



**AIM** ALFEN  
INTEGRATED  
MANAGEMENT  
SYSTEM

## Diversity and Inclusion Policy

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**ALFEN**  
POWER TO ADAPT

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# 1 Introduction

We promote diversity and inclusion at Alfen not just because it is the right thing to do. We promote diversity and inclusion because it's essential for delivering on the Alfen strategy.

Diversity increases our pool of potential candidates. It helps us attract and retain the best and brightest talent. It allows us to better understand different customers and technical challenges. It makes us more adaptable, helps us to avoid group-think, and contributes to disrupting the status quo.

In order to stay a step ahead, we need teams with a healthy mix of contrasting perspectives and backgrounds. These kind of teams are more creative, faster to adapt and more inventive with their solutions.

Diversity does not exist without inclusion. When employees feel included, they feel a sense of belonging that drives increased positive performance results and creates collaborative teams who are innovative and engaging. Employees that feel included are more likely to be positively engaged within the organization. Higher employee engagement drives higher levels of productivity, retention, and a company's overall success.

## 1.1 Scope

This policy is applicable to all personnel under the control of Alfen.

## 1.2 Purpose

This policy is created to promote equality, diversity and inclusion within Alfen for those of all ages, colors, race, ethnic or national origins, sexual orientation, marital and parental status, physical impairment, disability and religious beliefs. It explains what diversity and inclusion means to Alfen, why it is important and what Alfen is doing to promote it.

## 1.3 Reading Guidance

This policy document first of all describes why this policy was written and how Alfen perceives Diversity and Inclusion (D&I) in Chapter 4. The next chapter describes the practices in place. Chapter 6 places focus on and the set objectives with regards to D&I and which activities we are going to perform to achieve those. This document finalizes with monitoring and compliance of D&I.

## 2 Abbreviations & Definitions

### 2.1 Abbreviations

Abbreviation	Description
AIM	Alfen Integrated Management system
D&I	Diversity and Inclusion
HR	Human Resources
QHSE	Quality Health Safety Environment
SER	Sociaal Economische Raad (Social and Economic Council of the Netherlands)
SPARK	Alfen values: Sustainable, Partnership, Adaptive, Reliable and Knowledge

*Table 1 - Abbreviations*

### 2.2 Definitions

Definition	Description
Alfen	Alfen N.V. and its subsidiaries
Discrimination	Discrimination includes any distinction, exclusion or preference made on the basis of gender, cultural background, experience, religion, race, ethnicity, disability, family responsibility, political opinion, sexual orientation, social origin or any other status, that has the effect of nullifying or impairing equal opportunity or treatment in employment.
Diversity	The practice or quality of including or involving people from a range of different social and ethnic backgrounds and of different genders, sexual orientations, etc.
Inclusion	The practice or policy of providing equal access to opportunities and resources for people who might otherwise be excluded or marginalized, such as those who have physical or mental disabilities and members of minority groups.

*Table 2 - Definitions*

## 3 References

### 3.1 AIM Documents

Ref.	Document Title	AIM Document Number	Extern Document Number
[101]	Code of Conduct	AIM-HRM-GEN-2.02-02-POL-04	
[102]	Supplier Code of Conduct	AIM-QHSE-GEN-2.02-03-POL-14	
[103]	Whistle blower policy	AIM-HRM-GEN-2.02-02-POL-12	
[104]	SPARK values	AIM-QHSE-GEN-2.02-02-POL-02	
[105]	Disciplinary Policy	AIM-HRM-GEN-3.01-01-MA-02-004	
[106]	Employee Handbook	AIM-HRM-GEN-3.01-01-MA-02	
[107]	QHSE & Sustainability Objectives and Performance Indicators	AIM-QHSE-GEN-2.02-03-RE-01	

Table 3 – AIM Documents

### 3.2 External Documents

Ref.	Document Title	Alfen Document Number	Extern Document Number
[201]	Guidance on Social Responsibility		ISO 26000:2010
[202]	Guiding principles on business and human rights		UN (Ruggie principles)
[203]	Dutch Corporate Governance Code		
[204]	Diversity Policy Supervisory Board and Management team		Alfen Supervisory Board 0111569-0000010 AMCO:9633672.4
[205]	Diversiteit in de top: Tijd voor versnelling		SER advies September 2019 (Publieksversie)
[206]	De wet 'Evenwichtiger verhouding van zetels tussen mannen en vrouwen in bestuur en raad van commissarissen' (the "Act")		

Table 4 – External Documents



## 4 Diversity and Inclusion policy

### 4.1 Why this policy?

D&I helps to position Alfen on the labor market as a 'employer of choice'. In addition, it contributes to the intellectual and financial capital of Alfen through improved productivity and sustainable innovations. Finally, D&I contributes to the sustainable development goals (SDG): decent work and economic growth, which is one of our selected SDG's of the Alfen CSR strategy.

