

# ALPHA

*INNOVATIONS*



## SOCIAL, ENVIRONMENTAL AND GOVERNANCE IMPACT REPORT 2022





## BEYOND ADDED VALUE, LET'S ADD VALUE TO OUR MISSION!

Alpha Innovations, member of CE+T Group, is a Belgian technology company specializing in the design and development of power supply and energy monitoring solutions for electro-intensive sectors. We are a tailor-made solutions provider, and we help our clients ensure the sustainability and resilience of their infrastructures. We support them in securing their energy needs, and we put our expertise at the service of controlling the associated costs.

We are aware that energy plays a crucial role in the origin, present and future of our societies. Energy is a major issue in the environmental and climate crisis. It is also a lever for social justice and prosperity. This is why we want to put all our dynamism, creativity and ambition at the service of building a peaceful future, through our products and our operations, while protecting the health and well-being of the people who work with us and around us. In this sustainability report, we focus on four important areas, in which our company can, with the help of its customers and partners, contribute to creating a positive impact on people, the environment and the economy.



TEAM  
WELL-BEING

SUSTAINABLE  
PRODUCTS & SERVICES

ENVIRONMENT

RESILIENCE  
& IMPACT

# ABOUT THE REPORT

This report is the first official publication of our social responsibility commitments. This report has been prepared with reference to the 2021 standards of the Global Reporting Initiative (GRI), without aiming for compliance. It covers Alpha Innovations' activities for the 2022 fiscal year. In this first report, we define our ambitions and our commitments for the years to come.

As our sustainability performance indicators were set in 2022, we have yet to start really measuring. Therefore, this report will contain material prior to the reporting period (2022)<sup>1</sup>. These elements are considered relevant for understanding our approach and our current level of maturity. The reporting cycle is annual. The next publication will be released in early 2024 and will focus on Alpha Innovations' sustainability achievements and performance in 2023.

All our publications are available on our website: [www.alphainnovations.eu](http://www.alphainnovations.eu). You can request any other information regarding our sustainability approach at the following email address: [lbouveroux@alphainnovations.eu](mailto:lbouveroux@alphainnovations.eu).



<sup>1</sup>These elements are from the years 2020 and 2021.



# CONTENT

<b>ABOUT THE REPORT</b>	<b>3</b>
<b>MESSAGE FROM THE CEO</b>	<b>5</b>
<b>1. ABOUT ALPHA INNOVATIONS</b>	<b>6</b>
1.1. WHO ARE WE	7
1.2. OUR VALUES	9
<b>2. OUR SUSTAINABLE DEVELOPMENT APPROACH</b>	<b>10</b>
2.1. OUR GLOBAL APPROACH	11
2.2. 2SUSTAINABLE DEVELOPMENT GOALS	13
2.3. OUR ROADMAP TO 2026	14
<b>3. OUR COMMITMENTS &amp; OUR ACHIEVEMENTS 2020-2022</b>	<b>18</b>
3.1 WELL-BEING OF OUR TEAM	19
3.2 SUSTAINABLE PRODUCTS & SERVICES	24
3.3 ENVIRONMENT	29
3.4 RESILIENCE & IMPACT	33
<b>4. METHODOLOGY NOTE</b>	<b>36</b>
4.1. STAKEHOLDER INCLUSION NOTE	37
4.2. MATERIALITY METHODOLOGY NOTE	39
4.3. CARBON FOOTPRINTING NOTE	41
4.4. CORRELATION TABLE	42

# MESSAGE FROM THE CEO

At the start of this project: a team. A desire to make a difference, despite our size. We are convinced that if our country has more than one million SMEs<sup>2</sup>, together we can have a real impact.

The youngest employees who have joined us have brought with them values, a vision of our role as a company within a community, on a hyper-connected planet, which have fueled our ambitions.

In small steps, they began to modify obsolete practices with regard to planetary issues. This way, we have moved from coffee capsules to fair trade beans, from plastic packaging to recycled cardboard, from the purchase of new furniture to the renovation of our old furniture and, above all, to the optimization and intelligent control of our energy consumption.

Our CSR (Corporate Social Responsibility) approach therefore really started from our team and from the desire to structure these individual approaches into a real collective momentum. The enthusiastic and motivating support that we received from Smart2Circle, our partner in this adventure, has also been the binder of all the driving forces to achieve an effective approach: a plan, deadlines, actions, clear responsibilities and values shared by an entire team.

We very quickly realized that without methodology, without measurement, we risked missing out on essential actions. The first step in our environmental approach was therefore to measure our carbon footprint<sup>3</sup>. This project was really an engaging and mobilizing one for our team! So many analyses and concatenations of data that inspired many reflections in the process. And a result, important and without appeal: 300,000 tonnes of CO<sub>2</sub>e per year. 300,000 round trips from Brussels to New York by plane. 1,000 per day.

