our shareholders, our suppliers and the communities in which we live and work. We do this through setting and maintaining the highest standards of ethics and governance, as well as through adherence to our organisational values and engagement with our broader community through our corporate social responsibility programme.

While we are an established, international software business, our clients, suppliers and our people are predominantly local. Having a strong on-theground presence in each of our markets and being close to the communities in which we operate is a critical part of our operational philosophy.

Since we began in 1993, we have focussed on doing business ethically, responsibly and sustainably. One of our core values is "We do things the right way". I am therefore proud that IRESS is publishing our first ESG Report and I look forward to IRESS building on this report in the years to come.

While not directly part of the financial services industry, all of our clients are. This means the challenges they face, in ensuring the protection of their clients' financial futures, becomes our challenge: how we can invent and use technology to help our clients perform better.

We are proud of the work we do in this area - whether it is software to help financial services business to more directly and more regularly engage with their clients, to improve compliance and oversight, or to lower the cost of financial services so that these are available to more people.

We are improving how essential and desirable we are to our clients by lifting the quality of everything we deliver to clients and making it easier for clients and users to interact with us and our software. We have commenced formal measurements during 2018 to track this and, although we have not surveyed all client and user groups at this stage, this programme is already providing valuable feedback.

We are also proud of our work with other key groups, not least of all the almost 2,000 people who work at IRESS. In recent years we have focused on creating a single culture and way of working, with clear performance expectations. We have been a leader in improving remuneration, with the ending of short-term incentive

payments for all people in 2018 and instead the transition of variable incentives to fixed pay alongside the introduction of a profit-share model. Aligning our remuneration model to the success of IRESS as a whole, rather than a particular division, aligns with our highly collaborative culture and has been received positively.

In addition we have increased leave entitlements to help our people better manage life's juggle. This includes leave for our people with children starting primary school being entitled to eight and a half days on full pay. Our people are entitled to paid parental leave for up to six months for primary carers and up to six weeks' for secondary carers. Further, those returning from primary parental leave are able to work part-time for up to four weeks while receiving full-time pay to assist with the transition back to work.

IRESS has a deep commitment to the diversity of its workforce. This is reflected in surveys of our people, with 85% of our people believing IRESS values diversity. One area we continue to focus on is improving female representation within IRESS including through our graduate programme and a number of specific initiatives. This remains a challenge for all technology companies and we are proud of the progress we are making.

We are proud of our partnerships. A recent highlight for IRESS was employing the first two refugee candidates in the world through Talent Beyond Boundaries, an initiative which connects refugees with international job opportunities through engaged employers. These two new recruits, both from Syria, are settling into their new homes of Sydney and Melbourne.

Our IRESS Foundation is playing a key role in both helping us support a range of community organisations in each of the areas we operate as well as building a stronger sense of community at IRESS through strengthened engagement.

We look forward to providing more detail on our progress in future reports.

About this Report

This Report provides a performance review of IRESS' key material topics for the period 1st January 2018 to 31st December, 2018.

The report is IRESS' first Environmental, Social and Governance (ESG) Report and is aligned with the Global Reporting Initiative (GRI) Standards. The report has been prepared in accordance with the GRI Standards: Core Option.

External assurance has not been undertaken specifically for this report.

The GRI Reporting Principles for Report Content have been incorporated as follows:

STAKEHOLDER INCLUSIVENESS

Key internal stakeholder groups were identified to take part in the materiality assessment, the outcomes of which are presented in this report.

SUSTAINABILITY CONTEXT

The report covers sustainability topics that are included within the GRI Standards and through broader ESG issues material in the Information Communications Technology (ICT) sector. IRESS is at the beginning of its ESG reporting journey and, over time will further develop its knowledge of the impact of business operations on sustainability. Climate change is discussed in the report within the frame of environmental sustainability and impacts.

MATERIALITY

A robust materiality assessment was undertaken to determine the topics most material to IRESS and the ICT sector. Where some topics were not identified as material by IRESS but were however, deemed to be material by the sustainability reporting consultants, the topics have been included, such as environment, information security and others.

COMPLETENESS

The report outlines impacts associated with identified material topics based on available data.

ENQUIRIES

For any enquiries relating to this ESG Report, contact corporate@iress.com

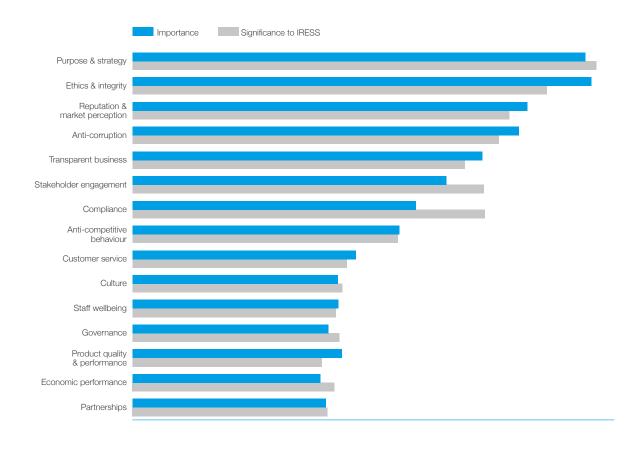
Our materia topics

To prepare for the compilation of IRESS' FY2018 ESG Report, a formal materiality assessment was completed using the online Materiality Assessment Tool (MAT).

Fourteen of IRESS' senior leaders were interviewed to inform additional topics potentially material to the company.

The MAT was completed by 90 people across IRESS, out of a possible 265 respondents, representing a 34% completion rate. Respondents were from the following organisational groups: Leadership Team, senior management, and the IRESS Foundation (IRESS' Corporate Social Responsibility function).

15 MOST MATERIAL TOPICS



About us



WHAT WE DO

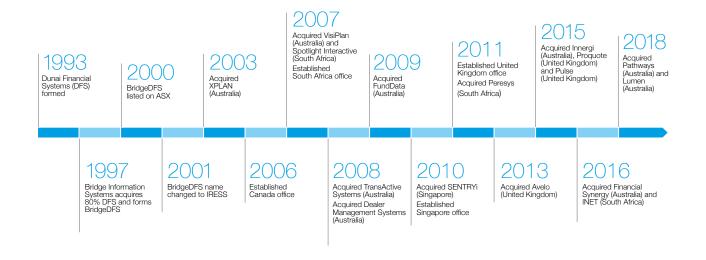
We design, develop and deliver software for the financial services industry in Australia, New Zealand, the United Kingdom, South Africa, Canada and Asia.

Our clients trade on global financial markets, manage investments, provide mortgages or help people plan their financial future and protect their family, and rely on our software and our team to help deliver the right outcomes for their business and their clients.

IRESS is a publicly listed company on the Australian Securities Exchange (IRE.ASX)

OUR HISTORY

We celebrated our 25th year of operations in 2018 and haven't forgotten our roots: keeping the entrepreneurial spirit and creative thinking that has driven us to success, and an unwavering focus on what's most important – delivering outcomes today, developing for tomorrow and designing for the future.