### 4.2 Diversity

Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, and other characteristics that make our employees unique.

References: [201], [202].

### 4.3 Inclusion

At Alfen we value inclusion and we encourage people to bring their whole selves to work. We foster a culture of inclusion and equality, where people feel comfortable expressing their thoughts, to gain shared insights and develop innovative solutions, to ultimately create value for our customers, our shareholders and also our employees. It's simply part of who we are as reflected in our SPARK values and behaviors.

Reference: [104]

### 4.4 Alfen's position towards discrimination

Alfen denounces all forms of discrimination. Discrimination is when a person is treated differently or excluded, for example from a job opportunity, because of their race, gender, religion, cultural background, ethnicity, sexual orientation, disability, political opinion, family responsibility, age, social origin or any other status. It has the effect of nullifying or impairing equal opportunity. Alfen has measures in place to prevent discrimination towards customers and employees. These include our Code of Conduct and whistle blower policy, which expects all employees to create and maintain a safe working environment and to speak up and report misconduct. We make a conscious effort to include all.

References: [101], [103], [106]



## 5 Practices

This chapter describes the D&I practices within Alfen.

### 5.1 Recruitment and selection

We strive to hire a workforce as diverse as the communities in which we operate. This applies to all employment opportunities, like job rotation or promotion or even demotion. All is done based on performance criteria as discussed and agreed upon with the respective employee. The performance criteria are related to the job content and required competences and behavior.

### 5.2 Performance and Appraisal

At Alfen, the only valid criteria for appraisal are performance and behavior, measured using objective criteria. Nobody employed by Alfen should ever have cause to wonder whether they are being judged for anything else.

Differences in gender, age, background, sexual orientation, physical ability and religious beliefs enable us to solve problems and respond to challenges in different ways. We celebrate these differences, harnessing them to seize new opportunities. They will never form the basis for decisions about who we hire, who we fire, and who we promote. These decisions are based upon knowledge, experience, performance and behavior of the respective employee.

### 5.3 Compensation and Benefits

The remuneration of the Alfen employees is based on performance and the experience related to that function.

### 5.4 Professional development and training

All employees, irrespective of their background, are encouraged to apply for any position or training that fits their skill and experience.

#### 5.4.1 Cognition

Within the Alfen management development program, efforts have been made to create awareness about the added value of having different qualities and talents among employees. And the importance of a diverse team in terms of age and experience. We have created this awareness through, among other things, the broad use of the DISC methodology. The DISC methodology provides insight into the personal motivations of people and shows how those motivations affect teams and as such the Alfen organization.

## 5.5 Diversity and succession planning

### 5.5.1 Management Board and Supervisory Board

As per the Dutch Corporate Governance Code, the Management Board and the Supervisory Board are composed as such that the requisite expertise, background, competencies and – as regards the supervisory board independence are present for them to carry out their duties properly. The size of these two bodies reflects these requirements.

The Supervisory Board values and promotes diversity in the Management Board and the Supervisory Board, and also in Alfen as a whole. The Supervisory Board recognizes that differences in skills, experience, background, nationality, age, race, gender, sexual orientation, religious beliefs, physical ability and other characteristics of people are important and enable both the Management Board and the Supervisory Board as well as Alfen as a whole to look at issues and to solve problems in a different way, to respond differently to challenges and to take more robust decisions. All these different skills and backgrounds reflect the diverse nature of the environment in which Alfen and its stakeholders operate, and improve the effectiveness through diversity of approach and thought. Diversity furthermore drives innovation, and accelerates growth. It enables Alfen to attract and maintain the best talented people.

Both the Supervisory Board and Board of Directors do meet the quota as prescribed by Section 2:166 of the Dutch Civil Code, wherein it has been laid down that there should be a balanced distribution of men and women in the Supervisory Board as well as in the Management Board, whereby at least 30% of the seats will be occupied by men and at least 30% will be occupied by woman. Alfen's objectives are that in case of changes in the supervisory board or board of directors, the current objective is to maintain compliance towards this quota.

