

2022


Sustainability Report


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Our achievements

31 promotions
across the group 

14 Principal
appointments 

 **50%** increase in women
promoted to Principal
from FY21

140
leaders participated in the IPH
People Leadership Excellence
Program since inception in FY21 

 **12** employee referrals
via our new employee
referral program

95+ professional
staff received
industry awards 



AUD\$500k



committed to a 5-year partnership
with Beacon Foundation

AUD\$260k+



to support more than 40 trainees
to complete their Master of IP

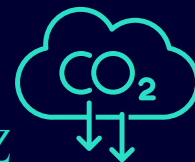
1,100



hours of content delivered through
our IPH Professional Development
Workshops launched in May 2022

18%

reduction in
scope 2
emissions in ANZ



233

new
hires



Our approach to sustainability



At IPH, maintaining a business that supports the economy, society and the environment is fundamental to how we operate.

Our approach is underpinned by our core values and informed by our understanding of the importance of resilient and sustainable business practices to help achieve a more sustainable future. IPH's approach to sustainability is set out in more detail in this Report.

Our firms provide services to industries including pharmaceutical, engineering, aerospace, healthcare, food and beverage, life sciences, agriculture, biotechnology, ICT and fintech that enable industry participants to protect and sustain their investment in innovation and continue to pursue further commercial development.

We continue to work with clients to secure IP protection of and commercialise new technologies, inventions, designs and innovations. We also continue to work to support the communities in which we operate, and to support causes that drive positive social change.

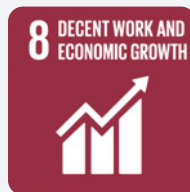
In FY22, we introduced our Group Community Program initiative to increase collaboration among our member firms and maximise our impact in support of identified United Nations Sustainable Development Goals (UNSDGs). See the section titled "Acting Responsibly" for further information on the economic value distributed by the group during FY22.

Contribution to UN Sustainable Development Goals

IPH supports the UNSDGs, which are designed to be a blueprint to achieve a better and more sustainable future for all. IPH has identified the following UNSDGs as being those in relation to which we have the biggest impact, and which are most relevant to our business strategy:



The group promotes a diverse workforce with an inclusive culture.



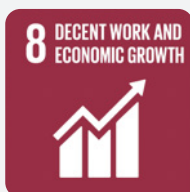
The group promotes full and productive employment and decent work for all our employees. We contribute to the growth of economies by our own economic activity, including the creation of value for our shareholders and other stakeholders and by our support of appropriate protection for innovation and the resulting economic activity.



The group encourages investment in research and development and supports innovation through the IP and related services it offers clients.



The group invests in community initiatives, including volunteering, donations and community partnerships, and promotes the benefits of innovation for communities.



The group has established a community partnership with Australian not-for-profit organisation Beacon Foundation. We've committed \$500,000 over a five-year period to support Beacon Foundation in fulfilling its mission of improving educational and employment outcomes for young Australians.

The group actively participates in the IP ecosystem by providing IP services to clients, interaction with and support of government IP regulatory authorities, and via utilisation and support of international frameworks and treaties for the protection of IP. The group supports the building and maintaining of effective and accessible institutions at all levels.



Materiality and stakeholder engagement

Our Material Topics

IPH is exposed to multiple risks that may have an impact on the company's ability to achieve its operational, financial and strategic objectives. Material risks faced by the IPH group are disclosed in the Directors' Report and also addressed in the IPH 2022 Corporate Governance Statement.

In this Sustainability Report, we report on the material risks and opportunities for the IPH group that have economic, environmental and social impacts, and therefore influence the assessments and decisions of our stakeholders. We refer to these as "Material Topics".

During FY22, members of IPH's management team undertook a materiality assessment to identify the Material Topics set out below. Management considered materiality in light of the "materiality principle" articulated in *GRI Standard 101: Foundation 2016*.

Given the two-pronged nature of the materiality principle which includes assessing the influence of risks and opportunities on our stakeholders, our Material Topics differ somewhat from the material risks disclosed in the Directors' Report (and in our Corporate Governance Statement). In particular, while IPH does not consider that it has any material exposure to environmental risks (see our Corporate Governance Statement), we do report on climate change risks and opportunities below as part of the Material Topic "Acting responsibly". This is because IPH appreciates the importance and relevance of this issue to our stakeholders.

Following the materiality assessment undertaken by members of IPH's management team, four Material Topics were identified as set out below:

Material Topic	Key stakeholders impacted	Relevant section in this Report
Our People , including: <ul style="list-style-type: none">» health, safety and security of employees;» employee engagement and motivation; and» diversity.	Our people; shareholders and the investment community.	Page 35
Governance, risk, privacy and data protection	Government and regulators; Australian Securities Exchange; our people; clients and customers; shareholders and the investment community.	Page 48
Client and customer experience and satisfaction	Clients and customers; shareholders and the investment community.	Page 53
Acting responsibly , including: <ul style="list-style-type: none">» climate-related issues and environmental initiatives;» community impact; and» financial contribution.	Clients and customers; government and regulators; our people; shareholders and the investment community; communities.	Page 55



Our Stakeholders

IPH engages with a broad range of stakeholders, who are an essential part of our operations. Planning and engagement with stakeholders is a key element of effective risk management. Stakeholder engagement is also an important part of the materiality assessment referred to above.

Our key stakeholders are considered to be those that are affected by, or have the ability to effect, the IPH group, together with stakeholders that are interested in the IPH group.

IPH is committed to engaging openly, honestly and regularly with our stakeholders to understand their expectations and concerns. The method and frequency of engagement varies depending on the stakeholder, the purpose of engagement and the stakeholder's issues of concern.

IPH's key stakeholders can be identified as follows:

Stakeholder group	Why is this a key stakeholder group?	Method of engagement
Our people	As a professional services business, our people are critical to our success. We have a strong commitment to creating a dynamic workplace where our people are supported to reach their personal and career goals.	We engage with our people through engagement surveys, presentations, internal learning and development, training sessions, reviews, performance development sessions and succession planning.
Shareholders and the investment community	IPH has a range of investors with different interests and concerns. We are committed to providing information to shareholders and the market in a timely manner, which assists in promoting investor confidence in the integrity of the group.	IPH engages regularly with its shareholders and the investment community, guided by our Continuous Disclosure and Investor Relations Policy. IPH communicates information on the group's activities to shareholders and the public via a number of forums and channels including our Annual General Meeting, announcements to the ASX, investor presentations, meetings with investors, analysts and proxy advisers, releases to the media, the release of financial and other reports, our website including an enquiry tool and publication of all announcements, and the membership and participation of directors and senior management in a range of professional governance bodies and interaction in other forums.



Stakeholder group	Why is this a key stakeholder group?	Method of engagement
Clients and customers	The group has a diverse client base including some of the world's leading companies, multi-nationals, universities, public sector research organisations, foreign associates and other corporate and individual clients. We assist our clients by helping to protect their IP, including their research, inventions, trade marks, brands, designs and other innovations.	IPH member firms have ongoing dialogue with their clients and customers, including via meetings, phone calls and written communications, and through client surveys.
Suppliers	IPH has a diverse supply chain. IPH and its member firms are dependent on our suppliers to assist the group in the provision of professional services.	IPH and its member firms have ongoing engagement with our suppliers in the course of the supply relationship. We have recently rolled out and are implementing a Supplier Code of Conduct for all new suppliers. This sets out the standards and behaviours expected from suppliers when conducting business with the group and this will continue to be refined. We also work with our suppliers to ensure compliance with legislation, including the <i>Modern Slavery Act 2018</i> (Cth).
Government and regulators	IPH operates in a highly regulated environment as an Australian listed entity, and in the operation of our professional services businesses. Our IP professional staff are governed by codes of conduct and professional conduct rules for patent and trade mark attorneys and legal practitioners. IPH and its member firms are committed to maintaining the highest standards in our activities.	To ensure we monitor and comply with regulatory and professional obligations, IPH and its member firms engage directly with relevant regulatory and government bodies as required.
Communities	IPH recognises our responsibility to act appropriately within the communities in which we operate. We do this in our interaction with all of the stakeholders outlined above. Our commitment extends to our engagement with our profession and our community and charitable initiatives	IPH and its member firms engage with our local communities, via professional memberships and contributions, and by giving and volunteering initiatives. IPH makes a significant financial contribution to our communities by the creation of economic activity with our suppliers and customers, provision of employment, and creation and distribution of value for shareholders.