9,000+

clients from small businesses to global institutions

12,000

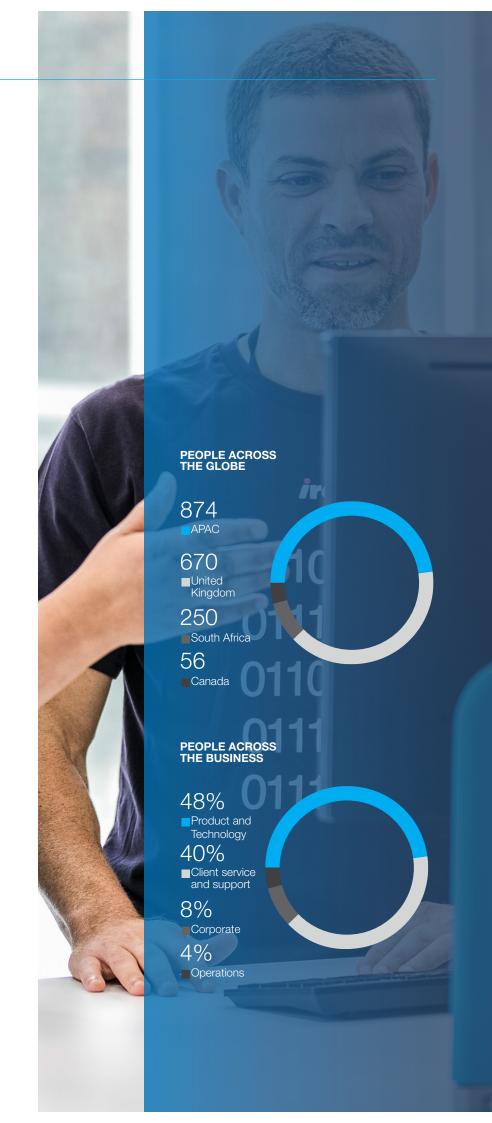
professional trading and market data software users

50,000+

advice software users

461

integrations with third-party systems



OUR KEY STAKEHOLDER GROUPS



MEMBERSHIPS

To ensure we support the industries we work in by contributing knowledge, and can access the most up to date trends in the financial and software sectors, IRESS is a member of the following organisations:

GLOBAL	FIXTrading.org	FISD (Financial Information Services Association of SIIA)	SIIA - The Software & Information Industry Association			
AUSTRALIA	Financial Planning Association (FPA) Association of Financial Advisers (AFA)	The Association of Superannuation Funds of Australia (ASFA) Australian Business Software Industry Association (ABSIA)	ATO Super Administration Stakeholder Group (SASG) ATO Technical Services Working Group (TSWG)	APRA Fund Communications Reference Group ATO SuperStream Implementation Working Group	ATO SMSF Rollovers Design Group ATO Digital Identity Working Group Women in Super (WiS)	Financial Executive Women (FEW) Stockbrokers and Financial Advisers Association (SAFA) RegTech Association
NEW ZEALAND	Financial Advice New Zealand	• FinTechNZ	• INFINZ			
UNITED	The Personal Investment Management and Financial Advice Association (PIMFA)	Tax Investment & Savings Association (TISA)	ORIGO (Industry Standards Body for Life and Pensions - UK)			
SOUTH AFRICA	SASLA (SA Securities Lending Association)	FIXTrading.org				
CANADA	Portfolio Management Association of Canada (PMAC)	Canadian Security Traders Association (CSTA)	Investment Industry Regulatory Organization of Canada (working group)			

Our purpose and strategy

We believe that technology should help people perform better every day.

Our ambition is to be the most innovative, reliable and respected technology partner, regarded by our clients as essential and desirable. This is what drives us and our decisions in determining product investment and innovation priorities, technology improvements and how we work. Since its founding in 1993, IRESS has grown from a local Australian business to an international business with substantial offshore operations. IRESS has continued to evolve and expand, and now serves multiple client segments internationally, faces a range of competitors, and is exposed to global technology and regulatory influences.

As a result, IRESS now competes for the best people on a global basis, with half of the company's leadership team based outside Australia.

How we work at IRESS, including with our clients, continues to be a major focus for us in consistently delivering quality at scale.

This focus includes how we work within teams and across teams, how we best deliver to our clients' needs, the capability we have, and the technology and tools we use.

This is oneIRESS – one team across multiple geographies, working for the benefit of IRESS, and our clients and users.

Our strategic focus areas, along with our company and individual goals and targets, guide the success of our company and people.

OUR FOCUS IN 2019

We will continue to focus on our goal of being essential and desirable to clients, through delivering consistent quality through scale. We are well placed as we respond to the needs of a changing financial services industry and our clients, particularly relating to data capability. This capability includes technology to support clients' data access, compliance and business growth.

We design, develop and deliver software for the financial services industry in Australia, New Zealand, the United Kingdom, South Africa, Canada and Asia.

We partner with and support clients from small retail to large institutional firms across multiple segments of the financial services industry. Our software sits at the centre of our clients' businesses, supporting their core operations, providing essential functionality and helping them connect through their back, middle and front office operations and to their clients and customers.

Our software aims to help improve the financial outcomes of many within the global community.

Our software can be utilised as a stand-alone product; be integrated with a client's own internal software, or be integrated with third party software through standard or customised integrations as part of our IRESS Open initiative.



SOFTWARE QUALITY AND PERFORMANCE

Our clients and users demand and require high quality software. In many cases, our clients' businesses rely on IRESS software as their core delivery mechanism, and so the availability of high software quality across all aspects, and optimal performance, is critical.

Quality and performance is viewed from a number of perspectives, such as ease of use, defect-free, speed and scalability. To ensure technical quality, our software delivery methods continuously look to enhance the way that we build our software.

IRESS LABS

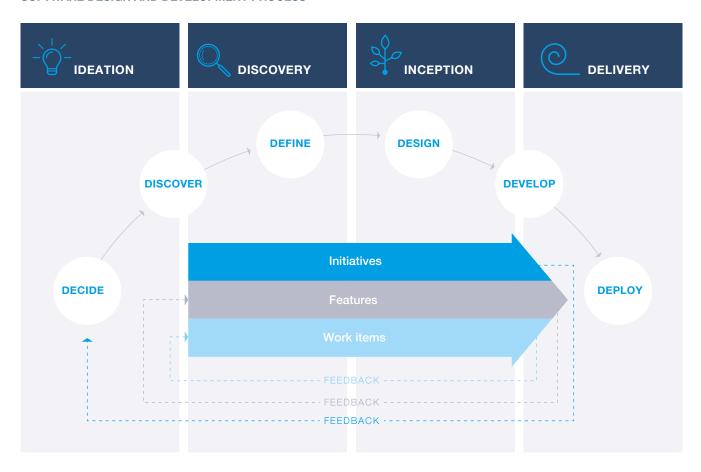
Formalised in 2018, IRESS Labs is a programme which directly invites clients and users to co-design and provide feedback on software and its usability before it is released.