References: [203].

### 5.5.2 Management Team

In September 2019 a SER advice was published triggering upcoming legislation dealing with gender diversity and cultural diversity in the supervisory boards, management boards and management teams of Dutch companies. In 2021, the Act came into effect. This legislation is an addition to the already existing diversity requirements as stated in the Dutch corporate governance code and aims to a wider audience regarding the diversity requirements including management team functions. This legislation is also applicable to Alfen for its supervisory board, management board and management team.

The management team functions in Alfen are fulfilled by people different in gender, age, background, sexual orientation, physical ability and religious beliefs. Main criteria for a management function is the proven experience and expertise to fulfil such position.

Where searches for appointment of management team members are conducted by Alfen or by recruitment companies, they will identify and present a long list of candidates who are considered to meet the essential criteria for the relevant vacancy, taking into account the principles of this diversity policy.

The Management Board will consider suitably qualified candidates for positions from as wide a pool as appropriate, whose skills and experience will add value to Alfen.

The Management Board commits itself to diversity, when selecting new candidates for Management Team functions. At the same time, the Management Board aims for retaining the balance in the requisite expertise, experience and diversity.

Reference: [205], [206].

### 5.5.3 Workforce

For our workforce the same applies as for the management. For functions where no specific requirements are prescribed we are open to everyone. The only criteria there are a positive attitude towards work and diversity.

## 5.6 Layoffs; terminations

In the unlikely case of lay-offs (collective redundancies), the relevant rules and regulations and best practices will be followed of the country where this unlikely event may take place.

## 5.7 Social and recreational programs

To promote inclusion, we have various employee networks and employee-led diversity initiatives bringing colleagues together who want to make a difference. The purpose and aims of these Alfen sponsored employee resource groups are aligned with Alfen's SPARK values and strategy.

## 5.8 Ongoing development of a work environment

Alfen is committed to shaping its activities and operations within a framework of proper standards and values, while fully complying with all applicable laws and regulations. Observing these matters is not only essential for maintaining the positive reputation of Alfen and its staff members, it also represents the values that are important to Alfen itself.

The Alfen core values are summarized as SPARK:

- Sustainable
- Partnership
- Adaptable
- Reliable
- Knowledge

Reference: [104].

## 6 Objectives

Based on the Act, Alfen is obligated to indicate target figures for the sub-top (senior management positions) of the organization next year and report on this to the SER at the end of each calendar year.

In the coming years (2022-2025), we will focus more on the physical dimensions and values, partly inspired by the social discussions and current legislation in the field of male/female ratio such as laid down by the Act and the disabled, the social discussions surrounding racism and the SPARK values of Alfen.

The yearly objectives will be laid down in the QHSE & CSR Objectives and targets document

Reference: [107]

## 7 Compliance

### 7.1 Implementation and compliance audits

This Diversity policy describes the expected tolerance and openness to others within Alfen. More specific behavioral rules may be defined in documents such as code of conduct for staff members. Should any discrepancy exist between these general rules and more specific rules, then the latter prevails. This diversity policy applies generally and worldwide.

Reference: [101].

### 7.2 Monitoring

The topic Diversity and Inclusion falls under the responsibility of the CFO. HR is responsible for the implementation of the Diversity and Inclusion Policy. The Manager HR reports annually to the CFO and subsequently the Supervisory Board on the progress, developments, the initiatives taken and achieving the objectives.

### 7.3 Disciplinary Measures

Alfen will take appropriate (disciplinary) measures for each violation of this Diversity and Inclusion policy. In such a process, Alfen will act carefully and thoroughly and observe founding principles. All documentation in this regard is added to the personal file of the relevant staff member, while observing relevant laws and regulations.

Reference: [105].

### 7.4 Complaints

In case an employee has a complaint regarding an issue which is against this policy, the basic principle is that the employee first make a report internally. The employee can internally report (a suspicion of) an (imminent) abuse, and irregularities to:

- their manager
- the senior manager (CEO)
- the Confidentiality Counsellor

See the employee handbook for details of the Confidentiality Counsellor

Reference: [106].

### 7.5 Review and update

The Board will review this Policy and report on the effectiveness on a yearly basis with the SER.