

Quick-Reference Guide to ESG at Alfa

We include a lot of information in our [2021 Annual Report](#) (particularly within the ESG section at [pg 58 - 69](#)) 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	REFERENCE / FURTHER INFO (including hyperlinks)
1: 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 paid 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 65 of our 2021 Annual Report on our community within Alfa</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 	<p>pg 58 – pg 59 of our 2021 Annual Report and Our dedicated UN SDG page</p>
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 	<p>pg 10 of our 2021 Annual Report</p>

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2: ENVIRONMENT		
Responsibility	<p>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> <p>The Chair of the ESG Steering Group, Grahame Williams, oversees all initiatives which derive from this policy as they are put into action.</p> <p>The 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>	
TCFD	Alfa's first Taskforce on Climate-Related Financial Disclosures are made available in the Annual Report.	pg 69 of our 2021 Annual Report
Emissions monitoring	Details of Alfa's carbon emissions and energy consumption is made available in the Annual Report. ESOS methodology is used in conjunction with Government GHG reporting conversion factors, and the calculations have been approved by a PAS51215 compliant body. For carbon only related matters, the SECR methodology was used in conjunction with Government GHG reporting conversion factors.	pg 67 - pg 68 of our 2021 Annual Report
Emissions reduction; carbon neutrality and net zero	<p>Alfa is actively looking to reduce its carbon footprint.</p> <p>Alfa implemented carbon offsetting during the course of 2021, by partnering with Ecologi. Ecologi only fund offset projects which meet the highest verification standards, such as Gold Standard or Verified Carbon Standard; as well as projects that meet other important sustainability standards like CCBS and SD VISsta.</p> <p>Alfa is intending during 2022 to set targets for reduction in emissions, before ultimately offsetting what cannot be avoided.</p>	<p>Our 2021 Annual Report at:</p> <ul style="list-style-type: none"> - pg 67 - pg 69 - pg 37 (operational KPIs) - pg 43 (as part of the capital allocation framework)
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 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>Our 2021 Annual Report at:</p> <ul style="list-style-type: none"> - pg 56 – pg 57 (stakeholders) - pg 59 (summary and next year) - pg 66 (Climate Coalition)

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Electricity	Alfa sources our electricity from renewable energy provider, Opus . During 2021, 100% 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.	pg 67 of our 2021 Annual Report
Our office environment and suppliers	Alfa has carefully selected suppliers and implemented various initiatives in our London office, to minimise our impact on the environment – here is a taster: <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. 	pg 66 of our 2021 Annual Report
Responsible end-of-life management of hardware	Alfa's Data and Equipment Disposal Policy covers off securely and sustainably disposing of IT equipment, including laptops. 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. The funds received by Alfa are being donated to Alfa's chosen charities and in addition, KOcycle has planted 1,000 trees on behalf of Alfa. Alfa also had a 'recycling laptops to schools' initiative in 2021.	Our 2021 Annual Report at: - pg 59 (summary and next year) - pg 66 (Policy)
Sustainable products and services	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. 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.	pg 64 of our 2021 Annual Report
Our data centres	In owned data centres, our provider has noted that 94% of our energy utilisation was from renewable energy sources. 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 .	Our Alfa Systems Cloud Hosting page

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3: 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>In respect of existing team members who may become disabled, Alfa's policy is to examine ways and means to provide continuing employment under the existing terms and conditions and to provide training and career development, including promotion, where appropriate.</p> <p>The principle of freedom of discrimination embedded within Alfa's policies generally are underpinned by our Harassment Policy and our Disciplinary Policy.</p>	<p>Our 2021 Annual Report at:</p> <ul style="list-style-type: none"> - pg 80 (Policy) - pg 123 (disability)
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 regularly reported to the Company Leadership Team and to the Board.</p> <p>Communities: Alfa has multiple employee-led communities: Inclusion & Diversity, LGBTQ+, Alfa for 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 needed, what activities are coming up and how the community can increase awareness across the company.</p> <p>Alfa using its voice: 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>Education, awareness and training: 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, 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. During 2021, Alfa delivered diversity training across a number of key groups – Inclusive Leadership, Inclusive Recruitment and Unconscious Bias training.</p>	<p>Our 2021 Annual Report at:</p> <ul style="list-style-type: none"> - pg 23 (corporate objectives) - pg 25 (I&D, communities) - pg 60 (communities) - pg 62 (I&D, Cultural Days) - pg 91 (Nomination Committee) - pg 123 (Directors' Report) <p>Our dedicated Inclusion & Diversity page</p> <p>Our blog posts including one discussing non-binary identity and announcing the launch of the Alfa for Racial Equity community</p>