Recent releases to our advice software, XPLAN, have included co-designed features such as a refreshed and contemporary screen designs, a much simpler menu structure to make navigating XPLAN simpler and quicker, and a new way for clients to track sales opportunities.

Initially focusing on XPLAN, IRESS Labs will be rolled out across all IRESS software over time, enabling us to continually improve our software.

To date, over 75 users representing more than 50 clients are actively involved in IRESS Labs. With a further series of experiments scheduled for 2019, the number of users contributing their insights and experience will grow significantly.

SOFTWARE DESIGN AND DEVELOPMENT PROCESS





Integrated software for Wealth Management.

Lifetime Wealth Planning is a financial planning company based in Belfast, Northern Ireland, and Glasgow, Scotland, Tired of the issues they were experiencing with their existing back office software, they wanted a more cutting-edge, cloud-based solution to better fit and support their growing business. They turned to IRESS and chose our wealth management software solution, XPLAN.

IMPROVING BUSINESS FLOW

The team at Lifetime Wealth have a high net worth client base and put cashflow modelling at the centre of their advice process, supporting them in building personalised Lifetime Financial Plans. A change of system would help them to improve the transition of information between their front and back office, giving the team access to real time information on clients, leads and business flow.

In addition, they wanted to provide better support for their backoffice team and make their jobs of inputting data and chasing and submitting new business easier and more efficient.

'THE BEST OPTION ON THE MARKET'

After looking extensively into the range of back office solutions available, Philip Gregory, Managing Director at Lifetime Wealth selected XPLAN saying "it was the best option on the market and fitted what we wanted to achieve." The team also decided to take IRESS' revenue management software, CommPay, as it would seamlessly integrate into XPLAN giving them a complete, joinedup solution to all their business' requirements.

A SEAMLESS TRANSITION **FROM ONE SYSTEM TO ANOTHER**

Although switching IT systems can bring with it concerns about client data and time taken to re-train staff, Lifetime Wealth felt confident moving to XPLAN and based on positive previous experiences using other IRESS products, knew they were in safe hands with our team

From the outset a dedicated implementation team worked closely with Lifetime Wealth to fully understand their needs and identify any potential issues which ensured an easy transition.

A VISIBLE IMPROVEMENT

Since using XPLAN, Lifetime Wealth have noticed significant improvements - most notably the time it takes to add new clients and plans. Using CommPay with XPLAN to manage their revenue and reporting is also saving them vital business hours each month. Lifetime Wealth say the reaction

from their team, both in the front and back office, has been extremely positive, with users commenting on how easy XPLAN is to navigate and the high level of information that the system can provide compared to their previous back office system. Philip also admires the connectivity and automation XPLAN offers saying "XPLAN integrates very well with all our preferred providers and pulls through policy details at the touch of a button or automatically overnight."

NO LOOKING BACK

With plans to move to a bigger office this year, and further plans underway to expand both their adviser and back office numbers, Lifetime Wealth say that having XPLAN gives them the confidence to grow their business and increase the firm's financial stability.

We look beyond a traditional supplier relationship with our clients.

Our work with businesses across the financial services industry ranges from the smallest independents to the largest multi-national players. Many of these businesses use IRESS software as a platform to provide services to their own clients, and so it is critical that we understand our clients and their own value proposition.

Since our listing on the Australian Securities Exchange (ASX) in 2000, we are proud that many of our original clients remain with IRESS as their financial software provider.

SUMMIT PROGRAMME

Like most businesses, we understand there is always room for improvement, and, in order for us to understand in which areas we could provide better outcomes for our clients, in 2018 we established our internal global Summit programme. Addressing the implicit regional differences, maturity of markets, differences in client base, people, attitude and perception, the programme is driving some of the large client and user focused improvement projects globally.

Summit is providing us with a formal mechanism to make improvements to the client and user experience.

Alongside Summit, we have commenced surveys with clients and users to determine clear internal performance benchmarks. We have undertaken surveys in select markets and are continuing these over time.

When we reviewed and analysed the feedback as a whole, we heard that:

- IRESS is an essential part of many businesses surveyed, and,
- · Our expertise, innovation and support are rated highly.

We also learned that:

- · Clients benefit where their technology partner is easier to deal with - from the way we process support queries, to the way we work together internally as teams and to the way we deliver quality software, and
- Users of our software want our products to be more user-friendly

Each member of the IRESS Leadership Team, in addition to our on the ground teams, reviewed the detailed feedback, Survey results were discussed with clients and specific action plans have been developed where appropriate to improve the areas identified.

We are using the feedback to determine which areas of our business planning need to be prioritised or de-prioritised.

CLIENT AND USER TRAINING

To help clients get the most out of our software, IRESS offers a combination of face to face training, webinars, and e-learning modules including role-based and module-based training. E-learning and recordings of webinars for our wealth management product XPLAN are available via the IRESS Community which is accessed directly through the XPLAN software.

Our fully interactive classroom training can be delivered on or off-site and provides hands-on application, exercises and real-life scenarios. On-demand online tutorials complement initial training provided and cover a wide range of areas.



Mortgage processing made easy throughout the customer value chain.

No ordinary mortgage proposition, Atom bank is the UK's first alldigital challenger bank. They are a digital bank with a human side, highly personalised and customer obsessed. Not afraid to challenge the status quo, a mortgage proposition from Atom was never going to be ordinary. When developing digital mortgages, Atom found that people don't particularly like banking or borrowing money. What they most want is to move into their dream home and the process to be simple.

MAKING DIGITAL MORTGAGES POSSIBLE

To help make their vision a reality, Atom approached IRESS, well known as a leader in mortgage processing software, and selected MSO (Mortgage Sales & Optimisation), our enterpriseclass platform for lending. Not only is MSO widely recognised as being best in class, it also offered Atom the omni-channel and digital capability they were looking for.

IRESS and MSO have been instrumental in bringing Atom's pioneering digital mortgage strategy to life. IRESS MSO gave Atom:

- Full automation of the entire mortgage sales and originations process, from initial enquiry through to onboarding and servicing
- A responsive web design that enabled on-demand multi device access

- The ability to integrate with best of breed third-party industry solutions for decisioning and fulfilment, and
- An open API (Application Programming Interface) architecture.

RE-IMAGINING THE MORTGAGE EXPERIENCE

In delivering digital mortgages, IRESS and Atom explored the 'art of the possible', deconstructing the mortgage sales and originations process, with the aim of making the journey simpler and more transparent for brokers and consumers alike. This involved identifying what brokers and consumers really want and don't want as part of their ultimate mortgage journey. The resulting digital mortgage experience is an innovative and vastly more efficient journey for brokers, consumers and Atom themselves.

BROKERS BENEFIT FROM:

- case tracking
- · real-time alerts
- forms which can be completed in any order
- ability to attach documents via their device's camera

The system only captures what information is relevant to the case in hand so there's no duplication involved. As a result, consumers are asked for as little information as possible.