A colossal impact, on which until now we had only worked on... the small percentage which concerns our greenhouse gas emissions from the scopes 1 and 2. This concept was a big discovery for us! The "emission scopes", or what makes the difference between image and action. Those that are «easy» to tackle, and the one that governs your entire business model.

Let me explain. We are a company that develops, designs and produces electrical energy conversion systems. Our team of 44 people generates around 3,000 tonnes of CO<sub>2</sub>e through their travels, energy consumption, transport of goods, and purchases. And despite the outsourcing of part of our production to China or Eastern Europe, which not only generates maritime, road and sometimes air transport, but also the use of very carbon-intensive energy at the stage of production, this impact is only a small portion compared to the impact of the use of our products during their lifetime by our customers.

We took a hell of a slap. These results have enabled us to put our actions into perspective, to review our priorities and, above all, to speed up reflections that we thought were essentially of a financial impact. The energy efficiency of our products must be at the heart of our concerns, as must their eco- design. The partnerships with our customers must be as close as possible, in order to determine the most correct size of the products which will, for two decades, consume electricity throughout the world.

Avoid oversizing, rethink current technologies which until now have paid little attention to their impact on our earth's resources. Removing image constraints in favor of sustainability, moving from luxury to essentials. Also train our customers in proper use of the products, as well as monitoring of use and wear, in order to minimize losses.

These fundamental reflections on our environmental impact have naturally percolated into our operating methods. Innovative developments, customer service, quality, respect of deadlines, while being concerned about our impact on natural resources are part of the values of our company **Safety – Quality – Communication<sup>5</sup>**.

In reference to this last value of communication, it was important for us, through this annual report, to communicate our strategy, our ambition and our progress in the context of our social responsibility to our stakeholders. Alpha Innovations has always aimed, through its quality products and solutions, to bring added value to its partners. We want, beyond that, to bring them our values, human and responsible.



*More than added value,  
let's add values to our mission!*



**United Nations  
Global Compact**

Through this first sustainability report, I am pleased to confirm that Alpha Innovations reiterates its support for the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment and the fight against Corruption.

**Sophie Trignon - Chief Executive Officer**

<sup>2</sup> <https://economie.fgov.be/fr/themes/entreprises/pme-et-independants-en/statistiques-relatives-aux-pme>

<sup>3</sup> In compliance with the Bilan Carbone® and Greenhouse Gas Protocol (GHG Protocol) standards.

<sup>4</sup> For more information on emission scopes, see point "4.3. Note on the achievement of the carbon footprint.

<sup>5</sup> For more information, see point "1.2. Our values".



**1**

## **ABOUT ALPHA INNOVATIONS**

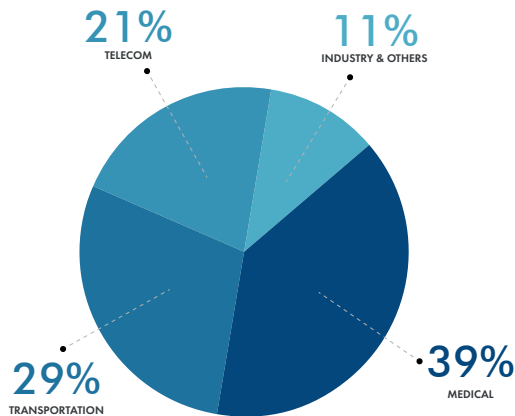
## 1.1. WHO ARE WE

Taken over by its management in 2017, Alpha Innovations SA is a Belgian technology company based in Louvain-la-Neuve. We develop power systems (power supply and electrical converters), custom-made electrical cabinets, particularly for the railway sector, as well as customizable monitoring and centralized data management software.

In 2019, we joined forces with CE+T Energrid, CE+T America, CE+T Power and JEMA, which allowed us to strengthen our presence in the world and to share our knowledge and experience with our peers. Together, we form the CE+T Group, an alliance of independent companies with 300 employees, focused on a common mission: to provide energy solutions that help improve efficiency, and reduce our customers' costs and carbon footprint.

Our customers operate all over the world and come from very different sectors. However, they have in common the same need for reliability and quality: their activities cannot be interrupted. We serve four main markets: rail transport, the energy industry, hospitals and telecommunications.

BREAKDOWN OF TURNOVER IN 2022



## OUR COMMITMENTS TO OUR CUSTOMERS

### Innovation

We rely on continuous learning and rapid decision-making to constantly evolve and provide the right solutions. With 25% of our workforce dedicated to R&D, we constantly invest in creating innovative solutions.