In the following sections of our Sustainability Report, we address in more detail each of the "Material Topics".



Our people



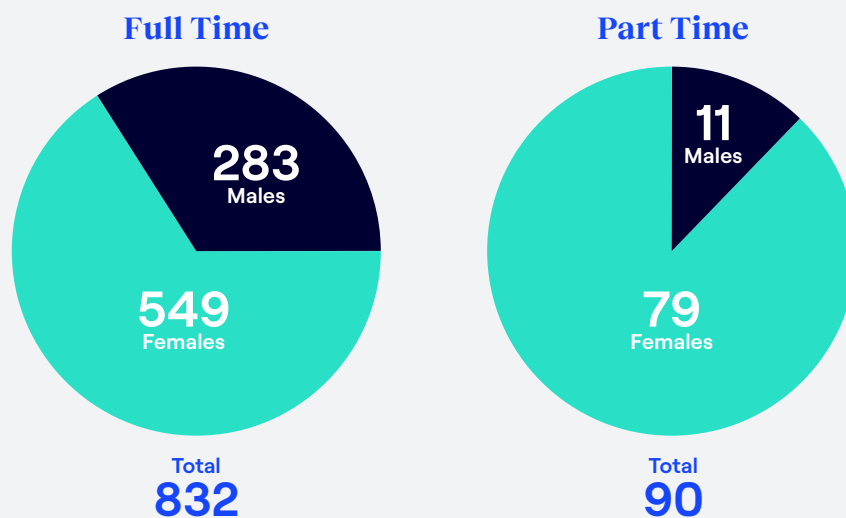
IPH is committed to developing our talent and providing a positive employee experience across the group. Since consolidating our human resource (HR) capability into one team in FY21, we've continued to make group-scale investments in people systems and tools. This has had a positive impact in delivering a consistent employee experience approach across the group. Our investments in our HR capability, systems and tools are further outlined in this Report, and highlight future opportunities and initiatives to build capability among our people across all jurisdictions.

Our workforce in FY22

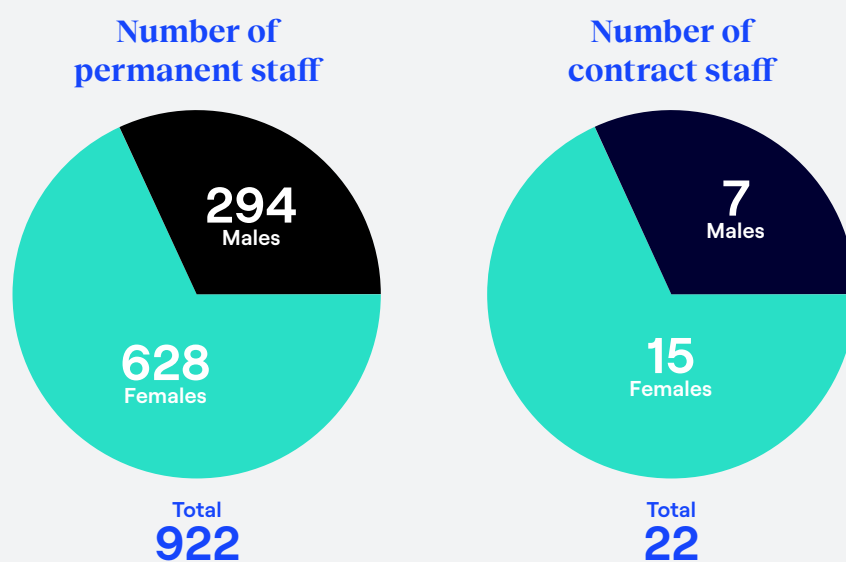
As at 30 June 2022, IPH employed more than 900 people across our member firms serving over 25 countries. The following tables show our workforce by contract type, employment type and region across the group. We have also included data on new hires. This material references Disclosure 401-1 from *GRI 401: Employment 2016*.



Total number of permanent employees



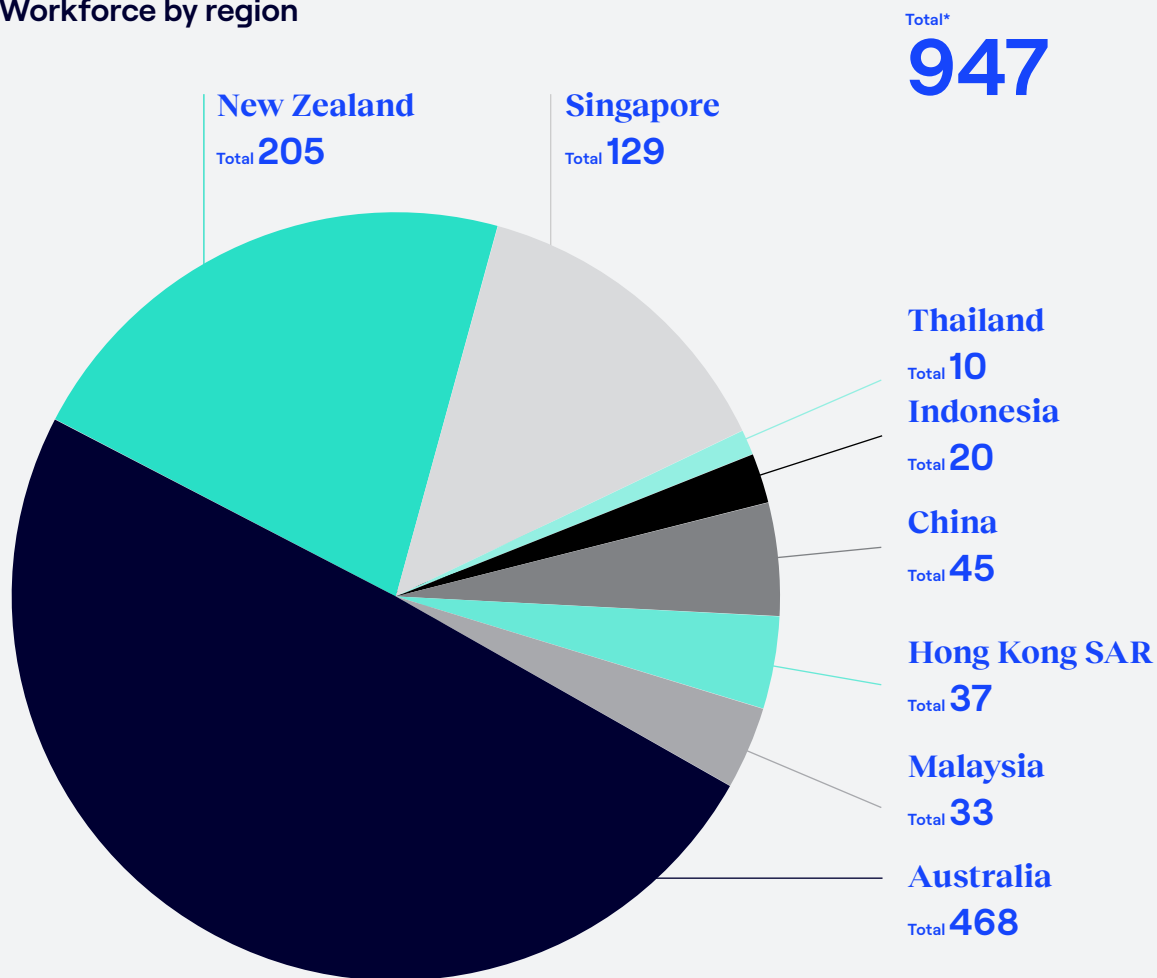
Total number of employees by contract type



Approximate employee numbers as at 30 June 2022.