CUSTOMERS WANT QUICK DECISIONS

IRESS and Atom have delivered the most advanced end-toend workflow process in the market, from application, through decisioning, valuations, conveyancing and on to completion eliminating the need for re-keying and creating unrivalled process speeds.

LENDERS WANT TO INTEGRATE WITH PLATFORMS SEAMLESSLY **AND EASILY**

MSO seamlessly integrated with numerous best of breed 3rd party solutions, including: Atom's own CRM and mortgage services platforms; Experian; DecisionMetrics; Hometrack AVM and Landmark.

This enabled Atom to share information across different parties across the mortgage value chain, resulting in a faster, more transparent and efficient process. Crucially, Atom were able to integrate their custom-built mobile app seamlessly with the MSO platform through an open API architecture.

MSO GOING GLOBAL

An MSO build is currently underway for Xinja, an independent 100% neobank for the Australian market.

Cultivating and nurturing a positive culture is important to us as it impacts the wellbeing of our people, performance, productivity and the way we do business.

People are our greatest asset and we manage the business with that in mind. The wellbeing of our people not only impacts morale, retention, performance and absence, it also drives a positive environment where our people can grow and contribute their best, promoting positive outcomes for individuals and IRESS.

We foster an environment that provides a balance between business needs and supporting our people to help create a workplace culture that incorporates choice, understanding and adaptability.

We promote a flexible working environment with generous leave entitlements and opportunities for our people to grow. We attract new talent through our graduate and apprenticeship programmes. During 2018 there was enhanced focus on promotion of IRESS' flexible working practices and the establishment of a progressive parental leave programme.

We have a comprehensive suite of global and regional specific policies related to people and culture to guide us in providing a positive workplace culture.

In 2018, our Australian operations were ranked 10th out of 75 as a top graduate employer by the Australian Association of Graduate Employers (AAGE).

Culture and the wellbeing of our people are managed through education on our global and regional policies and procedures. Induction sessions for new starters to IRESS are held in each region on a periodic basis. The session provides new starters with an introduction to IRESS, including our values, our history and an overview of IRESS' key business functions.

Our expectation of all our people is to operate with IRESS core values

IRESS VALUES

We make things happen We do things the right way There's got to be a better way Clients, clients, clients

PERFORMANCE EXCELLENCE AT IRESS

How we grow individually and collectively underpins our success. In simple terms, we want to enable everyone to be their best and to contribute fully to the future success of IRESS. Our Performance Excellence framework outlines the behaviours we expect from our leaders and employees which continues to reinforce the importance of a positive culture and the wellbeing of our people.

A suite of online management platforms has been introduced to ensure that we can provide everyone with access to all relevant material on our position and expectations, track our progress and continue to progress and address any concerns.

We have adopted this approach to enhance positive impact throughout the organisation and to ensure a best practice approach.

Our policies and procedures evolve as required, and we offer open two-way communication channels and health and wellbeing initiatives that align with our values and promote a positive workplace culture. We continue to educate and upskill our leaders and people on the importance of a positive culture and wellbeing.

We track and record incidents, absenteeism and utilisation of our Employee Assistance Programme and report on these monthly.

EMPLOYEE BENEFITS

IRESS' full time employees enjoy a range of employee benefits including:

LOCATION	BENEFITS
GLOBAL	Referral payments, subsidised health insurance pension/ superannuation, equity, profit share, parental leave, phased return to work, starting school leave, employee assistance programme
AUSTRALIA	Annual skin checks, flu vaccinations, sport event funding, novated leases, life insurance/income protection insurance
NEW ZEALAND	Flu vaccinations, sport event funding
SINGAPORE	Flu vaccinations, sport event funding, life insurance/income protection insurance
CANADA	Discounted gym memberships, life insurance/income protection insurance
UNITED KINGDOM	Childcare vouchers, cycle to work

LEARNING AND DEVELOPMENT

We are committed to the learning and development of all our people and believe that developing our people to their highest potential encourages a high-performance culture that will ensure IRESS' SUCCESS.

Our global learning and development programme aims to:

- Provide opportunities for active learning for all our people
- Embed a growth mindset as part of our IRESS culture
- Create an environment in which our people can take responsibility for their own learning
- Empower our people so as to improve efficiency continuously to maintain high standards
- Empower and support People Leaders to fulfil their obligation as mentors and coaches, and
- Plan training and development activities in line with local requirements, such as the South African Skills Development, Employment Equity and Black **Economic Empowerment** legislation.

DIVERSITY

IRESS has a broad and diverse employee base across several international jurisdictions. Our commitment to diversity is simple - we want to create and maintain a workplace where our people can achieve their best, regardless of individual differences: gender, physical attributes, family status, sexual orientation, age, race, origin, ethnicity, religious beliefs or ideology.

IRESS has been awarded the WGEA 2018-19 Employer of Choice for Gender Equality (EOCGE) citation. WGEA - the Workplace Gender Equality Agency - is an Australian Government agency responsible for promoting and improving gender equality in the workplace. The award recognises organisations who demonstrate focus and commitment to achieving gender equality across leadership, learning and development, remuneration, flexible working and many other initiatives supporting family responsibilities.

While the WGEA award is specifically focused on Australian businesses, the evidence we provided was based on global initiatives and activities that are consistently adopted and are having an impact across IRESS.

NEW PEOPLE HIRES BY REGION, GENDER AND AGE

REGION AND GENDER	AGE GROUP						TOTAL
	<30		30-50		>50		
	Rate	No.	Rate	No.	Rate	No.	
APAC							
Female	11%	27	12%	33	0%	0	60
Male	11%	36	9%	54	9%	5	95
Canada							
Female	0%	2	0%	1	0%	2	5
Male	0%	1	0%	4	0%	0	5
South Africa							
Female	47%	15	21%	14	0%	0	29
Male	42%	12	0%	10	0%	0	22
United Kingdom							
Female	30%	20	15%	20	0%	4	44
Male	15%	40	13%	40	0%	5	85
		153		176		16	
GRAND TOTAL				345			

PEOPLE TURNOVER BY REGION, GENDER AND AGE

REGION AND	AGE GROUP						TOTAL
GENDER	<	<30		30-50		>50	
	Rate	No.	Rate	No.	Rate	No.	
APAC	32%	55	14%	86	12%	9	150
Female	37%	20	14%	30	16%	4	54
Male	29%	35	14%	56	10%	5	96
Canada	19%	2	17%	6	20%	2	10
Female	0%	0	13%	1	67%	2	3
Male	27%	2	18%	5	0%	0	7
South Africa	52%	20	16%	28	23%	8	56
Female	65%	11	18%	13	16%	3	27
Male	42%	9	14%	15	31%	5	29
United Kingdom	45%	70	19%	77	21%	28	175
Female	47%	24	20%	26	13%	6	56
Male	43%	46	19%	51	25%	22	119
GRAND TOTAL		147		197		47	391

Note: High turnover rate in South Africa is due to the IRESS Leadership Programme. The Programme runs for less than 12 months, meaning that interns are hired and terminated within the 12 month timeframe.