### Quality

From the design to the manufacturing of our solutions, continuous improvement is key. We are certified ISO 9001-2015, and we make sure to collaborate with partners guaranteeing the same level of quality requirements. Our goal is to get as close as possible to a failure rate of 0%, and we are not far away.

### Cost-effective

We imagine solutions to reduce the total cost of ownership: reduce energy losses, avoid multiple conversions, integrate renewable energies and facilitate maintenance... So many good practices that are an integral part of our DNA.

### Flexibility

We provide customized solutions that meet the needs, markets and standards of our customers. Our solutions are designed to be adapted, improved and updated in order to extend their lifespan. Flexibility is also found within our team and our working methods.

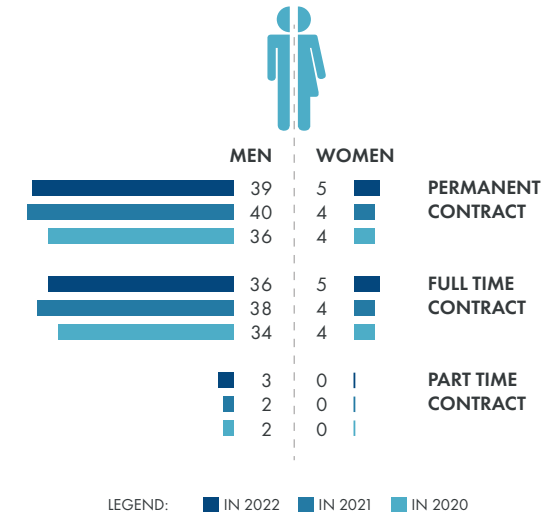


## OUR TEAM

The success of Alpha Innovations comes in particular from its 44 employees. These women and men are the lifeblood of our company. Despite the successive crises we have experienced in recent years (COVID-19, supply of electronic components and materials, energy), we are proud to have succeeded in creating +10% new jobs in 2021, and to have maintained them in 2022. We are also particularly happy to have been able to ensure the continuity of know-how, through targeted mentoring, despite the numerous retirements of our most experienced employees..

The breakdown of our team members is as follows<sup>7</sup>:

DISTRIBUTION OF OUR TEAM MEMBERS



<sup>7</sup> All people are employed in Belgium and the Full Time Equivalent (FTE) methodology was used to report the number of employees. Fixed-term contracts and non-guaranteed hours are not applicable.

## OUR ACTIVITIES AND AREAS OF EXPERTISE



### Diagnosis & Analysis

Our experts pay particular attention to supporting customers and future customers in defining their needs: an essential step in designing the most suitable and sustainable solution. Taking into account current and future needs, we formulate clear recommendations, calculate the costs and adjust our offer until we find the best solution.



### Integration

We offer complementary assembly and integration services. Our highly qualified technicians have solid experience in complex assemblies, both of our own solutions and of existing equipment at our customers. Our «turnkey» integration of racks or cabinets allows our customers to rely on our expertise, from the purchase of components to cabling and testing.



### Facility

Correct installation is essential to ensure a perfect solution. Our team supports customers during the on-site installation of our solutions: preparation, acceptance tests on site or in the factory, as well as commissioning.



### Repair

Our team is committed to providing comprehensive repair service during and after the warranty period, up to more than 30 years. We also put our skills at the service of extending the life of our customers' equipment by providing repairs for even the oldest products.