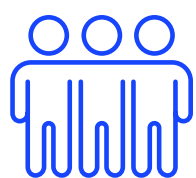
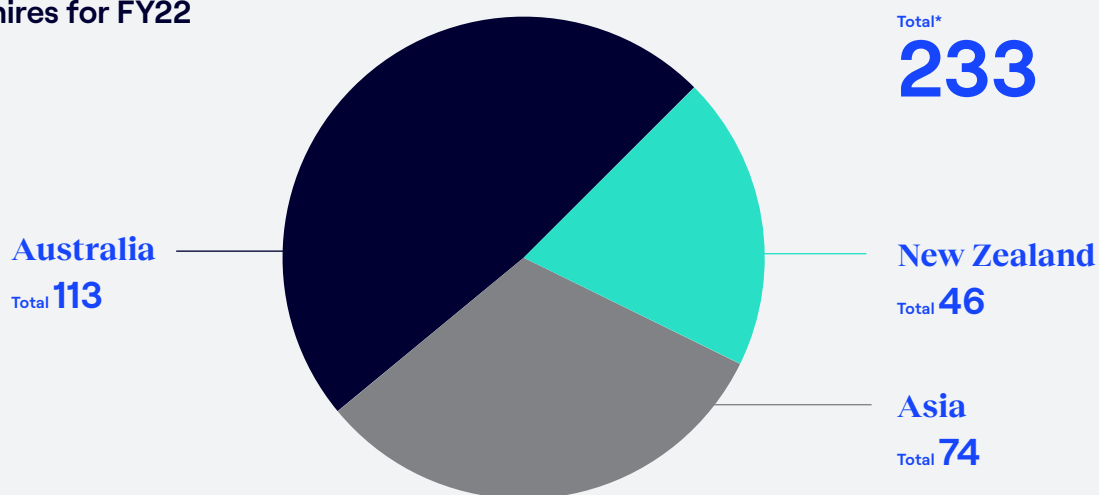


Workforce by region



* Includes all permanent, contract and casual employees.

New hires for FY22



13% staff turnover
across the group
in FY22

Note: Voluntary departures only.





Health, safety and security of employees

We are committed to providing a safe work environment and flexible work options that support diverse individual, team and geographic circumstances. Over the FY21 and FY22 period, we have had a significant focus on supporting flexible working arrangements, mental health and wellbeing, and providing management with resources to drive staff engagement.

Health and wellbeing

Our partnership with Assure, an enterprise-wide Employee Assistance Provider (EAP) continues to provide benefits and enable the provision of comprehensive employee support and wellbeing services. This includes the introduction of a resource to support and engage our people during extended periods of lockdown and across hybrid working models as a result of COVID-19. Resources are available to all staff via our Wellbeing Gateway application and on our Intranet. Resources include virtual seminars and information regarding mental health and wellbeing, financial management, understanding fatigue and impacts of uncertainty on children.

Over the FY22 period, we have delivered several initiatives to support health and wellbeing, including but not limited to:

- » **Mental health sessions** – these include participation in RU OK? Day a national initiative driven by an Australian non-profit suicide prevention organisation; and a session focused on managing uncertainty due to the global pandemic. More than 500 group employees in total participated in these events.
- » **Counselling services** – via Assure, the provision of a comprehensive range of content and access to free professional and confidential counselling services to employees and their immediate family members. The annual utilisation rate for FY22 is 8.67%, an increase of 2.67% on FY21 utilisation rates. In addition, all staff now have access to the Assure app on their mobile phones.
- » **Mindfulness programs** – establishing a partnership with Smiling Mind, a non-for-profit web and app-based mindfulness and meditation organisation. Smiling Mind delivered mindfulness workshops to leaders and employees to support mental health and resilience.



- » **Member firm initiatives** – our member firms also facilitate numerous wellbeing initiatives including flu vaccinations programs, health insurance benefits and wellbeing incentives.
- » **Community-based initiatives** – including the group-wide involvement in STEPtember 2021, with 233 employees participating to raise \$29,070 to improve the lives of people with cerebral palsy. This figure was matched by IPH, resulting in a total contribution of \$57,871.

COVID response & employee reengagement

The IPH COVID Response Team continues to coordinate activities across the group to support the varying needs and situations of our employees across the regions in which we operate. This includes ensuring COVID-safe plans, including the group COVID Policy and COVID response plans for each member firm remain in place and are followed.

While we continue to implement best practice COVID measures, our focus has turned to employee engagement levels and safe return to work initiatives whilst supporting flexible working arrangements.

Hybrid Working Policy revisions

We have further revised our existing Hybrid Working Policy to support our people and their diverse working arrangements. The majority of our workforce has elected to and is supported to work in a blended model. Across the group:

- » 80% of employees in Spruson & Ferguson's Australian offices are engaged in a hybrid working arrangement
- » A 2 days in / 3 days out hybrid working agreement has been introduced in Spruson & Ferguson's Singapore office, utilised by all employees
- » 96% of Griffith Hack employees are engaged in a hybrid working arrangement
- » 99.05% of AJ Park employees are engaged in a hybrid working arrangement
- » 56% of IPH and IPH Services employees are engaged in a hybrid working arrangement





IPH Limited raises \$57,871 for people with cerebral palsy

IPH participated in STEPTember 2021, Australia's leading virtual health and wellness fundraising challenge dedicated to raising funds for people living with cerebral palsy. A total of 233 employees took a combined 65-million equivalent steps to raise over \$29,070. IPH matched this, making an equivalent donation to the Cerebral Palsy Alliance, contributing a total of \$57,871 for people with cerebral palsy. IPH placed 38th overall for fundraising out of over 2,500 organisations who participated in the event.

Cerebral Palsy Alliance provides annual support for more than 6,500 people living with cerebral palsy - a condition that affects more than 17 million people around the world.

In 2005, Cerebral Palsy Alliance established a Research Foundation to fund Australian and international research to find a prevention and cure for cerebral palsy. The Foundation is also committed to improving the quality of life of people with cerebral palsy by funding research into improving early diagnosis which can reduce the long-term impact of the disability, treatments and technology innovations.

STEPTember fundraising is turbo-charging this research and has been a major contributing factor in reducing the rate of cerebral palsy in Australia by 30%.

"Your people have been able to do something very special for children and adults living with cerebral palsy - Australia's most common childhood physical disability and the fifth highest cause of death in childhood. Events like STEPTember ensure we can help babies, children, teenagers and adults living with CP reach their full potential and lead the most independent and inclusive lives possible."

Rob White
CEO
Cerebral Palsy Alliance

Employee engagement and motivation

Engagement surveys

We are committed to offering the best possible employee experience for our people. In 2020, we launched a partnership with Culture Amp to facilitate regular employee engagement surveys and to track engagement within each of our member firms. Annual surveys are conducted both at a group level and within each member firm, providing insights on staff satisfaction and importantly highlighting areas which we can focus on to enhance our employee experience.

Based on results and feedback from our 2021 surveys, we introduced several initiatives to drive employee engagement and satisfaction. Our FY22 employee engagement survey highlights the positive impacts of these, specifically group-wide improvements across the following key themes:

Leadership – confidence in leadership, transparency and clear communication and commitment to people as fundamental to the organisation's success. Results demonstrated an uplift in staff satisfaction relating to leaders providing useful feedback regarding performance, acting as a great role model for employees, and showing genuine interest in the career aspirations of their staff.

Work / life blend – genuine support for flexible work arrangements and a balanced work/life approach. Results demonstrated an uplift in staff satisfaction relating to staff feeling genuinely supported when making use of flexible working arrangements, and confidence in their ability to take time out from work when needed.

Management – commitment to employee wellbeing and providing open lines of feedback and communication. Results demonstrated an uplift in staff satisfaction relating to senior leaders keeping people informed about what's happening across the business.

Looking to FY23, we have identified three pillars as focus areas for addressing feedback provided in our latest engagement surveys, which were conducted in March 2022:

IPH Engagement Pillars

What IPH will be focussed upon to improve the Employee Experience:



Employee Value Proposition

Work with our employees to develop a shared vision that is motivating and relatable.



Recognition Program

Roll out a platform that enables us to reward employees for their efforts and celebrate successes big and small.



Remuneration and Benefits

Align employee remuneration and benefits to the extensive benchmark data we have collected to ensure role responsibility, remuneration and benefits are aligned.

 **14** Principal appointments

6 Female **8** Male





Professional development

Professional development initiatives in FY22 have included further investment in developing our talent and organisational capability, supporting our objectives to be an employer of choice. This material references Disclosure 404-2 from *GRI 403: Training and Education 2016*.

Group Professional Development Program –

The program supports a group-wide approach to delivering training content, collateral and shared knowledge to professionals across our member firms. A working group consisting of representatives from each firm collaborates to identify development sessions that align with priority areas including across legal and jurisdiction frameworks, process and case laws, developments across Practice Groups, and more general areas such as communication and time management. Since launching in May 2022, we have delivered over 1,100 hours of continuous professional education to nearly 300 staff working in our member firms.

Leadership Excellence Program – In FY22, we have put an additional 75 leaders through our bespoke People Leadership Excellence Program. Since launching the program in FY21, more than 140 leaders have completed the course. Due to the success of this program, in FY22 we launched a Principal Excellence Program, specifically tailored for our most senior leaders. Already, 16 Principals from across our member firms have completed the program and we look forward to continuing to roll this out to our Principal cohort, in particular targeting newly appointed Principals.

