

Environmental, Social & Governance Policies

Frequently Asked Questions

Anti-corruption

Q: What anti-corruption policies are in existence in the Company?

Policies are in place to address issues covered by the Modern Slavery Act and the Bribery Act. Please refer to our most recent Anti-Modern Slavery Act compliance statement on our website at: <https://aferian.com/investors/anti-modern-slavery-statement/>

The group employee HR handbook contains policies and procedures that must be adhered to by all employees and contractors of the Group with regards to their responsibilities under the Bribery Act.

Q: How often are Company policies reviewed by the Board?

The Board reviews policies annually.

Board governance

Q: Does the Board meet sufficiently regularly?

Board meetings are scheduled throughout the year, typically 11 times a year. In addition, ad-hoc meetings are held when required to discuss specific matters. Further details on board meetings and attendance records for our most recent financial year are described in the Chairman's Governance Report (page 36) within the Annual Report FY22.

<https://aferian.com/investors/reports-presentations/>

Q: Is the ratio of Executive to Non-Executive directors imbalanced?

The Company currently has three Executive Directors and three Non-Executive Directors. <https://aferian.com/investors/board-of-directors/>

Q: Is there documented a clear understanding on the role of the Board in relation to:

- 1. Setting the strategy and objectives of the company;**
- 2. Selection and remuneration of senior staff;**
- 3. Risk management, oversight of internal controls, audits, financial statements; and**
- 4. Capital expenditure**

All the above matters with regard to the role that the Board plays in decision making are laid out in the Chairman's Governance Report (page 35), Remuneration Committee Report (page 43), and Audit Committee Report (page 47), within the Annual Report FY22.

<https://aferian.com/investors/reports-presentations/>

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Q: Does the board have the expertise / experience to further the company's objectives?

The bios of our directors, both executive and non-executive, are available to view on our website.

<https://aferian.com/investors/board-of-directors/>

Q: Are there any existent governance codes, policies or principles & are these monitored independently to ensure compliance (is there a specific resource allocated to this oversight)?

The Company has adopted the QCA Corporate Governance Code as disclosed in the Annual Report FY22. The Audit Committee is deemed independent and reviews the Corporate Governance statements and maintains dialogue with key individuals involved in the Company's governance.

The Audit Committee's terms of reference are available on the Company's website.

<https://aferian.com/investors/corporate-governance/>

Q: Is ultimate beneficial ownership disclosed by any controlling shareholders or management?

In accordance with the AIM Rules, the Company maintains details of significant shareholders (holding at least 3% of the issued share capital in the Company) on its website. This is updated every 6 months.

<https://aferian.com/investors/significant-shareholders/>

Community concerns

Q: Is customer satisfaction monitored if possible?

The Company uses a customer support ticketing system. After each ticket is resolved, the customer can complete a satisfaction indicator and optional comments on closure of each ticket. These results are monitored by senior management throughout the year and reviewed in more detail as part of the half yearly team meetings.

Q: Is there provision/mechanism for customer service feedback or complaints?

Sales and product management teams obtain feedback from customers regarding current products, new product ideas and customer service. This is conducted through quarterly business reviews and/or regular interactions with customers, comprising face-to-face meetings and online surveys.

Environment and resources

Q: Does the Company track and monitor energy and water costs and usage, and wastage?

The Company is conscious of its responsibility as a provider of electronics equipment that it has a specific duty to minimise environmental impact. This requires the Company to be fully compliant with a range of regional, national, and international guidelines on safety, EMC emissions and energy efficiency.

This extends from packaging through to the provision of devices that minimise the power consumed by consumers in the home. Currently most of the product packaging is recyclable. The Company has a target for 100% of our product packaging to be recyclable by the end of October 2021. Currently, the majority is made from recycled material, and has been designed to minimise wastage and transportation costs. Those redundant devices that are returned to the Company are recycled in compliance with WEEE regulations.

The total energy consumed by the Group's offices and services directly within its contract (i.e. – Scope 1 Green House Gas emissions) are disclosed below. The Group uses third party cloud hosting providers such as Amazon Web Services and Microsoft Azure for majority of its data centre needs.