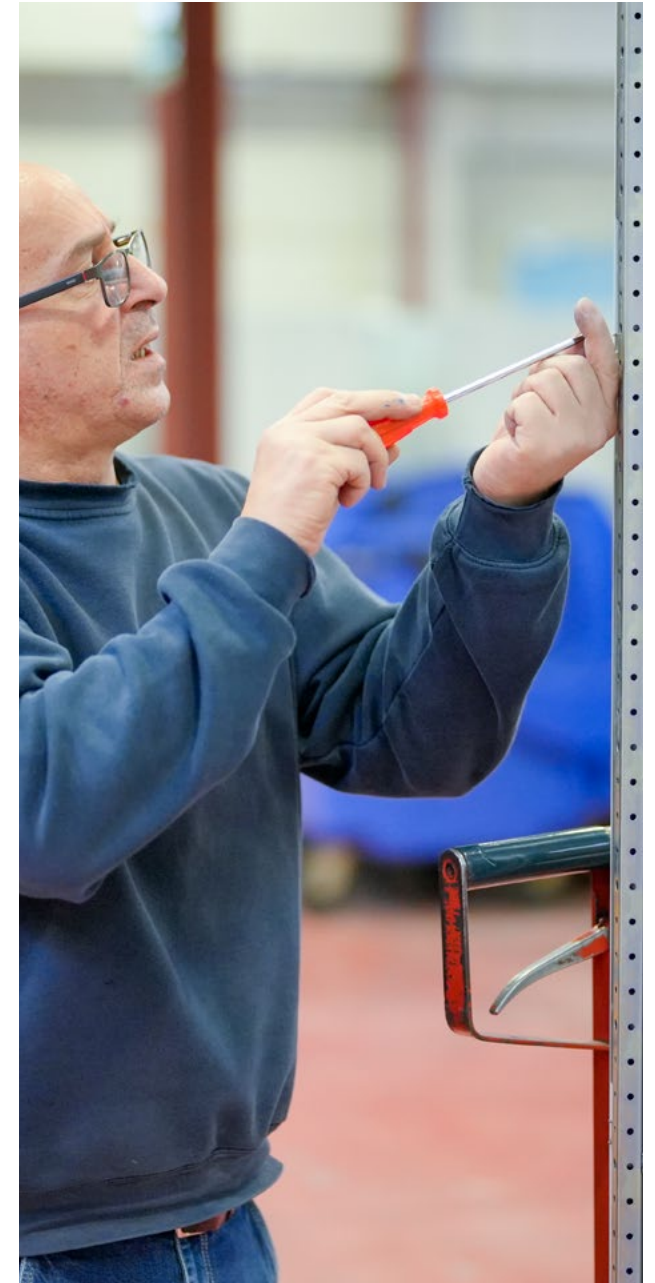
### Maintenance

We ensure the continuity and optimal operation of our customers' facilities. Maintenance contracts can be tailored to on-site maintenance teams and specific customer requirements. Our monitoring software, and its management tool, encourage preventive maintenance in order to avoid malfunctions and the degradation of equipment, but also displacements and improperly replaced precautionary measures.



### Trainings

Upon request, we can provide hands-on training to end-user personnel or service providers to familiarize them with the equipment developed for them, in order to avoid errors and reduce installation and maintenance costs.





## 1.2. OUR VALUES

We have defined three fundamental values for Alpha Innovations: Safety, Quality and Communication.

Whatever changes are made to our organization, to our sector, to meet the challenges of tomorrow, no concessions can be made on the respect by our solutions of the strictest international **Security** standards, whether for our products, the safety of our team, or that of the employees of our suppliers, customers and partners. If we collaborate with a new supplier with the aim of reducing the distances travelled, it must meet the same requirements in terms of compliance with the safety standards for the products manufactured and the workers that they employ.

The **Quality**, the modularity and smartness of our solutions are differentiating factors. Alpha Innovations has always favored the co-development of technical solutions in close partnership with its customers, suppliers, research centers and universities, in order to adapt them as closely as possible to the needs of end-users. By working in a modular and customized way, we produce upon order, and thus avoid the waste of make-to-stock production. The demanding markets<sup>9</sup> that we serve promote durability, reliability and reparability since their infrastructure systems must be maintained in service for decades. Our repair department scrupulously preserves the diagrams, software and original parts to serve this purpose.

Finally, the **Communication** is an essential part of our corporate culture. Transparency, both on our prices, our practices, our strategic choices and on the technical documentation of our products and solutions, ensures our team, our group, our customers, suppliers and partners, a privileged relationship. Our responsiveness also requires an efficient internal communication system, facilitated by teamwork without silos.



A man in a white lab coat is pouring water from a stainless steel kettle into a blender. On the table in front of him are several pieces of fruit, including apples and oranges. The background features a large abstract painting with wavy lines in shades of green and yellow. The entire scene is overlaid with a white diamond-shaped graphic that contains the text.

**2**

**OUR APPROACH  
TO SUSTAINABLE DEVELOPMENT**

## 2.1. OUR GLOBAL APPROACH

The objective of a sustainability report is to provide a global and transversal overview of the declaring company and its performance in terms of social responsibility.

In this first report, we wish above all to give an overview of the genesis of our strategy and to define solid foundations on which we can build our ambition for the years to come.

These foundations are our **material topics** with regard to sustainable development. Identifying these topics is a particularly crucial step that must be carried out with methodology, openness and humility.

### ● #1 Identification of relevant topics

- EcoVadis' evaluation criteria
- Benchmark analysis (suppliers and customers)
- Financial materiality defined by SASB Standard
- Brainstorming with the CSR Strategy project team
- Collaborative workshops including all staff

### ● #2 Identification of significant economic, social and environmental impacts of the company's activities

- Assessment of the positive and negative impacts of our entire value chain based on the 17 Sustainable Development Goals, in close collaboration with the experts of Smart2Circle.