1,540 Total number of people that were entitled to parental leave 100% Return to work and retention rates of people taking parental leave



Talent Beyond Boundaries (Australia).

IRESS' Melbourne. Australia team worked tirelessly with the Talent Beyond Boundaries initiative in 2018 to bring Tarek Mulla, a talented software engineer and refugee, to Australia. Tarek is a Syrian refugee who fled his homeland due to the ongoing civil war, and has spent the past several years in neighbouring Lebanon. Given the still unstable conditions in Lebanon, he was unable to create a stable life or future.

Tarek Mulla will join our team in Melbourne, Australia in 2019 as a software engineer making him the first refugee candidate in the world to relocate for work through the Talent Beyond Boundaries initiative. IRESS is the first company to hire a refugee directly through the initiative

Talent Beyond Boundaries (TBB) pairs talented individuals with international job opportunities through engaged employers offering a smart solution to a real need.

There are vast numbers of talented refugees who are stuck in places where they cannot legally work, while at the same time, companies around the globe are experiencing skill shortages, particularly in the IT sector which is constantly seeking high quality engineers.

By linking refugees with countries and companies that need their skills, TBB is forging a sustainable solution for refugees to rebuild their lives while boosting the global economy.

With talent shortages expected to affect the future of the world's largest economies in the coming years, developing new and creative solutions to address these shortages is an economic imperative. It makes perfect sense that the global refugee population should be part of the solution.

IRESS began working with TBB ultimately because it's the right thing and the smart thing to do. We cast a wide net locally when looking for people to join our team. Through the TBB programme we've been able to include in that net an even wider pool of high-quality potential candidates who go through the same recruitment and selection process as any other candidate would.

Quite unexpectedly, this initiative has had a profound effect within IRESS. It's brought our team closer together and has received wonderful support from our people across the globe.

ommunity

Supporting communities builds a sense of community at IRESS through strengthened engagement.

Supporting community activity fosters collaboration and boosts workplace morale. From an external perspective, engagement with the wider community promotes good will and provides us with opportunities to partner with worthy organisations. In addition to supporting community initiatives, we partner with a number of universities globally.

IRESS FOUNDATION

Two years ago, we set up the IRESS Foundation as a way to more formally recognise the significant efforts of our team and collectively make a bigger difference where we could. Since then we've committed our support to a wide range of causes from health and homelessness, to social issues and unemployment, and found ways to give our time and skills in other areas - like sharing our enthusiasm for technology through educational projects.

The Foundation initiatives are driven internally by IRESS and run by IRESS people globally from a wide range of departments. IRESS people are involved in creating events that reflect their diversity of values and feedback on initiatives is sought to ensure that they remain aligned with our values.

IRESS Opportunity Initiatives and IRESS Matching Initiatives make up the two platforms under the umbrella IRESS Foundation.

Our Foundation Leave Policy allows all full time, part time, casual, and fixed term contractors to take three days of volunteer leave per calendar year to assist in any capacity for either the IRESS Opportunity Initiative within their region or a fundraising activity which has met the criteria for the IRESS Matching Initiatives platform.

Through IRESS Opportunity Initiatives, we establish a longterm relationship with a regional community service initiative that focuses where family, health, education or welfare is at risk. By giving our support, we hope beneficiaries can make the best of their opportunities in life. The longer-term nature of the engagement allows for passionate, heartfelt ownership by IRESS people who can see our impact on the selected organisation and initiative over a period of time.

Through IRESS Foundation Matching Initiatives we support people at IRESS who want to focus on causes that are close to their hearts beyond the local IRESS Opportunities Initiatives.

These initiatives are generally once off or infrequent engagements. IRESS matches every amount that is donated by our people.

We have engaged a full-time global Corporate Social Responsibility (CSR) resource, based in Australia, to oversee the IRESS Foundation in 2019. A focus of the role is to coordinate the Foundation processes and administration at each primary global location, currently managed by each location. Each location will continue to run on the ground events and support their charities of choice which are relevant to that region.

Visit www.iress.com/global/ company/community for more information about the IRESS Foundation.



IRESS FOUNDATION AUSTRALIA: RURAL AID

Providing hands-on and holistic support to rural Australia.

Severe drought and fires have meant there has been even more call for the services this essential programme provides. As well as rolling up our sleeves to lend a farmer a helping hand, our funding has been used to buy bales of hay to feed livestock and provide much needed water to various farming families across rural New South Wales.

www.ruralaid.org.au



IRESS FOUNDATION UNITED KINGDOM: COBALT

Helping everyone get access to the best medical imaging for their diagnosis.

The Cheltenham team has been involved in many activities for Cobalt throughout the year, from transforming an outdoor space into a magical sensory garden for the patients to fearlessly taking on the Three Peaks Challenge. Cobalt has given IRESS the opportunity to learn from the team with talks at IRESS offices about a range of cancers and prevention.

www.cobalthealth.co.uk



IRESS FOUNDATION SOUTH AFRICA

Building an eco-system of coding skills and digital entrepreneurs in secondary schools to help build a new South African economy.

IRESS' donation in 2018 has brought coding to Cosmo City Secondary School (CCSS). Students have been enjoying learning and CCSS has been the top performing school in 2018. There are also more females than males in this coding club, supporting young women who are generally under-represented in the technology sector.

www.codeforchange.co.za

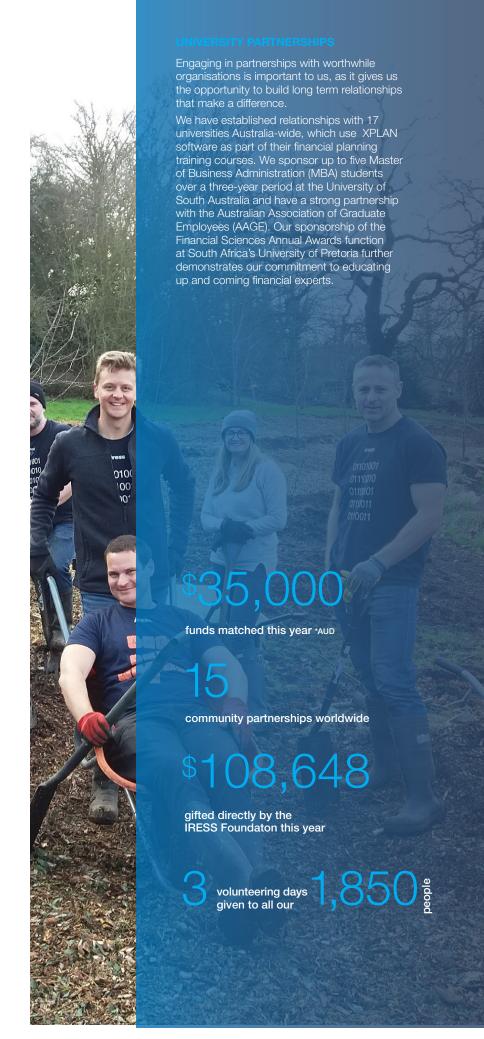


IRESS FOUNDATION CANADA

Supporting children and youth living with disability, medical complexity, illness and injury.