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	<p>Policies: An Equality, Diversity and Inclusion Policy was published in February 2022, which aims for our colleagues to be truly representative of all sections of our society.</p> <p>Flexible Cultural Days: In celebration of diversity, Alfa is launching Cultural Days in 2022. This allows our people to swap in and out of national public holidays that might not match their particular values, beliefs or heritage.</p>	
Gender pay gap data	Statutory gender pay gap reporting can be found in our 2021 Annual Report; further detail and analysis can also be found in our 2021 Gender Pay Gap Report.	pg 63 of our 2021 Annual Report 2021 Gender Pay Gap Report
Gender diversity	30% of our people are female. 47% of our new graduates for 2021 were female and 36% of all new recruits globally in 2021 were female.	Our 2021 Annual Report at: - pg 80 (new grads) - pg 89 (breakdown)
Contractors	Of the 389 people who worked at Alfa during 2021, 1.29% 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. • A very active Alfa Wellbeing team, providing regular content and holding events with experts on various topics. • 24hr online service to access GP advice. • Peppy Health, providing support for menopause, fertility and new parents. • 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 with up to 5 paid days per year towards their own learning and development; and 4 days per year for innovation, which is open to any projects and initiatives that improve life at Alfa.</p>	pg 62 – pg 63 of our 2021 Annual Report
Retaining our people	Alfa's employee retention rate for 2021 was 87%. Breaking this down by gender, retention of females stood at 86% and retention of males stood at 88%. Of leavers across the business in 2021, 34% were women.	Our 2021 Annual Report at: - pg 37 (employee retention rate) - pg 49 (risk)

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		- pg 61 (breakdown by gender)
Engaging with our employees	<p>Employee engagement is a key priority for the Alfa Board.</p> <p>Alfa runs an employee-engagement survey (Pulse) every 2 months. The results are presented by the CEO to the Board by the COO. 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.</p>	<p>Our 2021 Annual Report at:</p> <ul style="list-style-type: none"> - pg 37 (operational KPIs) - pg 56 (board engagement) - pg 62 (townhalls) - pg 72 (how board is updated) - pg 79 (board leadership)
Accessibility	<p>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 recently carried out accessibility audits of the Alfa Systems software, part of a major internal investment initiative which fundamentally improves the overall UI and UX of Alfa Systems. A strand of this work (codenamed Mercury) was informed by the Web Content Accessibility Guidelines (WCAG). More detail of Mercury can be found in our Annual Report.</p> <p>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.</p>	pg 28 – pg 29 of our 2021 Annual Report for a fuller description of Mercury
Supplier standards	<p>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.</p> <p>Alfa aims to ensure that our contractor and sub-contractor community pay London Living Wage to those employees based in Greater London and UK Living Wage to those employees based outside Greater London.</p> <p>Next year, we will review our supplier approval process and see how we can embed more ESG factors into selection.</p>	<p>Our 2021 Annual Report at:</p> <ul style="list-style-type: none"> - pg 54 (Michigan office suppliers) - pg 59 (inter-play with UN SDGs) - pg 64 (our suppliers) - pg 66 (London café suppliers) - pg 80 (our processes) <p>Our Modern Slavery and Human Trafficking Statement 2021</p>
Data protection and customer security	<p>Alfa has maintained compliance with the following in 2021:</p> <ul style="list-style-type: none"> • SOC 2 Type II (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 45 and pg 50 of our 2021 Annual Report</p> <p>Our Alfa Systems Cloud Hosting page</p> <p>Alfa Privacy Policy</p>

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4: 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 112 of our 2021 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 79 – 80 of our 2021 Annual Report
Diversity in leadership	Alfa has 8 directors, 1 of whom is female. Within senior leadership more broadly (including the board), 17% are female.	pg 89 of our 2021 Annual Report
Responsibility; ESG Steering Group	<p>The CEO has ultimate responsibility to the Board for all ESG matters.</p> <p>Alfa's ESG Steering Group 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.</p>	pg 57 of our 2021 Annual Report

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5: RECOGNITION		
Awards	Alfa has been awarded Gold status by Investors in People .	Please refer to the 'Recognition' section our ESG page
ESG Ratings	Alfa has been rated by ESG rating agencies including ISS and CDP (formerly the Carbon Disclosure Project) (see here).	Please refer to the 'Recognition' section our ESG page