Capability Framework – IPH's capability framework was launched in February 2022 and provides a defined career pathway for those entering the profession as a trainee all the way through to Practice Group Leader. The framework is already being used to support recruitment, talent and succession planning, and the design and delivery of development programs for our Practice Group Leaders, Principals and Senior Associates.

 **140** leaders participated in the People Leadership Excellence Program since FY21



GRIFFITH—HACK



IPH People Leadership Excellence Program

Dr Toby Thompson is a Principal at Griffith Hack working in Patents within the ChemLife group and one of our Principals who participated in our Principal Excellence Program (PEP), launched in FY22.

Designed to help upskill our Principals, the PEP supports collaboration and drives greater consistency in our leadership capability across the group.

The PEP also helps reinforces areas our Principals need to focus on to strengthen the business and achieve wider group objectives. In talking about his experience and the highlights of the PEP, Toby said, "I really enjoyed having the opportunity to take part in the program. The guidance from Mark Priede and the other speakers was extremely helpful, as was having the opportunity to reflect on the ways in which I work, and to get views from other Principals on the program, particularly those from other practice groups and other firms within the IPH group."

"Rather than being an off-the-shelf program, the Principal Excellence Program was very much tailored to the needs of people at my level and took a holistic approach in giving guidance on all aspects of the role. Having a mixture of articles designed to get us thinking, coupled with worked scenarios to go through in teams during the sessions was a good way to maximise what we got out of the experience."

Dr Toby Thompson
Principal, Griffith Hack





Learning & Development Academies – Our member firms have also invested in local training initiatives, facilitated by their Learning and Development academies. Member firms have also invested in developing senior practitioners to coach and mentor those in more junior roles to support their professional development.

Financial support for study – Across the group, member firms invested a combined total of over AU\$260,000 supporting around 40 trainees to complete their Masters in Intellectual Property, enabling them to become registered attorneys.

The Hub – The Hub was rolled out at the end of FY21, enabling all employees to complete a self-assessment as part of our annual performance review process. People Leaders use The Hub to capture the outcomes of end of year performance conversations and set objectives for employees. Employees can then view feedback in the months following review and track progress throughout the year.

The Dome – Launched in July 2021, the Intranet provides our employees access to training resources, learning and development resources, opportunities across the group, and latest group news and information.

Promotions and Employee Incentive Plan (EIP) participation

IPH announced 31 promotions across member firms AJ Park, Griffith Hack, Pizzeys and Spruson & Ferguson in FY22. This included 14 Principal appointments; a record number for the group in recent years and three more than appointed off the back of a record year in 2021. Of these, six of the Principals promoted were women, a 50% increase on FY21.

In FY22, 178 eligible staff participated in our (EIP), and we were able to achieve 55.2% of awards, or approximately A\$4.5million in cash incentives and shares of the same value, through the program. In addition to the cash elements of the incentive plan, our EIP enables eligible employees receiving awards in the plan to become shareholders in IPH, thereby sharing in its success.

Employee referral program

Our group-wide employee referral program provides an attractive benefit to staff within our Australian businesses who refer potential candidates who are then successfully recruited into that business. Since we introduced the program in September 2021, 12 employees have participated, and we have made AU\$37,000 in payments. Eight employees have received payment to date and the four outstanding payments will be made post 1 July 2022.

 **12** employee referrals via our new Employee Referral Program

 **AUD\$260k+**
to support more than 40 staff to complete their Master of IP



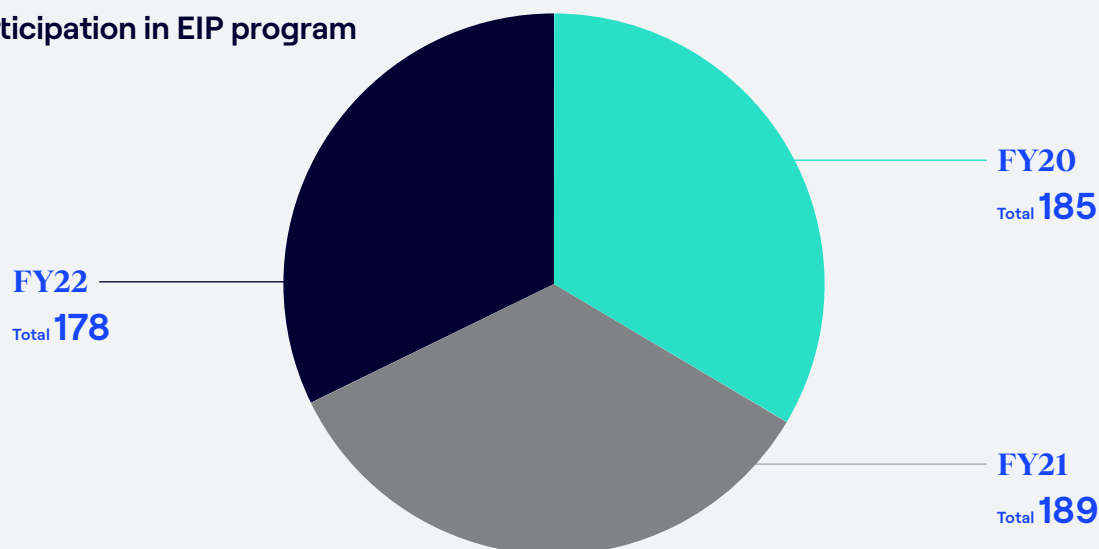
Diversity

Inclusion and diversity remain fundamental to building a strong culture and attracting key talent. We also aim to support the communities in which we operate through activity such as our participation in Wear It Purple Day in August 2021. Wear It Purple is a youth-led initiative to raise awareness and support safe, empowering and inclusive environments for rainbow young people.

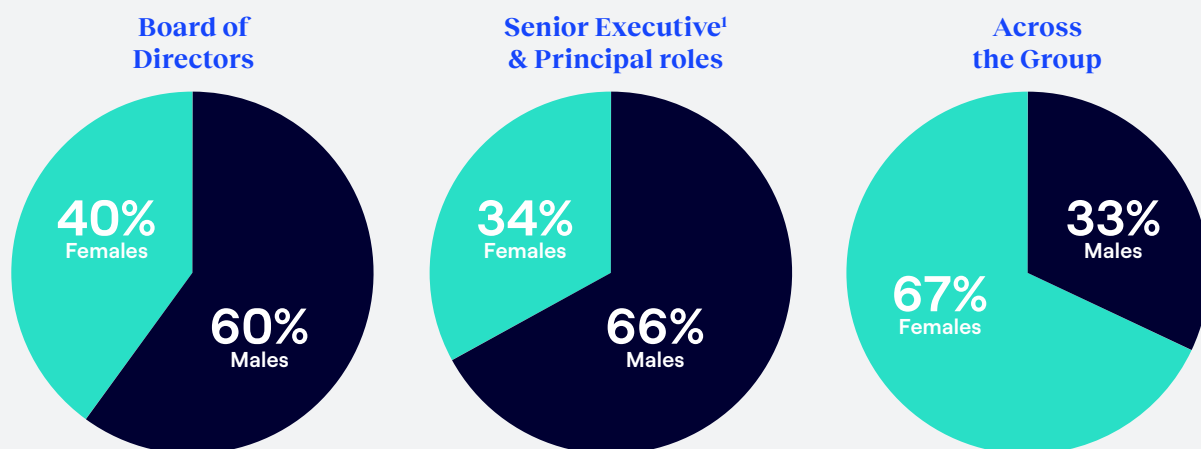
In FY22, the Board adopted a measurable objective of at least 30% representation of women for IPH directors, and in Senior Executive/Principal roles. This target was in line with our FY21 objective of 30% female representation. As highlighted in the table below we (exceeded our target across each category).

This material references Disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016.

Participation in EIP program



The following table shows the representation of women across the IPH Group. This material references Disclosure 405-1 of GRI 405: Diversity and Equal Opportunity 2016.



¹) A senior executive is a person who is a member of the Company's group leadership team, comprising the Company's senior executive team and leaders of the group's principal business units.



Our Diversity Policy outlines other strategies in place to cultivate a diverse workforce. We are pleased to provide a recap on what we introduced and achieved against some of these strategies in FY22.

