

Quick-Reference Guide to ESG at Alfa

We include a lot of information in our [2020 Annual Report](#) (particularly within the ESG section at [pg 56 – pg 63](#)) and on our [ESG page](#), so this document is intended to act as a roadmap of the areas where we receive most questions. Should you require any further information on ESG at Alfa, please get in contact with our CFO, Duncan Magrath (duncan.magrath@alfasystems.com).

AREA	ROADMAP	FURTHER INFO
OUR GUIDING PRINCIPLES		
Our people	<p>Many of Alfa's people are engaged in a wide variety of socially responsible activities, and Alfa actively supports and encourages this. Alfa's dedicated Social Impact Team has been in place for over 15 years, with team members drawn from across the Company.</p> <p>Alfa provides everyone with 3 days per year to support Social Impact / ESG activities. These are charged to an ESG time code. The total time charged to this code is approximately 1 FTE – of which approximately 50% relates to climate change issues.</p>	<p>Our Social Impact page</p> <p>pg 61-62 of our 2020 Annual Report on Alfa Green Team / Environmental Impact Team initiatives</p>
United Nations Sustainable Development Goals	<p>Alfa has selected four sustainable development goals to help shape and inform our ESG efforts:</p> <ul style="list-style-type: none"> • Quality education • Gender Equality • Climate Action • Partnerships for the Goals 	Our dedicated UN SDG page
Our values	<p>Alfa's company values are:</p> <ul style="list-style-type: none"> • Challenge without being challenging • Let great ideas grow • Create a positive impact • Make it better together 	Our purpose and values page
ENVIRONMENT		
Responsibility	Alfa's CFO, Duncan Magrath, is ultimately responsible for our Environmental Policy and climate change issues. One of the aims of our Environmental Policy is to carry out our business in a manner that minimises our impact on the environment.	

	<p>Alfa's ESG Manager, Grahame Williams, oversees all initiatives which derive from this policy as they are put into action.</p> <p>The Alfa Green Team / Environmental Impact Team, a group of volunteers from all levels of the company, is responsible for the execution of organised activities and the monitoring of standards established to ensure adherence to our environmental goals.</p>	
Emissions monitoring and reduction; TCFD	Alfa's footprint is calculated using the EMA methodology for SECR Reporting on calculating organisational footprints. Alfa plans to follow TCFD reporting guidelines for our 2021 Annual Report.	Pg 63 of our 2020 Annual Report
Carbon neutrality and net zero	<p>Alfa has implemented offsetting for carbon neutrality during the course of 2021, by partnering with Ecologi.</p> <p>Alfa has already taken steps to reduce carbon emissions. Alfa's next steps are to update our corporate policies to move to further reduce carbon emissions.</p>	Pg 62 – pg 63 of our 2020 Annual Report
Environmental awareness and consulting stakeholders	<p>Alfa's Environmental Policy includes a commitment to continue to engage and educate employees and other stakeholders on the importance of sustainability, and encourage sustainable activity.</p> <p>The Alfa Green Team / Environmental Impact Team is heavily involved in raising awareness, and the UK-based charity, The Climate Coalition, has been chosen by Alfa's UK employees as Alfa's UK charity partner for the 2021-2022 fiscal year.</p>	<p>Pg 53 of our 2020 Annual Report on consulting stakeholders</p> <p>pg 62 of our 2020 Annual Report on Alfa Green Team / Environmental Impact Team initiatives</p>
Electricity	Alfa sources our electricity from renewable energy provider, Opus . During 2020, 68% of Alfa's UK electricity was sourced from renewable sources.	
Our office buildings	Alfa's London office has achieved an 'excellent' rating under the BREEAM In-Use certification for 2021/22.	
Our office environment	<p>Alfa has carefully selected suppliers and implemented various initiatives in our London office, to minimise our impact on the environment – here is a taster:</p> <ul style="list-style-type: none"> • Partnering with bio-bean, to renew our used coffee grounds for reuse in bio-products. • Installing organic food waste bins to collect left over food and turn it into compost. • Using eco-friendly Method cleaning products. • Offering staff participation in the Cycle to Work scheme. 	