In Canada we continued our support of Holland Bloorview by helping turn a regular afternoon into a summer fair with games and activities for the children, and by giving the hospital a fun festive feel by spending time decorating the building for the holidays.

www.hollandbloorview.ca



IRESS' entire governance approach is founded on a desire to be a good corporate citizen, and we conduct business in a way that is open and accountable to shareholders and the wider marketplace.

As a listed ASX 200 entity, IRESS is subjected to greater scrutiny than many companies in Australia. All companies should behave ethically and with integrity, and accordingly promote these values and behaviour. IRESS' reputation in the marketplace depends on this. IRESS manages ethics and integrity defensively by employing the right people.

The transparency of our business is heavily influenced by IRESS' listed status: as a public company we are subject to extensive reporting obligations both financial and non-financial. Transparency, especially in terms of our disclosure obligations is managed through active executive and Board oversight - principally the Company Secretary, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

IRESS' Board works under a set of well-established corporate governance policies that reinforce the responsibilities of all directors in accordance with the requirements of the Corporations Act 2001 (Cth) (the Corporations Act) and the Australian Securities Exchange (ASX). The company complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) issued by the ASX Corporate Governance Council. Many of our governance elements are enshrined in IRESS' Constitution. In addition, the Board operates in accordance with a Board Charter. The Board has ultimate responsibility to set strategy and policy for the business and affairs of IRESS and its subsidiaries, for the benefit of IRESS and the general body of shareholders, after considering regulatory matters and other ethical expectations and obligations. The Board delegates management of IRESS' resources to the executive team under the leadership of the CEO and Managing Director.

Our Corporate Governance Statement outlines the key aspects and mechanisms of IRESS' governance framework, which has been established, and kept under review, by the Board.

IRESS is committed to upholding the highest legal, moral and ethical standards in all of its corporate activities and has adopted a Code of Ethics and Conduct Policy, which aims to strengthen its ethical climate and provide basic guidelines for situations in which ethical issues arise. The Code of Ethics and Conduct Policy applies to directors, executives and our people globally, and sets standards for ethical behaviour and business practice beyond complying with the law.

The primary impetus for the adoption of Codes of Ethics, Code of Conduct, and other policies is guidance from regulators and governance bodies.

We don't think that a written policy is the start or finish of ethics and integrity. Behaviour is a reflection of culture and it is incumbent on senior management to lead in a way that high ethical and moral standards are instilled in the culture of IRESS.

Our governance processes incorporate anti-competitive behavior as part of our risk assessment. The prospect of anti-competitive behavior will only arise for IRESS in the context of acquisitions (merger control). IRESS has a significant market position in Australia, the UK and South Africa and. over time, has acquired other entities in each geography. In considering further growth through acquisitions in any of those markets we need to consider merger control implications. This issue is important as it has the potential to constrain IRESS' future growth opportunities. No legal actions were brought against IRESS regarding anti-competitive behavior in 2018.

All of IRESS' policies and corporate governance practices are reviewed periodically and will continue to be developed and refined to meet the needs of IRESS.

Visit https://www.iress.com/global/ company/corporate-governance/ governance-documents/ to view IRESS' corporate governance policies.

ompliance

IRESS' rigorous compliance framework ensures that claims made to investors and clients are accurate.

OUR COMPLIANCE FRAMEWORK:

- Protects the company and customers from compliance risk
- Provides commercial value by helping IRESS make prudent decisions
- · Assesses the effectiveness of controls to protect against data breaches or malicious attack
- · Prevents reputational risk from non-compliance and non-conformity

In the broader context of sustainability, Environmental, Social and Governance (ESG) principles are increasingly used to identify and manage compliance risk. Investors are becoming more and more interested in the ESG performance of companies to identify potential current and future economic, environmental, social and governance risks that may negatively impact their investments.

The compliance framework consists of the following:

- Strategy and scope
- · Governance and accountability
- · Framework and documentation
- · Compliance planning, and
- · Evaluation and improvement

We aim to educate all of our people on the compliance framework and create a compliance culture where all people are aware of IRESS' compliance obligations, relevance of compliance to their role and have the required competency to implement the compliance controls within their business activities. This includes actively monitoring for, and reporting, compliance incidents and breaches.

Dedicated compliance teams are located in the United Kingdom and Australia, while compliance is also managed globally with the support of the legal team.

A 'compliance culture' is supported by the Board, and is achieved through a number of initiatives:

- Mentoring, coaching and supervision of our people to promote compliance-aware behaviours
- Encouraging collaboration with the compliance team
- Understanding of compliance policies
- Implementing compliance controls to support the achievement of compliance objectives
- · Adequately documenting and communicating how compliance with obligations is achieved
- Assessing levels of compliance when developing business strategies, policies, processes, procedures and controls

- · Actively managing and resolving compliance incidents and breaches, and
- Encouraging our people to escalate instances of noncompliance through incident and breach reporting.

IRESS has adopted this approach to manage compliance obligations and mitigate compliance risk, in order to achieve our compliance objectives.

We have specific programmes in place for compliance, including at induction, and ongoing compliance monitoring and training programmes and our people complete 100 per cent of all assigned compliance training modules for the year.

The results of compliance monitoring performed by the compliance team are reported at least monthly. The reports detail any areas of non-compliance and, where necessary, recommend any remedial actions required to rectify the non-compliance and prevent future re-occurrence. The results of changes in legislation and regulations monitoring are also reported. This ensures that the compliance obligations being monitored by IRESS are comprehensive and current.

For example, implementation of the General Data Protection Regulation (GDPR) in 2018 was significant for all companies doing business in the European Union (EU) and the European Economic Area, including IRESS.

IRESS' compliance results are collated from a number of information sources including compliance checklists and plans, incident and breach registers, risk registers, corrective action plans and training registers as applicable.

In 2018, one financial nonconformance was identified in South Africa.

KEY COMPLIANCE POLICIES

• AFS Compliance Framework Policy (Australia only)

This policy is updated annually by the Compliance team and approved by the AFS Licensee Responsible Managers. The most recent policy version was issued in November 2018, and it will be updated in November 2019 to align with AS ISO19600:2015 Compliance Management Systems -Guidelines.

• AFS Compliance Breaches Monitoring and Reporting Policy (Australia only)

This policy is updated annually by the Compliance team and approved by the AFS Licensee Responsible Managers. The most recent policy version was issued in November 2018, and it will be updated in November 2019.

 Code of Ethics and Conduct (global)

This policy is updated and approved annually by the Board. The most recent policy version was issued in December 2016, and it will be updated in March 2019.

• Data Protection Policy (global). This policy is updated annually by the compliance team.

The most recent policy version was issued in May 2018, and it will be updated in May 2019.

• Risk Management Policy and Risk Management Framework (global)

These policies are reviewed annually annually by the Information Security Team and approved by the Audit and Risk Committee. The policies are aligned with the International Standard on Risk Management ISO 31000:2009. The most recent policy versions were issued in August 2018, and will be reviewed in August 2019.