Diversity strategy (as outlined in our Diversity Policy)	What we have done in FY22
Taking steps to attract, retain and motivate well qualified employees, Senior Executives and Board members from a diverse pool of candidates	<ul style="list-style-type: none"> » Establishing a careers page on the group intranet » Launching a group recruitment policy that requires all roles to be advertised internally before going to third party providers » Launching an employee referral program rewarding staff with a cash bonus when they refer a new employee to the group (payable on successful completion of probation) » Continuing to embed hybrid working through the group and rolling out in Asia » Developing and launching a new Principal Excellence Program to support the transition to leadership for newly appointed Principals » Continuing to enhance our offering of online programs to support the roll out of technology and onboard new employees
Develop a broader pool of skilled and experienced employees, Senior Executives and Board candidates, including workplace development programs	<ul style="list-style-type: none"> » Continuing to roll out the IPH People Leadership Excellence Program » Launch of People Leader Connect sessions for People Leadership excellence alumni to practice and apply their learning on a quarterly basis » Development and launch of the Business Development Excellence Program » Launch of the Smiling Mind Mindfulness Program and various other employee mental health awareness sessions » Launch of a professional development curriculum for fee earning staff » Continued opportunities for knowledge sharing sessions and in-house tutorials through our learning academies » Continued financial support of our Trainee Attorneys across our member firms through the completion of the Masters in Intellectual Property to enable them to become registered attorneys
Taking action against inappropriate workplace behaviours including discrimination, harassment, vilification and victimisation	<ul style="list-style-type: none"> » Deployment of risk and compliance training for all new starters across the group
Recognising that employees (female and male) may have domestic responsibilities and providing workplace flexibility that will assist them to meet those responsibilities	<ul style="list-style-type: none"> » Revising the Hybrid Working Policy to provide greater flexibility to support them balancing workplace and domestic responsibilities



Parental leave

Our Paid Parental Leave Policy was introduced for Australian staff in 2021, supporting primary care givers with 12 weeks paid leave and secondary care givers with two weeks paid leave. The policy is available to birth parents and adoptive parents and covers special leave for pregnancy related illness and birth related complications. In New Zealand, a similar policy is in place which allows for 12 weeks paid parental leave for primary care givers, while in Asia the policy provides for eight weeks paid parental leave.

As at 1 July 2022, the policy was updated to support primary care givers with up to 18 weeks of paid parental or adoption leave and secondary

caregivers with up to three weeks of paid parental or adoption leave. In addition to this, the policy now recognises employees who have been with the group for a minimum of one year (and less than 2 years), who will now be entitled to eight weeks of paid leave. In recognising that the path to parenthood is not always straightforward, we have also introduced additional paid leave entitlements for miscarriage or loss of a child on top of existing leave entitlements mandated by the government.

The following table shows the uptake of parental leave within our group businesses for the period 1 July 2021 to 30 June 2022. This material references Disclosure 401-3 from *GRI 401: Employment 2016*.

	Parental leave taken		Return to work when leave ends	
	Male	Female	Male	Female*
AJ Park	0	6	0	3
IPH	1	4	1	2
Griffith Hack	1	4	1	2
Pizzeys	0	1	0	1
Spruson & Ferguson (Australia)	1	8	1	2
Spruson & Ferguson (Asia)	2	6	2	5

* Excludes those not yet returned from leave.



Governance, risk, privacy and data protection

Corporate Governance Framework

IPH remains committed to high standards of corporate governance to ensure the long-term sustainability of its business, including to deliver value to its stakeholders. Our corporate governance framework includes policies and practices which help to ensure that IPH manages risk effectively, maintains appropriate transparency of its operations and drives successful outcomes across the group. This summary should be read in conjunction with our Corporate Governance Statement, which has been lodged with the ASX and is available on our website.

The IPH Board

The IPH Board is responsible for establishing a corporate governance structure aimed at creating and protecting shareholder value.

The Board is also responsible for setting the strategic direction of the group and monitoring the implementation of that strategy by IPH management.

Board Committees

The IPH Board has established the following committees to assist in managing its various responsibilities:

- » Audit Committee
- » Nominations and Remuneration Committee
- » Risk Committee

The members of each of these committees are listed in the Directors' Report and the charter for each committee is available on the IPH website.

Governance Policies

IPH seeks to maintain the highest standards of governance in the conduct of its activities and continually seeks out ways to strengthen its governance of the group.

The success of the group is underpinned by a number of core values, which are set out in IPH's Statement of Values, available on the IPH website. The values set out in the Statement of Values are inculcated across the group and supported by the standards and behaviours set out in IPH's Code of Ethics and Professional Conduct, also available on the IPH website.

These policies assist IPH to maintain its reputation and standing in the community as an ethical business, which is important to IPH's ongoing success.

In addition to the Statement of Values and Code of Ethics and Professional Conduct, IPH has a number of other corporate policies, which further strengthen its corporate governance framework.

IPH's suite of corporate governance policies are available on the IPH website and listed below:

- » Statement of Values
- » Code of Ethics and Professional Conduct
- » Continuous Disclosure and Investor Relations Policy
- » Share Trading Policy
- » Diversity Policy
- » Hedging and Margin Loan Policy
- » Risk Management Policy
- » Whistleblower Policy
- » Anti-Bribery Policy
- » Sanctions Policy
- » Supplier Code of Conduct
- » Privacy Policy





During FY21 and FY22, IPH has been pleased to comply with all recommendations of the 4th Edition of the Corporate Governance Principles and Recommendations.

Training

During FY21, IPH delivered online training courses covering key corporate governance policies to staff across the group. A number of online training courses were provided to all officers and employees across the group, including with respect to the following policies:

- » Statement of Values
- » Code of Ethics and Professional Conduct
- » Whistleblower Policy
- » Anti-Bribery Policy

During FY22, online training courses were made available to all new officers and employees across the group.

Online training was also provided to relevant officers and employees across the group on the following policies:

- » Share Trading Policy
- » Sanctions Policy

IPH intends to provide regular “refresher” training on all of all these policies regularly.

Anti-Corruption

IPH and its member firms are committed to doing business in an ethical and honest manner and we take a zero-tolerance approach to bribery and corruption. IPH is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and strives to implement and enforce effective systems to counter corruption.

As noted above, IPH has implemented an Anti-Bribery Policy, which applies across the group. During FY21, an online training course covering the IPH Anti-Bribery Policy was rolled out to all officers and employees across the group. During FY22, this same training course was made available to all new officers and employees across the group. This material references Disclosure 205-2 from *GRI 205: Anti-Corruption 2016*.

IPH did not record any incidents of corruption in the 2022 financial year. This material references Disclosure 205-3 of *GRI 205: Anti-Corruption 2016*.

Anti-Competitive Behaviour

IPH supports fair and vigorous competition and operates in a manner consistent with relevant anti-competition, anti-trust and monopoly legislation. During FY22, IPH was not identified as a participant in any pending or completed legal actions regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation. This material references Disclosure 206-1 of *GRI 206: Anti-Competitive Behaviour 2016*.



Modern Slavery and the Supplier Code of Conduct

In FY22, IPH continued to undertake activities to address and remediate modern slavery risks within its business and supply chains in compliance with the Australian *Modern Slavery Act 2018* (Cth). IPH published its first Modern Slavery Statement in December 2020, its second Modern Slavery Statement in December 2021 and will publish its Modern Slavery Statement for FY22 later this year.

During FY21, IPH introduced the IPH Group Supplier Code of Conduct to IPH and its member firms. The Supplier Code of Conduct outlines the standards and behaviours IPH and its group businesses expect from their suppliers when conducting business with the group. The Supplier Code of Conduct is an important element in the group's commitment to ethical and socially responsible procurement and has been adhered to in FY22.

Risk

Risk Management

We recognise that a robust risk management framework is critical for the effective management of our business. During FY21, IPH undertook a detailed review of its risk management framework as part of its internal audit program and, as a result, adopted an updated risk management framework.

Implementation of the updated risk management framework across the group commenced in FY21 and was completed during FY22. The updated risk management framework aims to identify and manage potential risks in a continuous, proactive and systematic way through high quality risk management policies and processes across the group. IPH's revised Risk Management Policy is available on the IPH website.

As part of the updated risk management framework, the Board reviewed and approved a Risk Appetite Statement. The Risk Appetite Statement is designed to support and inform Board and management decision-making and will be reviewed at least annually to ensure ongoing alignment with strategic objectives.

In addition to this review and receiving regular reports on these and other key financial, operational and compliance risks, the Board reviews IPH's risk management framework annually. The Board's annual review of IPH's risk management framework in FY22 concluded that the framework is sound and IPH continues to operate with due regard to the risk appetite set by the Board.