We are aiming for **continuous improvement** of our sustainable performance, but also of our methodology and our reporting practices. We identify the periodic and in-depth consultation of our stakeholders, particularly external ones, as one of the main levers of this continuous improvement. In the years to come, we want to intensify the dialogue with our stakeholders.

1

2

3

4

### ● #3 Assessment of the materiality of the significant economic, social and environmental impacts of the activities

- Assessment by a Strategic Committee<sup>10</sup> of the importance of the topics based on their current or potential level of impact on the activities of Alpha Innovations, and on the viability of the company.

### ● #4 Identification and consultation of stakeholders

- Mapping of internal and external stakeholders drawn up by the CSR Strategy project team, in close collaboration with the experts of Smart2Circle.
- 15 stakeholders have been identified, of which 4 are key Consultation of internal stakeholders via an online survey

For more information on this process, please consult "4. Methodology note".

<sup>10</sup> For the composition of the Strategic Committee, see point "4.2. Methodological note of relevance".

# LIST OF RELEVANT TOPICS



## TEAM WELL-BEING

- STAFF HEALTH AND SAFETY
- TRANSMISSION AND CONTINUITY OF KNOW-HOW
- PERSONAL DEVELOPMENT WITHIN THE COMPANY
- INNOVATIVE AND PARTICIPATORY GOVERNANCE



## SUSTAINABLE PRODUCTS & SERVICES

- PRODUCT QUALITY AND SAFETY
- PRODUCT LIFE CYCLE MANAGEMENT
- RESPONSIBLE INNOVATION
- HIGHLIGHTING PRODUCTS, SOLUTIONS AND EXPERTISE



## ENVIRONMENT

- ENERGY MANAGEMENT
- CLIMATE CHANGE AND OTHER ENVIRONMENTAL IMPACTS



## RESILIENCE & IMPACT

- ANTICIPATION AND CONTROL SUPPLY CHAIN CHALLENGES
- COMPANY RESILIENCE AND LONGEVITY
- BECOME AN INSPIRING COMPANY

## 2.2. SUSTAINABLE DEVELOPMENT GOALS

The **Sustainable Development Goals** (SDG) define the five major pillars of sustainable development: people, planet, prosperity, peace and partnership. It is an “universal compass” that points the way to a better world for all human beings. It is also a clear call to all levels of power and to all types of organizations, everywhere in the world, to tackle the challenges of sustainable development and mobilize resources to contribute to it.

The “17 SDGs” were adopted in 2015 by all Member States of the United Nations, as part of the 2030 Agenda for Sustainable Development. Each SDG is crucial. All are intimately linked.

During the development of our sustainability strategy and our roadmap to 2026, we have relied on this international framework on three occasions:

- (1) To assess our positive and negative impacts along our value chain<sup>11</sup>;
- (2) To carry out an initial verification of the relevance of the topics identified internally; if our primary SDGs<sup>12</sup> are not in the topic list, we know that some important impacts have been omitted;
- (3) To improve the territorial anchoring of our sustainable strategy; our region, Wallonia, has adopted a sustainable development strategy<sup>13</sup> articulated around the 17 SDGs to which we want to contribute<sup>14</sup>.

## SUSTAINABLE DEVELOPMENT GOALS



**SDG 3** • DHealth risks, both physical and psychosocial, exist for our team. In response, Alpha Innovations is proactively investing in the area of health and safety at work. It is also our responsibility that the legislation on electrical risks and on chemical products are respected in our solutions.



**SDG 7** • Firstly, we strive to control and reduce our own energy consumption. Secondly, the products sold by Alpha Innovations require a lot of electricity to operate and we are working to improve their efficiency.



**SDG 9** • Alpha Innovations invests in the modernization and sustainable transition of its own facility. Alpha Innovations’ solutions also have the potential to make critical infrastructure more resilient and sustainable. Innovation and R&D are at the heart of our business.



**SDG 12** • Alpha Innovations cares about the social and environmental impact of its solutions, as well as the sustainability of its supply chain. The circular economy, both in terms of the design and end-of-life of our products, and the development of new business models, is a tool with very high potential for us.



**SDG 13** • The carbon footprint of the value chain (scope 3) of Alpha Innovations is significant. Through the implementation of action plans aimed at limiting the climate impact of its activities, Alpha Innovations is committed to contributing to carbon neutrality by 2050.