IRESS' financial performance is underpinned by a focus on client service and support, ongoing investment in software and technology, increasing product and geographical diversification and a recurring subscription revenue model.

2018 FINANCIAL PERFORMANCE

IRESS' financial performance in 2018 and commentary on strategy and expectations for the coming period are detailed in the 2018 Annual Report, available here:

https://www.iress.com/au/ company/investors/reportspresentations/

The resilience of IRESS' Information Technology (IT) systems to cyber-attacks, data corruption and technology failure is critical to business continuity.

IRESS, as a provider of software to financial services companies, large and small, and in multiple countries, is reliant on its information technology (IT) and systems to support its business. Successful cyber-attacks could have significant impact on our people, suppliers, clients and investors.

We are regulated by the various privacy legislations in operational jurisdictions and are required to take reasonable steps to protect the personal information we hold from misuse, interference, loss and unauthorised access.

IRESS uses commercial governance, risk, compliance tools to manage information security.

We maintain an Information Security Management System (ISMS) that is certified to the ISO 27001:2013 information security standard. Within the ISMS we have developed policies, procedures and technical capabilities to support our information security objectives.

Our ISO 27001:2013 has been scoped to include the implementation and support of hosted IRESS Financial Markets (FM) and Wealth Management (WM) systems that provide services to private and professional financial services industry participants around the globe.

Our ISMS applies a systematic risk-based approach to managing sensitive company information. It includes consideration to the context of the organisation and the needs and expectations of the interested parties to define its scope. It defines leadership and commitment, policy, roles and responsibilities for information security within IRESS.

The performance of the ISMS is monitored and measured through metrics and internal audit processes which is monitored by the management team. Our ISO 27001:2013 certification is subject to recertification audits by our external certifying body every three years with annual surveillance audits taking place in-between.

Our global Information Security team supports IRESS' Chief Information Security Officer (CISO) in carrying out the day to day information security activities. The team is represented in Australia, the United Kingdom and South Africa, with Canadian operations supported primarily by the UK.

In addition to the normal activities associated with an information security team, Information Security has a Board approved three-year information security strategy which outlines a series of improvement projects and initiatives.

All people are expected to report and security breaches, incidents, weaknesses or vulnerabilities within the IRESS environment.

IRESS maintains a number of policies related to information security, including:

- Information Security Policy
- ISO 27001:2013 Statement of Applicability (SoA)
- Information Security Policy Statement
- Information Security Roles and Responsibilities
- Information Security Management System Scope
- IRESS Risk Management Policy

In 2019, our goal is to retain ISO 27001:2013 Certificate of Registration and target no major or minor non-conformities.

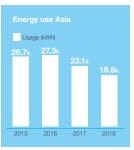
<u>-</u>nvironment

We recognise that we all have a part to play in tackling climate change, and IRESS is committed to reducing its impact on the planet.

IRESS' environmental footprint is relatively small and is limited to the energy consumed by offices and data centres, and in travel between global corporate locations. In selecting office and data centre locations we have a preference for those with high energy efficiency standards.

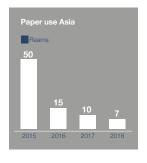
Since 2015, we have reported our energy use, air travel for all offices (and associated emissions for a number of offices), in addition to paper use as part of our risk reporting as recommended by the ASX Corporate Governance Principles and Recommendations (3rd ed.). In 2020, we will begin to report on e-waste generated at all our global locations.

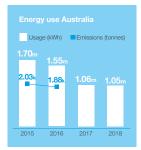
Our general goal is a net reduction of energy, emissions, air travel and paper use year on year, on a per capita basis, for all locations. As additional reporting capability becomes available, we will set specific goals and targets to further reduce our environmental footprint. This will help us to evaluate our approach to minimize IRESS' environmental footprint globally. IRESS' procurement department is responsible for collation of this data, and reports are provided to the Company Secretary.



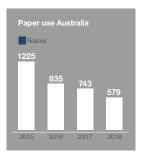


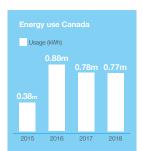
Associated emissions data has not been calculated for Asia operations



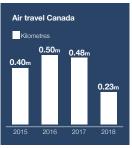




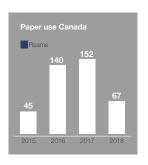


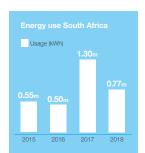


Associated emissions data has not been calculated for Canada operations



Associated emissions data has not been calculated for Canada operations

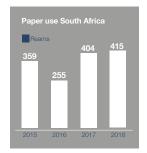


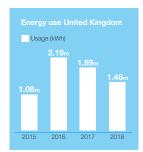


Associated emissions data has not been calculated for South Africa operations

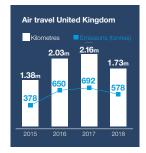


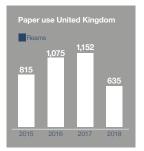
Associated emissions data has not been calculated for South Africa operations in 2015–2016





Associated emissions data has not been calculated for UK operations





Our supply chain

The selection and performance of the suppliers we choose to do business with has an impact on our own sustainability performance and reputation.

Accordingly, we seek alignment with our suppliers on sustainability related issues, including environmental and social issues.

IRESS uses criteria outside that of simply product and pricing when considering suppliers to engage. We realise that it often does not cost more financially, nor take more time to engage suppliers that are better aligned with our Supplier Code of Conduct, and we will take that opportunity when presented.

Prospective suppliers of goods and services are screened through a questionnaire focused on social criteria, which includes questions that address compliance with laws and regulations, IRESS' Supplier Code of Conduct and General **Data Protection Regulation** (GDPR). Reliance is placed on the accuracy of reporting and marketing information provided when we make decisions on which suppliers to engage. All suppliers with access to IRESS' premises, systems or data must complete the supplier questionnaire, apart from a small percentage of suppliers who do not fit into any of those criteria. In 2018, all relevant suppliers were screened against social criteria. No suppliers were screened against environmental criteria.

IRESS is committed to ensuring that there is no slavery or human trafficking in any part of our business, nor throughout our supply chain. To this end, we have included policy statements in our Code of Ethics and Conduct policy and our Supplier Code of Conduct.

The Supplier Code of Conduct applies to all suppliers (new and existing), and requires suppliers to ensure they comply with the terms of the Modern Slavery Act 2018 (the Act). Where possible and relevant, future contracts with suppliers will include specific clauses regarding compliance with the Act.

We support fundamental human rights and do not wish to do business with suppliers that participate in business practices that don't support human rights.

The prevention, detection and reporting of modern slavery in any part of our supply chain is the responsibility of anyone working at IRESS. If any person at IRESS is unsure as to whether a particular activity, the treatment of workers more generally, or working conditions in any tier of our supply chains constitutes modern slavery, they are required to raise it with their leader and/or the legal team.

All people are stakeholders of our procurement/supply chain division, and have the right to interrogate or challenge supplier decisions and the due diligence involved.