Responsible end-of-life management of hardware	<p>Alfa's Data and Equipment Disposal Policy covers off securely and sustainably disposing of IT equipment, including laptops.</p> <p>Alfa recycles technical hardware that cannot be donated to charity and has recently partnered with e-recycling company KOcycle, to recycle all outdated IT hardware that is no longer used in the London office. Alfa also had a 'recycling laptops to schools' initiative in 2021.</p>	
Sustainable products and services	<p>Alfa is committed to adopting and applying the latest technology, including server virtualisation technology, to ensure that our customers' energy consumption is kept to a minimum.</p> <p>Our product, Alfa Systems, provides some functionality to enable our customers to charge their customers on a usage basis, therefore making utilisation of assets more efficient.</p>	
Our data centres	<p>In owned data centres, our provider has noted that 94% of our energy utilisation was from renewable energy sources.</p> <p>Alfa also uses data centres operated by a third-party, AWS Cloud Computing. AWS is committed to powering operations with 100% renewable energy by 2025.</p>	Our page on Alfa Systems Cloud Hosting
SOCIAL		
Equal opportunities and non-discrimination	<p>Non-discrimination on the grounds of sex, sexual orientation, pregnancy, gender reassignment, religion or belief, marital status, civil partnership status, age, race, colour, nationality, national or ethnic origins and disability is central to Alfa's Building Business and Careers and Equal Opportunities and Hiring Policy.</p> <p>During 2020, Alfa developed and delivered Inclusive Recruitment training for everyone involved in the recruitment process. Alfa also provided Unconscious Bias and Allyship training company-wide.</p>	
Commitment to Inclusion & Diversity	<p>Responsibility: Inclusion & Diversity is very important to the Board and wider employees. Inclusion & Diversity is a corporate objective owned by Alfa's Chief People Officer. Progression against this corporate objective is reported monthly to the Company Leadership Team and to the Board.</p> <p>Alfa has multiple communities: Inclusion, LGBTQ+, Racial Equity, Women's Community, Parents' Community, Environmental Impact and Social Impact. Each of our communities has a Company Leadership Team sponsor whose role it is to support, facilitate and remove barriers to enable the community's agenda. The Chief People Officer meets monthly with the community chairs to discuss what support is</p>	<p>Pg 24, pg 57 and pg 61 of our 2020 Annual Report</p> <p>Our dedicated Inclusion & Diversity page</p> <p>Our blog posts including one discussing non-binary identity and</p>

	<p>needed, what activities are coming up and how the community can increase awareness across the company.</p> <p><u>Intersectionality</u>: In 2020, we focused on intersectionality between our communities, creating an Inclusion & Diversity Advisory Group to encourage discussion, sharing & joining up of agendas and collective drive on our Inclusion & Diversity agenda.</p> <p><u>Education and awareness</u>: Programmes in this area are very much in demand within Alfa. As well as a calendar of social talks and events organised by our active communities, Alfa also ran a series of Inclusion and Diversity workshops in 2020 and has been rolling out an Inclusive Leadership training programme.</p> <p><u>Alfa using its voice</u>: Alfa is a Stonewall Diversity Champion: Alfa is committed to providing an environment where all LGBTQ+ people are free to be themselves. Externally we have highlighted important issues by using our corporate voice to support and champion bodies such as the Black British Network, Stonewall, DIAL Global and the Women's Association.</p> <p><u>Policies</u>: The principle of freedom of discrimination embedded within Alfa's policies generally are underpinned by our Harassment Policy and our Disciplinary Policy.</p>	announcing the launch of the Alfa for Racial Equity community
Gender pay gap data	The mean and median pay gaps have reduced between 2019 and 2020. 2021 results will be available in our 2021 Annual Report.	Pg 59 of our 2020 Annual Report
Gender diversity	30% of our people are female. 49% of our new graduates for 2021 are female and 40% of all new recruits in 2021 are female.	Pg 57 and pg 78 of our 2020 Annual Report
Contractors	Of the 406 people who worked at Alfa during 2020, 6.4 % were contractors.	
Supporting our people	<p>Alfa has an array of policies and initiatives in place to support our people:</p> <ul style="list-style-type: none"> • Various family friendly policies, covering paid adoption and surrogacy leave, enhanced paternity and maternity leave and shared parental leave. • Paid carer leave. • Transitioning at Work Policy, supported by guides for managers. • A global Mental Health First Aider (MHFA) programme, where individuals trained as MHFAs act as points of contact for colleagues who are experiencing a difficult time or emotional distress. • Employee Assistance Programme, to provide 24/7 support for employees, including counselling. 	Pg 57 – 58 and pg 72 of our 2020 Annual Report