IPH's Risk Committee comprises of at least three independent non-executive directors and is chaired by an independent non-executive director who is not Chairman of IPH. The Committee's Charter is available on the IPH website.

During FY22, as part of the implementation of the revised risk management framework, IPH engaged KPMG to onboard the group onto KPMG's IBM Open Pages enterprise governance risk and compliance (GRC) management software solution known as "Risk Hub". The Risk Hub software solution went live in the first half of 2022, which now enables the group to manage risk via a customised GRC online solution.

Material Risks

The Operating and Financial Review (OFR) section of the Directors' Report includes a summary of material risks faced by IPH which may have an impact on IPH's ability to achieve its operational, financial and strategic targets. This summary also contains details regarding our approach to the management of such risks. IPH's approach to identifying the Material Topics reported on in this Sustainability Report is set out in the section titled "Materiality and Stakeholder Engagement".





Privacy and data protection

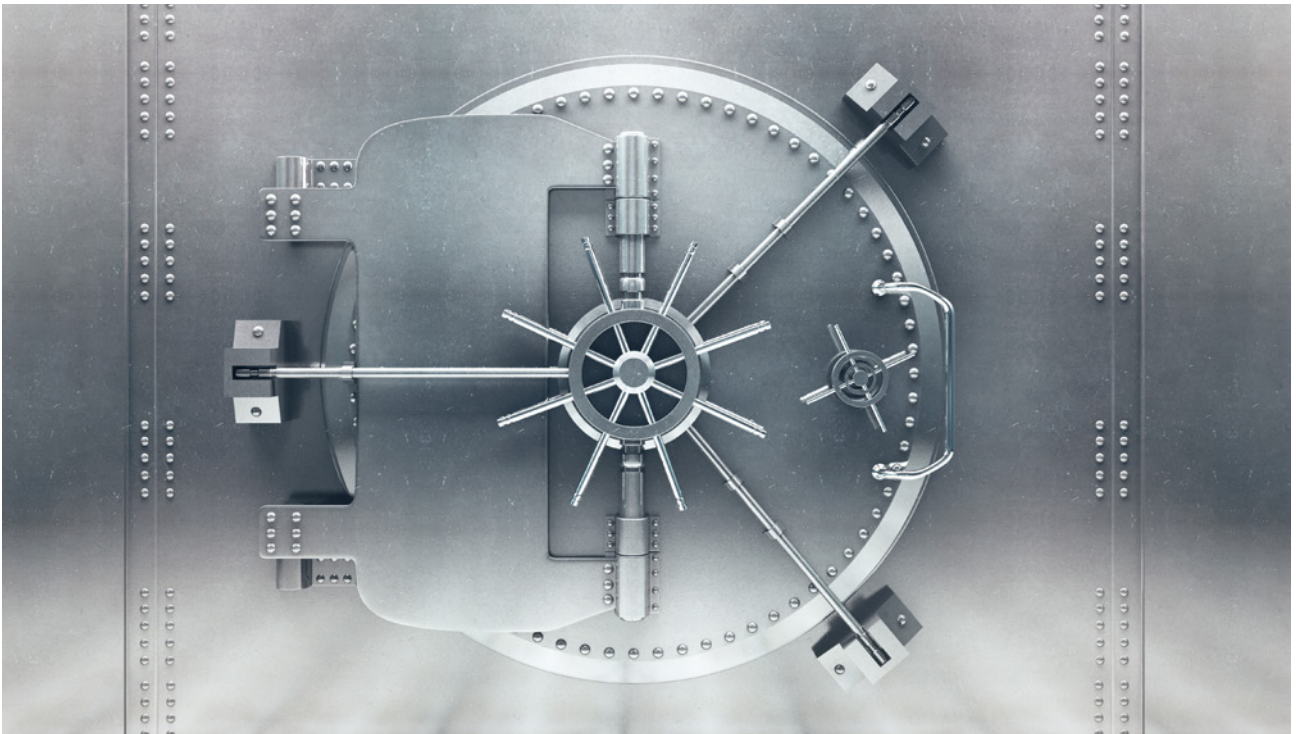
Overview

IPH provides services to a significant number of clients and interacts with a range of external contractors, suppliers and private and public sector companies, as well as having a large number of employees. We therefore take IT security and the protection of data and information very seriously.

IPH has developed a multi-year roadmap with a program of work focusing on information and systems security and continues to invest in system and security enhancements. We have also introduced a series of security awareness training modules to educate our staff on the threat of cyber security. IPH also undertook a review of cybersecurity as part of its internal audit program. We have measured our security posture using industry standard NIST framework and we have set targets to continuously raise the bar every year.

During FY22, we have continued to improve and add new security measures. Some of the initiatives include:

- » Our systems and network are subject to enhanced monitoring 24/7 for any suspicious events and alerts are generated to notify of any such events
- » All data in motion is encrypted using the industry standard encryption protocol
- » We have implemented strict and improved systems access control to prevent unauthorised access to our systems and data (with clear segregation of duties)
- » We have implemented an improved change control process to ensure our live/ production environment is protected
- » All firewalls and servers are subject to frequent patching with the latest updates
- » Multi-factor authentication has been implemented for all staff



- » Intrusion detection and alerts have been configured on our Microsoft 365 tenancy
- » All major systems access has been reviewed regularly
- » A security incident response process has been established
- » We have established zero trust posture (i.e. all external network traffic is not trusted by default)
- » We have performed regular penetration tests on a yearly basis
- » Additional group security policies have been published to govern new security measures and protocols
- » We have performed regular vulnerability scans on our network to identify potential threats
- » Critical system patches are applied promptly to protect our systems from the latest threats

We recognise security is a key building block of the IPH future systems architecture and we continually seek to improve and optimise our system security in the ever-changing cyber security environment.

Privacy

Our approach to privacy and how we collect, use, manage, and disclose personal information is outlined in our Privacy Policy, available on the IPH website. This policy was updated in December 2020 to further enhance our approach to privacy. We also have an established internal data breach policy and procedure in place across the group. During the 2021 and 2022 financial years, an online training course covering the IPH Group Notifiable Data Breaches Policy was rolled out to relevant officers and employees.

In FY22, IPH did not receive any substantiated complaints concerning breaches of customer privacy and did not record any notifiable leaks, thefts or losses of customer data. This material references Disclosure 418-1 of *GRI 418: Customer Privacy 2016*.

Client and customer experience satisfaction

IPH is Asia Pacific's leading IP services group, comprising a network of member firms of leading IP professionals and support staff. We pride ourselves on the expertise of our people and the high-quality service and advice we provide our clients.

In FY22, 95+ staff received industry recognition for their expertise.

Our member firms also continue to receive global industry accolades, including:

- » AJ Park was named as Tier 1 for trade mark prosecution and contentious in the *Managing IP Stars 2022*
- » AJ Park was named New Zealand Firm of the Year at the *Managing IP Awards for 2022*
- » AJ Park was named a top-tier IP firm by *The Legal 500 Asia Pacific* guide for 2022 and earned a band one ranking for IP in *Chambers Asia-Pacific 2022*
- » Griffith Hack recognised in *The Legal 500 Asia-Pacific 2022* as a leading intellectual property law firm – Tier 2
- » Griffith Hack received recognition in *Managing IP Stars 2022* including Tier 1 for trade mark prosecution and patent prosecution, and Tier 3 for trade mark contentious and patent contentious
- » Spruson & Ferguson Australia received recognition in *Managing IP Stars 2022* including Tier 1 for trade mark prosecution and patent prosecution, and Tier 3 for patent contentious and trade mark contentious
- » Spruson & Ferguson Asia received recognition in *Managing IP Stars 2022* including regional recognition for China – trade mark (foreign firms), Hong Kong – trade mark prosecution, and Thailand – trade mark prosecution

Global and notable recognition for individuals include:

- » One AJ Park Principal was named in the *Top 250 Women in IP*, two staff were named trade mark stars, four as patent stars, and six as notable practitioners in *Managing IP Stars 2022*
- » Five AJ Park recommended individuals were highlighted in the *WTR 1000 2022* directory; four leading individuals and one next generation partner named in *The Legal 500 2022* directory; and 19 staff selected by their peers for inclusion in the list of the *2022 Best Lawyers in New Zealand*
- » Four Griffith Hack recommended individuals listed in *IAM Patent 1000 2022*
- » Five Griffith Hack Principals recognised in *Managing IP Stars 2022* including two trade mark stars and three patent stars
- » Nine Spruson & Ferguson Australia Principals recognised in *Managing IP Stars 2022*, including six as stars and three as notable practitioners

Strengthening our marketing & client service capability

Delivering unparalleled service to our clients is core to our success. In FY22 we increased our focus on identifying initiatives that support the highest quality service delivery.

