

# **I.A.R. Systems Group AB**

## **Sustainability Policy**

IAR Systems is the world's leading provider of software for programming of processors in embedded systems. Secure Thingz is a supplier of advanced security solutions with a focus on the Internet of Things (IoT). Together, we provide the solutions required to create the necessary security and assured quality in the development of the digital products of today and the innovations of tomorrow. Our products are used by many of the world's largest corporations as well as thousands of small and medium-sized companies in a range of industries, such as the automotive industry, industrial automation, medical technology, consumer electronics and IoT. IAR Systems and Secure Thingz are owned by I.A.R. Systems Group AB, which is listed on the Mid Cap list of Nasdaq Stockholm under the ticker symbol IAR B.

At I.A.R. Systems Group, sustainability is part of our ongoing work and is based on this policy. Based on this policy and the main areas described below, the Group's management group develops focus areas in preparation for its budget work and provides directives to each business unit, which are responsible for developing their own activities. These activities, which are to be carried out in the coming year, are then approved by the Group's management group and presented to the company's Board in connection with the budget meeting. The activities are then carried out in each business unit over the coming year and their results are presented annually in I.A.R. Systems Group's Sustainability Report.

The Sustainability Report is to be designed so as to describe the company's sustainability efforts in a representative manner and to fulfill the legal requirements imposed on the report's content and design. I.A.R. Systems Group's sustainability agenda includes three main areas: social sustainability, environmental sustainability and financial sustainability.

### **Social sustainability**

Social sustainability includes customer responsibility, supplier responsibility, employee responsibility and corporate social responsibility (CSR).

### **Customer responsibility**

We are dedicated to providing superior technology and services that make it possible for our customers to create the products of today and the innovations of tomorrow. We aim to make it possible for our customers to create the best possible products with our tools. We do this by offering:

- Superior technology – to enable the best possible product development
- A committed team – to help the customer be an expert
- Future-proof product development – to meet the needs of the future by developing together with the customer

### **Supplier responsibility**

We choose professionally and ethically sustainable suppliers. To ensure this, we follow various guidelines including our Code of Conduct, which regulates areas such as business ethics, human rights and humane terms of employment, environmental sustainability, and health and safety.

### **Employee responsibility**

Our products/tools are the foundation of our operations. They form our culture and our passion for technology. Just as we strive to make it possible for our customers to create the best possible products with our tools, we also strive to make it possible for our employees to create the best possible products or to contribute to our operations in other ways. Our offering to employees includes:

- stimulating work assignments with high-level technical problem solving.
- working in a committed, global team with a strong focus on collaboration between offices, departments and countries.
- a warm, generous, enriching and down-to-earth culture that helps build a long-term sustainable workplace.
- a positive working environment that encourages good health, safety and professional development and that supports good physical and mental health.
- an employment contract that is competitive and a work climate based on respect for each other, and the pride we have in each employee's competence and contribution to the big picture.
- expectations that each employee take responsibility and help the team reach their goals and that each partnership's contribution to the whole will be more than just the sum of its parts.

## **Corporate social responsibility (CSR)**

The company's social responsibility primarily focuses on projects where our technology and employees' knowledge can help develop environmentally friendly technology. We do this, for example, through sponsorships. Many of the most successful innovations within renewable energy and sustainable technology over the last decades have been developed by small, entrepreneur-driven technology companies.

## **Environmental sustainability**

Environmental sustainability includes our products' effect on the environment and I.A.R. Systems Group's internal work to be as resource-efficient as possible, always striving to improve. The goal of our products since the company was founded has been to streamline things, whether by minimizing the amount of code – and thereby the amount of memory – used in programmed processors or by optimizing energy consumption in the customer's product, leading to a reduced impact on the climate. Developing more and more digital deliveries to our customers also contributes to a reduced climate impact.

Internally we work with, and constantly strive to improve, our own operations' resource use. This means, for example, prioritizing sustainable alternatives when choosing suppliers, such as electricity suppliers, or the most environmentally sustainable transportation alternative whenever possible. Since the environmental aspect of our production is limited in scope, our resource use is primarily connected to our offices and travel.

## **Financial sustainability**

Financial sustainability is connected to our business model, our customer offering and our ability to provide the company and our owners with long-term stable cash flow. Together, this enables us to take a long-term approach. The license-based business model with annual renewals of support and update services means a secure offering for customers that simultaneously gives us a stable and predictable cash flow through recurring income.

## **Summary**

This policy applies to all employees and operations in I.A.R. Systems Group AB. The CEO is responsible for the Sustainability Policy and for regularly reviewing and communicating the policy. The Board of Directors approved the Sustainability Policy on November 5, 2020.