	<ul style="list-style-type: none"> • A very active Alfa Wellbeing team, providing regular content and holding events with experts on various topics. • 24hr online service to access GP advice. • Flexible and hybrid working and remote working policies. <p>In addition to the 3 days per year provided to employees to support Social Impact / ESG / CSR activities, Alfa also provides employees at least 3 days per year for personal development; and 4 days per year for innovation, which is open to any projects and initiatives that improve life at Alfa.</p>	
Retaining our people	Alfa's full time staff voluntary turnover rates for 2020 stood at (i) 10.6% for all workers (including employees); and (ii) 5.9% for employees only.	Pg 47 of our 2020 Annual Report
Engaging with our employees	Alfa runs an employee-engagement survey every 2 months. The results are presented by the CEO to the Board. Any concerns raised are reviewed by a committee of employees and allocated to the appropriate Company Leadership Team member for resolution. In addition, Alfa also holds quarterly townhalls where employees can submit questions anonymously to the Company Leadership Team.	See references in the 2020 Annual Report to the 'Pulse' survey – pg 14 , pg 37 , pg 54 , pg 58 and pg 65
Accessibility	Alfa is committed to ensuring Alfa Systems is accessible as possible and has a dedicated UI/UX Design team who have accessibility as part of their core remit. This team has carried out accessibility audits of the Alfa Systems software, part of which was informed by the Web Content Accessibility Guidelines (WCAG). The audit also compared our software against the WCAG 2.1 AA specification and allowed us to identify and prioritize specific accessibility gaps. For new Alfa Systems components added to our Design System we consider accessibility up-front, ensuring the correct ARIA attributes are added etc. and we perform screen reader testing using the VoiceOver tool.	
Supplier standards	Alfa does not support any form of slavery, human trafficking or child labour and Alfa works only with suppliers that have been assessed through our internal processes to be ethical providers. Alfa has an ethical procurement policy and our key procurement personnel have been trained in relation to the relevant requirements and regulations.	Pg 72 of our 2020 Annual Report
Data protection and customer security	<p>Alfa has maintained compliance with the following in 2020:</p> <ul style="list-style-type: none"> • SOC2 Type 2 (safeguarding customer data), • ISO27001 (information security management system), • ISO27018 (protection of personally identifiable information in public clouds - covering the processes and security of our Alfa Hosting Service). 	<p>Pg 43 and pg 48 of our 2020 Annual Report</p> <p>Our Alfa Systems Cloud Hosting page</p> <p>Alfa Privacy Policy</p>

GOVERNANCE		
Remuneration	Audited remuneration for all members of the board (executive and non-executive), including a detailed breakdown of salary / fees, benefits and pension, is available.	Pg 100 of our 2020 Annual Report
Independent committees	Alfa has fully independent committees in charge of audit and remuneration, and the nomination committee is comprised of majority independent members.	See our Corporate Governance Page for Terms of Reference
Business ethics	<p>Alfa has a variety of relevant policies in place (over which the Board has oversight):</p> <ul style="list-style-type: none"> • Ethics and Code of Conduct Policy, setting out Alfa's zero tolerance approach to dishonest and corrupt behaviour among our employees. • Anti-Bribery and Corruption Policy, setting out Alfa's zero tolerance approach, and covering all workers, third-party representatives and business partners. • Expense Policy, reflecting that expenses should be incurred in a moderate and ethical way. • Share Dealing Code. • Disclosure and Control of Insider Information Policy. • Whistleblowing Policy, setting out structures to process whistleblower reports, (including on an anonymous basis) and prohibiting retaliation. <p>Alfa has annual ethics and compliance training in place for all employees. This forms part of our induction for all new starters in their first week and then online annually for all employees.</p>	pg 72 of our 2020 Annual Report
Diversity in leadership	Alfa has 8 directors, 1 of whom is female. Within senior leadership more broadly (including the board), 16% are female.	Pg 78 and pg 80 of our 2020 Annual Report
ESG Steering Committee	Alfa's ESG Steering Committee is made up of key individuals from different areas of the business. Alfa's Chief Financial Officer, Duncan Magrath, and Alfa's Chief People Officer, Vicky Edwards, are members of this Committee.	
OTHER		
Recognition by ESG Rating Agencies	Alfa has been rated by agencies including ISS and Sustainalytics.	Please refer to our ESG page