The centralisation of our Business Development and Marketing function in 2022, led by a newly appointed Chief Commercial Officer, enabled our team of marketing and business development experts to become strategic partners, whilst recognising the independence and difference of our member firms. Our team has worked to develop best practice systems to support client and market analysis, relationship development, and opportunity assessments.





This approach has supported the efficiency of our business development and marketing activity from an operational and strategic perspective to best capitalise on future opportunities.

Initiatives to further support the delivery of best practice client experience include:

- » Introduction of a group-wide Outreach Program, including client feedback tools and regular communications.
- » Development of a new CRM for use by each member firm, which will provide a 360-client view, including the ability to build in touchpoints such as onboarding and case management.
- » Implementation of a sales framework and conducting business development training
- » Annual client surveys utilising a newly developed central bank of questions to establish baseline benchmarks. This allows us to compare and contrast results and identify opportunities for client initiatives that can be managed at group and member firm levels.
- » Individualised feedback programs run at member firm level and specific to their business and market requirements.
- » Processes to ensure regular client touchpoints for top clients including our ongoing client visitation conducted by the Managing Directors of our firms.

Client feedback

We actively solicit feedback from our clients to better optimise our client experience and make ongoing business improvements. Client feedback mechanisms work at group and member firm level and include, but are not limited to:

 **95+** professional staff received industry recognition for their expertise



Acting responsibly

Climate-related issues and environmental initiatives

Throughout FY22, the IPH group took steps to identify, assess and manage risks in accordance with its risk management framework.

Environmental risks, including climate change, were assessed as part of this process.

In our assessment of environmental risks, we referenced the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and noted that IPH conducts low energy intensive business activities, is a relatively low emitter of greenhouse gas emissions compared to other businesses and other industries, and is not materially exposed to industries or regulatory frameworks likely to be materially exposed to climate change risks. As a result, the IPH group did not identify material exposure to climate change risk.

While we currently consider that the IPH group does not have a material exposure to the actual and potential impacts of climate-related risks, we will continue to monitor such risks closely. We will also continue to monitor climate-related opportunities for the IPH group.

Scope 2 emissions

Although as a professional services business the IPH group has minimal carbon or energy-intensive business activities, we recognise the importance of disclosing information on key sustainability metrics.

In FY22, our Australian and New Zealand IP firms' Scope 2 emissions were 607 tonnes of CO₂e³. This was an 18% reduction on emissions reported in FY21. We don't currently capture Scope 2 emissions in our Asia IP firms. However, this is something we will look to report on in the future.

The IPH Limited corporate team offset their domestic and international flights in FY22 by making an equivalent donation towards sustainability projects through myclimate.org. This equated to an offset of 58.77 metric tonnes of CO₂e⁴ emissions.

The IPH group continues to work on initiatives at a group and member level to reduce our impact on the environment.

All our offices are primarily paper-light and utilise digital filing to reduce paper use. Our offices provide paper, glass and plastic recycling and the majority of our Australian and New Zealand IP firms operate in buildings with above market standard NABERS energy ratings.

In addition, our member firms run their own initiatives, for example AJ Park collects and return plastic lids to the Sustainability Trust.

Office NABERS Energy ratings across Australian offices:

Griffith Hack

Melbourne	★★★★
Perth	★★★★★
Sydney	★★★★

IPH Limited

Sydney	★★★★★
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Pizzey's

Brisbane	★★★
Canberra	★★★★

Spruson & Ferguson

Brisbane	★★★★★
Sydney	★★★★★

Office NABERS Energy ratings for our New Zealand office¹:

AJ Park

Auckland	★★★★
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1. Data for our Wellington office was not available at the time of publication.



Partnering with clients
to address climate change

ecostore + AJPark



Better products for people and the planet

Since 2015, AJ Park has worked closely with ecostore, a New Zealand born organisation producing cruelty-free home, body and baby care products made from naturally derived ingredients, to secure brand protection in over 40 countries.

ecostore works to reduce impacts on the planet at every step - from ingredient sourcing, producing products from a net carbonzero certified factory and improving processes to save energy and resources, and reduce waste. Products are produced using biodegradable plant and mineral-based ingredients over petrochemicals and are also compatible with septic tanks and greywater systems.

All plastic packaging is recyclable and made from sugarcane, a renewable source that removes carbon from the atmosphere as it grows. Since moving to sugar plastic in 2014, ecostore has saved over 7,676 tonnes (and counting) of carbon from being released into the air.

ecostore is a Certified B Corporation®, a certification standard that recognises companies globally for their high standard of social corporate responsibility and commitment to solving the world's social and environmental problems.

Working with clients like ecostore is core to IPH's group-wide focus on supporting sustainable practices on a global scale.



"Our goal is to be the world's most trusted and sustainable home and body care brand through producing products that are better for people and the planet. It's important to us that the companies we choose to work with, like the team at AJ Park, align with our ethos."

Pablo Kraus
CEO, ecostore



Community impact

We are proud to support the communities in which we operate and continue to work with charities to support causes that are important to our people and business and that help in driving positive social change. In FY22, we introduced our Group Community Program initiative to increase collaboration among our member firms and maximise our impact in support of identified UNSDGs. The program is governed by our Group Community Working Committee, with representation from IPH and each of our member firms.

Beacon Foundation Partnership

IPH is proud to report on our flagship community partnership with Australian not-for-profit organisation Beacon Foundation. We have committed \$500,000 over a five-year period to support Beacon Foundation in fulfilling its mission of improving educational and employment outcomes for young Australians.

Staff in our Australian businesses will have the opportunity to volunteer as a mentor and work with disadvantaged students through programs run by Beacon and hosted within our offices. In support of this, we introduced a Volunteering Policy stating all maximum term and permanent employees are entitled to access up to a maximum of one day per annum to engage in workplace volunteering with Beacon Foundation during working hours.



"The Beacon Program mentoring day was a wonderful opportunity to meet with a class of motivated and interested students and provide them with a snapshot of what they might experience if they were to work at a company like IPH. We also ran some sessions to help the students with skills such as interviewing, conflict resolution and resumé writing."

Sarah McKeith
Senior Legal Counsel at IPH Limited and
Volunteer at the High Impact Program



"I found it really rewarding volunteering to assist the students in exploring a career that may be the perfect fit for them by discussing the endless career opportunities that exist in IP."

Connie Land
Patent Attorney, Spruson & Ferguson

Already in the first year of the partnership, we've participated in a number of Beacon Foundation initiatives, including:

- » Hosting High Impact Programs in our IPH Sydney, Griffith Hack Melbourne and Spruson & Ferguson Brisbane offices. These programs introduced high school students to the world of work. To date more than 20 people from across the group have volunteered as mentors at Beacon programs.
- » Women in STEM Industry Live webinar event, aimed at inspiring young people to think about a career in STEM (science, technology, engineering and mathematics). During the webinar, IPH panelists shared details of their roles, and the varied career paths that led them there. They also offered advice and encouragement to the students, as well as addressing the issue of gender imbalance in STEM.

We want to support community disadvantage and equitable access to education on a regional scale and are exploring similar opportunities to support communities in New Zealand and Asia.

Cerebral Palsy Alliance

IPH participated in STEPtember, Australia's leading virtual health and wellness fundraising challenge dedicated to raising funds for people living with cerebral palsy. 233 employees participated in STEPtember 2021, taking a combined 65 million steps and raising over \$29,070, placing IPH 38th overall for fundraising out of over 2,500 organisations. IPH matched this, making an equivalent donation to the Cerebral Palsy Alliance, contributing a total of \$57,871 for people with cerebral palsy.