	UK 2022	UK 2021	RoW 2022	RoW 2021	Total 2022	Total 2021
Energy use (kwh)						
Electricity	19,085	15,765	678,627	402,208	697,712	417,973
Gas	5,728	1,664	56,140	26,964	61,868	28,628
Transport fuel	-	-	-	-	-	-
GHG emissions (CO2e tonnes)						
Electricity	4.4	3.7	158.2	228.0	162.6	97.4
Gas	1.1	0.3	13.1	6.3	14.2	6.6
Transport	-	-	-	-	-	-
Intensity ratio						
Average number of employees	43	32	320	228	363	260
Total GHG emission per employee (Co2e kg)	130.1	124.0	532.0	439.5	484.7	400.3

Energy efficiency action taken include reducing the number of flights taken and encouraging train travel, and walking and cycling, where possible.

The methodology used for the UK includes TM46 Benchmarking to estimate energy consumption where actual figures are not available. For the RoW, data has been collected and reported, where available. Where not available, a reasonable approximation has been used to estimate energy usage.

Environmental & social integration

Q: Does the Company's written mission statement include any specific or general environment/social commitments?

In everything we do, we are mindful of our responsibility to ensure a diverse workforce and a positive work environment; to source responsibly through our supply chain; to reduce our impact on the planet and to engage compassionately with our communities.

We are committing 1% of our key resources - people, product, and profit - to meet 6 of the 17 United Nations sustainable development goals to help change our world. These goals have been nominated by the staff and executives across Aferian companies, as being ones that they felt most passionate about, and wished to pledge their allegiance to.

Specific goals:

- our operating companies will be net carbon zero by 2025, and our supply chain by 2030;
- post COVID, business travel will be reduced by at least 20% from pre-pandemic levels; and
- our global #futureisbright graduate programme has been expanded to champion ambitious students and drive industry innovation.

Q: Have there been measures implemented to ensure the protection of data security?

The Group runs a Product and Data Security Committee (the "Committee"), reporting to the Aferian Plc Board of Directors, which is responsible for identifying and addressing data security risks across the Group. The Committee meets monthly.

The Group uses the NIST and CIS frameworks as the basis for the Group's IT security readiness. Based on the outcome of reviews performed against these frameworks, the Group implements a continuous improvement process which is monitored by the Committee.

This process applies to Group IT facilities, Software Development Processes and software embedded in the Group's products.

IT security training is provided to all employees as part of the new employee induction process, and on an ongoing basis to embed IT security in the culture of the business.

Particular emphasis is put on access control with admin access strictly limited.

The Group uses third party tooling, directly integrated into its development processes to record all 3rd party packages and open source software used by the Group's products: this ensures that the latest versions with all security enhancements are used.

A Responsible Disclosure Policy is published on 24i.com and amino.tv websites allowing independent security researchers to share any vulnerability found in any Group product in a responsible and professional manner.

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Q: Is the delivery of the Company purposes/sustainability strategy linked to any of the recognised reporting frameworks?

We are committing 1% of our key resources - people, product, and profit - to meet 6 of the 17 United Nation's Sustainable Development Goals (UN SDGS):

1. No poverty;
3. Good health and wellbeing;
4. Quality education;
5. Gender equality;
9. Industry, innovation, and infrastructure; and
12. Responsible consumption and production.

Labour standards

Q: Does the Company promote and project a good culture, ethos and reputation publicly?

Our values are:

1. Innovation;
2. Ambition and trust;
3. Focus on customers;
4. Financially and socially responsible; and
5. Daily happiness at work

These are disclosed in more detail (page 10) within the latest annual report FY22, available on our website.

<https://aferian.com/investors/reports-presentations/>

Q: Are satisfactory gender pay ratios available, and/or have any gender targets been included within any business plans?

Gender Equality is one of the Company's 6 SDG that the Company is committing to meet. The degree of diversity within the latest employee group, by gender, is provided in the Directors Report (page 54) of the annual report FY22.

<https://aferian.com/investors/reports-presentations/>

Q: Is there a written commitment in any job postings to diversity, equality & inclusion?

We have an Equality and Diversity Statement that is included with all job advertisements. This statement reads as follows:

"We will not unfairly discriminate in the recruitment, development, promotion, or general treatment of employees on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation".

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Q: Do you have a supplier code of conduct that aligns all suppliers with your own standards?

The Company's supplier code of conduct can be found on the ESG section of our website.

<https://aferian.com/wp-content/uploads/2021/08/Aferian-supply-code.pdf>