**SDG 15** • The technology sector consumes a lot of resources, and is thus highly dependent on the mining industry. The extraction and processing of raw materials is very polluting (air, water, soil) which has a direct negative impact on biodiversity. WEEE<sup>15</sup> may contain substances toxic to the environment. Alpha Innovations focuses its strategy on the durability, reparability and eco-design of its products.



**SDG 16** • Alpha Innovations wants to move towards participatory governance. Communication and transparency are part of our values and goals. Regarding the supply chains, the “conflict minerals” represent a significant risk for the respect of Human Rights to which we are particularly attentive.

<sup>11</sup> For more information on our analysis, see point “4.2. Methodology note of relevance”.

<sup>12</sup> That is to say the SDGs on which we have the most impact, both positive and negative.

<sup>13</sup> The 3rd Walloon Sustainable Development Strategy (SWDD), entitled “Together towards the Sustainable Development Goals!” was adopted in September 2022 by the Walloon Government.

<sup>14</sup> For more information, see point “4.4. Correlation table”.

<sup>15</sup> Waste from electrical and electronic equipment

## 2.3. OUR ROADMAP TO 2026<sup>16</sup>

Our roadmap summarizes the commitments we have made to contribute to our 13 material topics with regard to sustainable development. These commitments set our course for the next four years. Our commitments are formulated in the form of quantified and dated goals. The progress is to be monitored through the performance indicators.

MATERIAL TOPICS	COMMITMENTS	TARGET	DEADLINE	KEY PERFORMANCE INDICATORS (KPI)
Energy management	Reduce our energy consumption on the site (compared to 2020) <sup>17</sup>	20%	2024	kWh of grid electricity, kWh of natural gas
	Increase the renewable energy share in electricity consumption <sup>18</sup>	90%	2024	kWh of self-consumed photovoltaic electricity
Climate change and other environmental impacts	Reassess the carbon footprint every 3 years (reference year 2020)	/	2024	tCO <sub>2</sub> e emitted
	Reduce our scope 1 – 2 GHG emissions (compared to the reference 2019 <sup>19</sup> )	42%	2030	tCO <sub>2</sub> e emitted
	Measure and reduce our scope 3 GHG emissions	30%	2030	tCO <sub>2</sub> e emitted
	Reduce the volume of our waste	20%	2024	tons of waste generated by type of waste
	Cover part of our water needs by collecting rainwater	30%	2026	Liters or m <sup>3</sup> of tap water/rainwater consumed
	Increase the proportion of staff who use low-carbon mobility	20%	2026	km traveled / year / pers. by mode of transport
	Study the feasibility of vegetation projects of the site	1	/ year	number of projects completed

<sup>16</sup> Excluding greenhouse gas emission reduction targets (2030 horizon, in accordance with SBTi).

<sup>17</sup> Electricity and natural gas.

<sup>18</sup> In 2021, 82,718 kWh were produced and consumed via the photovoltaic panels installed in 2020 (75%) and 26,249 kWh were purchased from the grid (24%). Source: Bilan Carbone© 2020 report.

<sup>19</sup> Predefined SBTi reduction target for SMEs.

MATERIAL TOPICS	COMMITMENTS	TARGET	DEADLINE	KEY PERFORMANCE INDICATORS (KPI)
Staff health and safety	No work accident on our site nor in external intervention	0	/ year	number of work-related accidents and injuries by severity category
Personal development within the company	Enable our talents to flourish through company- supported in- trapreneurship projects	1	2026	number of spin-offs launched
	Organize teambuilding moments for our teams	2	/ year	number of teambuilding activities per year
	Our staff benefits from an annual 360° assessment and a career development plan	100%	/ year	percentage of staff benefiting from an annual appraisal and a career development plan
Transmission and continuity of know-how	Train staff members to be able to train others	30%	2024	number of people trained
	Increase the days of continuing education for our team	5 days	2024	number of training days per person per year
	Train the next generation by welcoming interns	1	/ year	number of trainees supervised per year
Innovative and participative governance	Creation of a "participatory governance" working group that will draft the Holacracy constitution and set up the circles	/	2023	Holacracy constitution 100% validated and circles in place
	Improve the frequency and quality of our staff general meetings	6	/ year	number of general meetings organized per year
	Our teams really feel involved in the governance of the company	90%	2024	perception of employees (annual anonymous survey)