AUD\$500k

committed to a 5-year partnership with Beacon Foundation



Beacon Foundation events

High impact program
hosted in the IPH
Sydney office



High impact program
hosted in the Griffith
Hack Melbourne office



Member firm community, charity and probono participation

- » IPH and member firms participated in Wear It Purple Day, a youth led initiative to raise awareness and support safe, empowering and inclusive environments for rainbow young people.
- » AJ Park contributed to The Foodbank Project and Gumboot Friday
- » AJ Park staff frequently volunteer in the community, including for: Earthlink, Kai Upcycle Urban Farm, Hutt Valley Women's Refuge Collection, Cats Protection League and Innermost Garden
- » Griffith Hack assisted the Activ Foundation, Soap Aid and the Robin Boyd Foundation on various trade mark issues
- » Griffith Hack provide ongoing support to the Arts Law Centre of Australia in the provision of advice on arts-related legal and business matters
- » Spruson & Ferguson Australia participated in the City2Surf run
- » Spruson & Ferguson Australia sponsored the Spruson & Ferguson IP Award for the SHAPE Exhibition
- » Spruson & Ferguson Asia contribute to the Asia World Vision Sponsorship Program

Contribution to IP community

Involvement in and contribution to the development of the IP profession through involvement in events not only builds our internal talent, it raises our profile as a market leader within the industry. We regularly contribute to various events, examples include:

- » A Spruson & Ferguson Asia Principal works with the patent office (IPOS) to provide IP Clinics for half a day, four times a year, free-of-charge including counselling sessions on IP questions/matters for individuals, start-ups and SMEs

- » A Spruson & Ferguson Asia Principal presented to the Hong Kong University of Science and Technology (HKUST) in September on "Patent Landscaping: The Tool for Harnessing Creative Effort for Enhanced Inventive Research", the kickoff presentation in their 2021-22 seminar series for Addressing Challenges in Innovation and Technology
- » Griffith Hack Principals regularly guest lecture at seminars and universities
- » IPH Strategic Advisor, Francis Gurry, former head of the World Intellectual Property Organisation, presented to IPH employees, providing insights on the latest IP global trends and opportunities.

Global conference participation further provides a forum to network with peers and share knowledge with other IP professionals. In FY22, staff have attended or presented at local and international conferences, including, but not limited to:

- » National Cleantech Conference 2022
- » QLD BioCheers 2022
- » AmCham - Coming to America Event 2022
- » Singapore IP Week
- » IPTA 2022 Annual Conference
- » BIO International Convention 2022
- » APAA (Asian Patent Attorneys Association) Council Meeting
- » CIPA Life Sciences Conference

IPH employees also hold positions on professional associations, including but not limited to, the New Zealand Institute of Patent Attorneys and the Institute of Patent and Trade Mark Attorneys of Australia.







Partnering with clients
to address climate change



Commercialising sustainable alternative protein solutions

Spruson & Ferguson is working with Grainstone, an award winning Australian agri-food tech company to commercialise cutting-edge automated bio-processing technology developed with CSIRO and Queensland University of Technology.

Grainstone uses renewable-powered processes to take under utilised grain byproducts and produce advanced food ingredients.

Grainstone Founder and CEO Matthew Kronborg, says they're working to help solve the sustainability challenges of our generation through improving the efficiency of our global food system by recovering food waste and feeding humanity simultaneously at an industrial advanced manufacturing scale.

The Spruson & Ferguson team, led by Principal Dr. Michael Christie, has been working with Grainstone for a number of months helping Grainstone to capture its intellectual property. Spruson & Ferguson work with a number of innovative clients to support a more sustainable future.

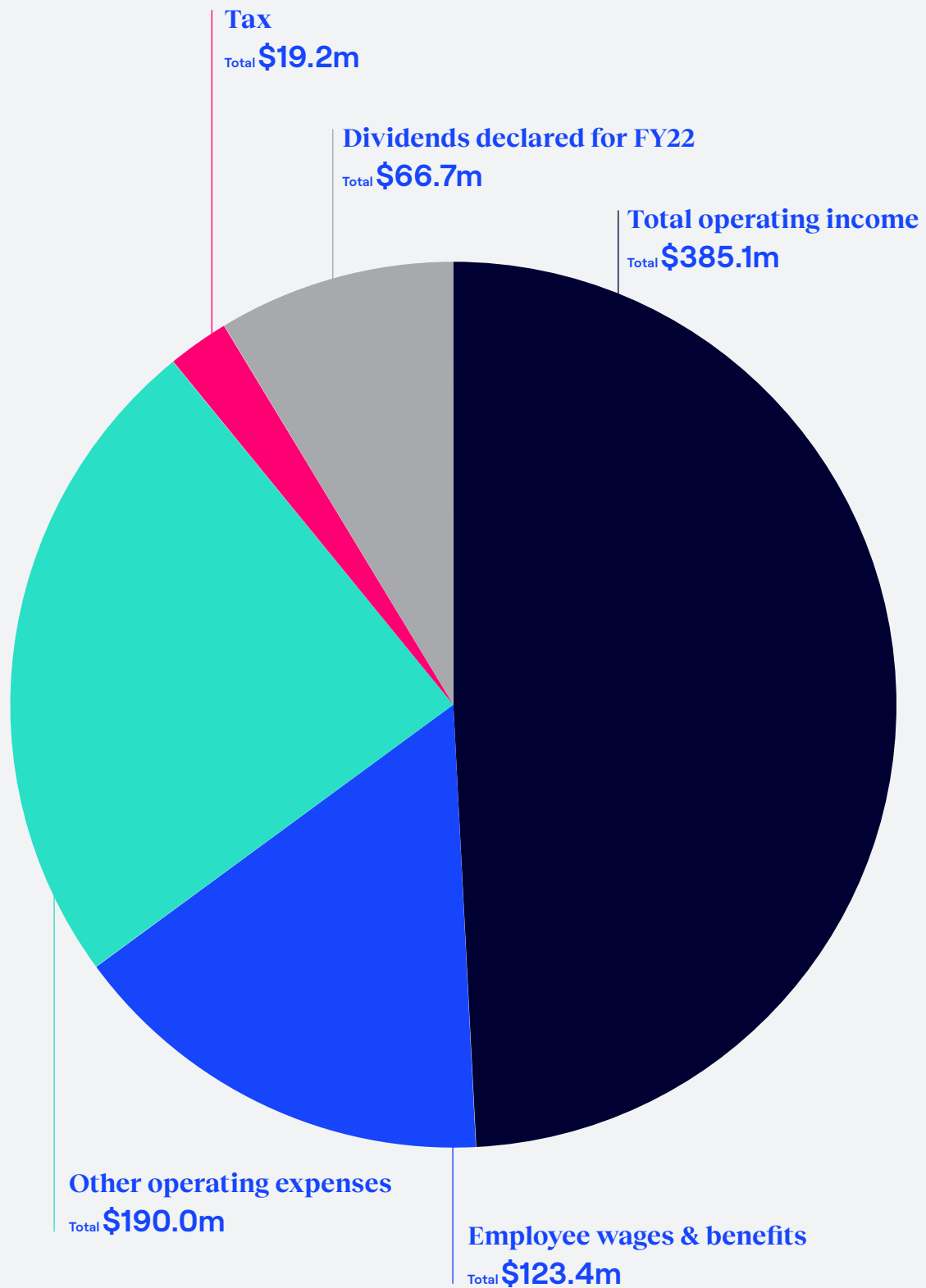
"Over 1.3 billion tonnes of food waste is produced each year, whilst simultaneously over 700 million people are undernourished. We bio-prospect and mine traditional food waste streams using our advanced foodtech and biotech to help create the most valuable products possible, prioritising food creation, and displacing unsustainable alternatives."

Matthew Kronborg
CEO and Founder, Grainstone



Our Financial contribution in FY22

IPH makes a significant financial contribution to our communities through economic activity with suppliers and clients, employment, value to shareholders, income and payroll tax. Our total operating income in FY22 was \$385.1m.



Looking ahead to FY23



As part of our ongoing commitment to sustainability and ESG, in FY22 we engaged sustainability and impact specialists, Republic of Everyone (RoE), to help us review and update the group's ESG strategy. This program of work is expected to complete in Q1 FY23 and provide a refreshed and aligned approach to sustainability across the group in FY23 and into the future.

To date, our work with RoE has focused on further engaging with key internal and external stakeholders to understand what is most important to them when it comes to ESG. This engagement has further shaped our materiality assessment and priority topics, which will be the focus of our future ESG activity and reporting.

We are now in the process of considering targets and programs against our material topics with a focus on our employee experience and engagement as well as elevating our bigger purpose and impact. In particular, as a business at the forefront of innovation, we look to identify opportunities to partner with clients to drive further sustainable innovation.

With a new strategy and direction in place, we look forward to sharing our progress in this space and strengthening our reporting against key metrics and relevant indices.

We might not have all the answers yet, but we are pleased to present our progress on sustainable practices and look forward to strengthening our sustainability activity in FY23 and into the future, off the back of investment in updating our ESG strategy.



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