Our zero tolerance for modern slavery is communicated to all suppliers, contractors and business partners at the outset of our business relationship and reinforced thereafter.

Whilst IRESS does not deliver specific training in respect of the Modern Slavery Act, we expect people awareness to be aided through our Code of Ethics and Conduct policy. We continue to monitor awareness by people to ensure all supplier decisions include the requirements of the Act



The Management Approach for each material topic contains the following information as required by the Global Reporting Initiative (GRI):

- 103-1: Explanation of the material topic and its Boundary
- 103-2: The management approach and its components
- 103-3: Evaluation of the management approach

GRI	Internal/ External Boundary	Page/Reference/
Standard Disclosure	(I/E)	More information
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
Organisational Profile		
102-1: Name of the organisation	N/A	Cover page
102-2: Activities, brands, products and services	N/A	pp.6, 10, 12, 14
102-3: Location of headquarters	N/A	p.6
102-4: Location of operations	N/A	p.6
102-5: Ownership and legal form	N/A	p.6
102-6: Markets served	N/A	p.6
102-7: Scale of the organisation	N/A	pp.6, 7, 18 Annual Report pp. 6, 7, 12, 13, 15 https://www.iress.com. au/downloads/GLB_Annual_ Report_2018_210219.pdf
102-8: Information on employees and other workers	N/A	p.18
102-9: Supply chain	N/A	p.29
102-10: Significant changes to the organisation and its supply chain	N/A	No significant changes in 2018
102-11: Precautionary principle or approach	N/A	p.27
102-12: External initiatives	N/A	pp.19, 20, 21
102-13: Membership of associations	N/A	p.8
Strategy		
102-14: Statement from senior decision-maker	N/A	p.3
Ethics and Integrity		
102-16: Values, principles, standards and norms of behaviour	N/A	pp.15, 22, 29

		Internal/	
GRI Standard	Disclosure	External Boundary (I/E)	Page/Reference/ More information
Governance		()	
102-18: Governa	nce structure	N/A	p.22 https://www.iress.com/ au/company/corporate- governance/
Stakeholder En	gagement		
102-40: List of s	takeholder groups	N/A	p.8
102-41: Collectiv	e bargaining agreements	N/A	Not applicable to IRESS
102-42: Identifyir	ng and selecting stakeholders	N/A	IRESS' stakeholders are those that are identified through business need, employee expectation and legislative requirements.
102-43: Approac	ch to stakeholder engagement	N/A	pp.11, 13, 15, 20, 21, 29 Clients: Monthly client bulletin; half-yearly client/user management survey Users: User Community Employees: Once every 2 years people engagement survey; annual pulse surveys Investors: half yearly reporting; ongoing face to face meetings with key investors
102-44: Key topi	cs and concerns raised	N/A	p.13
Reporting Prac	tice		
102-45: Entities	ncluded in the consolidated financial statements	N/A	Annual Report p.18 https://www.iress.com.au/ downloads/GLB_Annual_ Report_2018_210219.pdf
102-46: Defining	report content and topic boundaries	N/A	pp.4, 30, 31, 32
102-47: List of m	aterial topics	N/A	p.5
102-48: Restate	ments of information	N/A	There are no restatements as this is IRESS' inaugural ESG report.
102-49: Change	s in reporting	N/A	There are no changes in reporting as this is IRESS' inaugural ESG report.
102-50: Reportir	ng period	N/A	p.4
102-51: Date of r	nost recent report	N/A	This is IRESS' inaugural ESG report.
102-52: Reportir	ng cycle	N/A	Annual
102-53: Contact	point for questions regarding the report	N/A	p.4
102-54: Claims of	of reporting in accordance with the GRI Standards	N/A	p.4
102-55: GRI Cor	ntent Index	N/A	pp.30, 31, 32
102-56: External	assurance	N/A	p.4
SPECIFIC DISC	LOSURES: MATERIAL TOPICS		
GRI 200: Econo	mic		
GRI 201: Econor	nic Performance 2016		
GRI 103: Manage	ment Approach 2016: 103-1; 103-2; 103-3		p.25 Annual Report pp.6, 7, 12, 13, 15 https://www.iress.com. au/downloads/GLB_Annual_ Report_2018_210219.pdf
201-1: Direct eco	nomic value generated and distributed	I/E	Annual Report pp.6, 7, 12, 13, 15 https://www.iress.com.au/downloads/GLB_Annual_Report_2018_210219.pdf
GRI 205: Anti-co	prruption 2016		

		Internal/	
GRI Standard Disclosure		External Boundary (I/E)	Page/Reference/ More information
GRI 103: Management Approach 20	016: 103-1; 103-2; 103-3		p.22
G			Anti Bribery and Corruption Policy https://www.iress.com/ au/company/corporate- governance/governance- documents/anti-bribery- corruption/
205-1: Operations assessed for risk	s related to corruption	I	p.22
GRI 206: Anti-competitive Behav			
GRI 103: Management Approach 20			p.22
206-1: Legal actions for anti-compe	titive behaviour, anti-trust and monopoly practices	I	p.22
GRI 300: Environmental			
GRI 308: Supplier Environmental	Assessment 2016		
GRI 103: Management Approach 20	016: 103-1; 103-2; 103-3		p.29
308-1: New suppliers that were scre	eened using environmental criteria	I/E	p.29
GRI 400: Social			
GRI 401: Employment 2016			
GRI 103: Management Approach 2	016: 103-1; 103-2; 103-3		pp.15, 16, 17
401-1: New employee hires and em	ployee turnover		p.18
401-2: Benefits provided to full-time employees	I	p.16	
401-3: Parental leave		I	p.18
GRI 414: Supplier Social Assessn	nent 2016		
GRI 103: Management Approach 20	016: 103-1; 103-2; 103-3		p.29
414-1: New suppliers that were scre	eened using social criteria	I/E	p.29
GRI 419: Socioeconomic Complia	ance 2016		
GRI 103: Management Approach 20	016: 103-1; 103-2; 103-3		pp.23, 24
419-1: Non-compliance with laws a	nd regulations in the social and economic area		p.24
Additional Material Topics (Iden	tified by stakeholders in materiality assessment)		
Purpose and Strategy	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	l	pp.3, 9
Ethics and Integrity	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	I	p.22
Reputation and Market Perception	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	1	p.3
Transparent Business	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	I	p.22
Stakeholder Engagement	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	l	pp.11, 13, 15
Customer Service	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	l	pp.13
Culture	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	I	pp.15, 16, 17 Workday, JIRA, IRESS HQ and Culture Amp Management Systems Reports stored on HRIS system Workday
Governance	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	1	p.22
Partnerships	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	I/E	p.21
	lentified by stakeholders in materiality assessment but deem	ed material in s	
Environment	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	<u> </u>	p.27
Information Security	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	1	p.26
Community Supply Chain	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	1/5	p.20
Supply Chain	GRI 103: Management Approach 2016: 103-1; 103-2; 103-3	I/E	p.29