MATERIAL TOPICS	COMMITMENTS	TARGET	DEADLINE	KEY PERFORMANCE INDICATORS (KPI)
Responsible innovation	Increase the proportion of women in our R&D, engineering and technical functions (currently 10%).	20%	2025	gender distribution by function
	Promote STEM studies and professions among girls	2	/ year	number of actions carried out
	Dedicate time to responsible innovation	3 days	/ year	hours of "responsible innovation" training/activities per engineer
	Forging partnerships aimed at responsible innovation	1	/ year	number of partnerships (industrial, research, etc.) aimed at responsible innovation
Product quality and safety	Analyze and reduce the rate of returns	20%	2025	number of product returns under warranty
Highlighting products, solutions and expertise	Turnover achieved in new markets with high added value	20%	2026	increase in turnover achieved by end market
	Continuous training on products, services and solutions for all sales representatives every year	15h	/ year	hours of training on the company's commercial offer
	Set up an active customer listening process	1	/ year	compilation of an annual report by customer with an action list
Product life cycle management	Train our engineers in eco-design (continuous education)	24	2023	hours of training / year / person
	Analyze our solutions and main products in order to gradually bring them an eco-design approach	100%	2025	percentage of existing products reviewed from an eco-design perspective
	Train our customers and involve them in the life cycle management of our products (including optimal use)	1	/ year	concrete action of collaboration with a customer in order to reduce cosmetic waste



MATERIAL TOPICS	COMMITMENTS	TARGET	DEADLINE	KEY PERFORMANCE INDICATORS (KPI)
Anticipation and control of supply chain challenges	Gradually bring our production closer to end-users	X <sup>20</sup>	2026	km traveled between production site and customers
	Increase the share of our purchases made in Europe	50%	2026	share of expenditure by continent
	Engage our suppliers in a more sustainable collaboration	100%	2024	% of suppliers adhering to the supplier code
Company resilience and longevity	Profitability of the operating process (EBITDA <sup>21</sup> minimum)	7%	/ year	EBITDA
	Monitor the profitability of each project produced	100%	2024	projects analyzed
Become an inspiring company	Publish our sustainable development report every year	/	2023	annual publication of our CSR report, annual Communication on Progress (UN Global Compact)
	Inspire our stakeholders (group, customers, staff, suppliers, etc.)	4	/ year	number of experience sharing actions

<sup>20</sup> The issue of relocation is complex. As this objective is very dependent on many factors beyond our direct control (re-creation of sectors, availability of skills, existence of potential partners who meet quality requirements, etc.), we prefer not to set a quantified goal at this stage.

<sup>21</sup> EBITDA is an American management ratio that measures the financial profitability of a company's operating cycle, independently of its financing and investment policy. EBITDA stands for «Earnings Before Interest, Taxes, Depreciation and Amortization».



**3**

**OUR COMMITMENTS  
& ACHIEVEMENTS 2020-2022**



## 3.1

### WELL-BEING OF OUR TEAM

Our team is the brain of our business. Thanks to their knowledge, passion and team spirit, our employees contribute to developing solutions that make our strategy a success. The future of Alpha Innovations lies in them because their quality work, guided by our values, impress our customers. We must take care of them and allow them to express their full potential.



## MATERIAL TOPICS

### Staff health and safety

Guarantee the good health of our teams, in particular through the identification, prevention and reduction of physical (electrical, ergonomics, physical inactivity, etc.) and psychosocial (stress, exhaustion, mental health, etc.) risks to which they are exposed.

### Transmission and continuity of know-how

Recruit, support and develop the skills of the new generation while promoting the talents of our colleagues at the end of their careers, so that they keep the pleasure of working until the last day. Ensure that key skills remain within the company and maintain collaboration between the different business units without creating silos.

### Personal development within the company

Retain, nurture and develop our talents through effective and dynamic internal communication, the quality of work relations, the development of skills and intrapreneurship, and team management in line with the expectations of its members.

### Innovative and participatory governance

Implement progressive, supportive and inclusive management practices, in order to promote well-being at work and the creativity of our teams. Integrate transparency and questioning into the corporate culture. Increase staff participation in decision-making and management of the company; leave everyone free to take initiatives and share ideas, to promote personal development while bringing more to the collective.

## 2022 KEY FIGURES

**0** work accident rate

**3,5** days of training per person on average

**50** hours dedicated to the annual assessment

**100 %** of staff benefit from health insurance (hospitalization)

## CHALLENGE

### THE MAJOR CHALLENGES FOR WALLONIA

Belgium = 1 out of 2 Belgians is overweight

Only 7.5% of Walloon adults<sup>22</sup> declare having participated in courses or training in 2021

### THE MAJOR GOALS OF WALLONIA

Health Prevention and Promotion Plan for 2030

No more increase in the share of the overweight Walloon population (52%)

European Commission Education and Training Framework 2030

47% of adults benefit from at least one training per year by 2030



When it comes to safety, vigilance must come first: with inexperience comes mistakes and with experience comes negligence. Both can have dramatic consequences when working with electricity. Security must also be guaranteed outside our walls, when our staff is on the job. Besides, a healthy team, with a high rate of vitality and a healthy work-life balance, is a performance lever but also a duty of the company.

Our working methods and our Human Resources (HR) processes are essential to ensure that our team has a safe and fulfilling work environment. Plans and goals are only useful when they encourage action.

Superfluous or inappropriate procedures create bureaucracies that stifle the ingenuity and creativity of teams. Benefits only have value if they are in line with staff expectations. However, it is not easy to determine the right formula. We must therefore consider HR from the angle of product development: proceed by iteration. Test, make mistakes, evolve. Listen, listen and listen again. Encourage saying what you do and doing what you say, until it becomes the norm.

We want to make Alpha Innovations evolve towards a participative governance model. This way of making decisions, managing a company and organizing work constitutes a paradigm shift that must necessarily be progressive and co-constructed, in order to guarantee the retention of our staff<sup>23</sup>. A company that begins such an organizational transformation is faced with tensions. It is necessary to seek help and guidance in order to accompany change.

<sup>22</sup> Adults aged 25 to 64 are considered here.

<sup>23</sup> The shift to participatory models (liberated enterprise, holacracy, etc.) represents a major break and involves a fundamental redefinition of everyone's roles and responsibilities; the shock is such for some people that it is often accompanied by waves of resignations in the companies that implement it.

## STRATEGY

HOLACRACY, INTRAPRENEURSHIP & QUALITY WORKING CONDITIONS



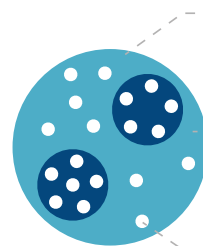
The traditional hierarchical pyramid

Establishes entangled relationships of subordination and organizes the distinction between deciders and performers

## Holacracy

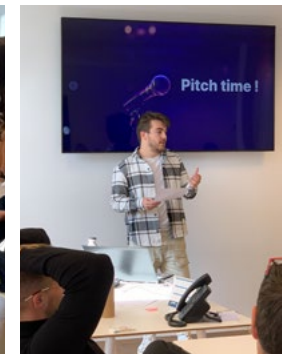
Staff involvement in important decisions has been in our DNA from the start. Alpha Innovations' sustainable development approach is, for example, the initiative of our team. It is therefore natural that we wanted to involve all of our colleagues as closely as possible in the construction of our strategy and our roadmap. Participatory workshops, open to all staff, were organized in 2022. The objective was to collect their best ideas to make Alpha Innovations more sustainable. These ideas are all concrete actions to be implemented in the years to come to achieve the objectives we have set ourselves. Now, we want to make this participation and co-construction our default mode of operation. We want to gradually move towards a "holacracy" model, that is to say a system of governance and a horizontal management method that eliminates hierarchy and promotes employee empowerment and autonomy. In a company that has adopted holacracy, everything is allowed except what is explicitly prohibited.

We are reversing the paradigm of conventional models in which initiatives are slowed down by default. To sum up, "the one who knows is the one who does", within the limits of the rules explained by the collective. It is these rules of collaboration, crystallized by the establishment of a constitution, that we aim to define together in 2023.



- **THE SUPER-CIRCLE**  
Contains all sub-circles.  
Example: the marketing department
- **THE SUB-CIRCLE**  
Is dedicated to a function.  
Example: online advertising
- **THE ROLE**  
Refers to a task, linked to a function.  
Example: animation of social networks

Holacracy distributes powers traditionally in the hands of management and managers, to all employees of the company - considered as autonomous task managers.



## DID YOU KNOW ?

Six times a year, the entire team comes together to share information on ongoing projects, budget compliance, the status of ongoing products and solutions, and key topics from group companies. In 2022, a CSR point was added and each meeting starts with an interactive quiz on sustainable development!

## Intrapreneurship

If we want to retain our talent, we must give them future perspectives, opportunities for growth and development within the company. A lever for this is to encourage and facilitate the development of personal projects within the company, particularly within the R&D and technical teams. In other words: stimulate intrapreneurship at Alpha Innovations. We aim to succeed in identifying and supporting the personal projects of our colleagues who wish to do so, in line with our own activity.

## Quality working conditions

We need to create and maintain a culture of safety where individual accountability and the principle of prevention reduce risks. Safety is everyone's business. This requires ongoing training for the people most at risk and the establishment of good practices that are upgradable and known to all. At the same time, we spend a great deal of time and energy conducting annual evaluations of all staff members. This evaluation is characterized by its reciprocity; it is above all a moment of listening and exchange which should allow us to better manage talents and careers, but also to detect the expectations of our team and to guide HR decisions and investments in the good direction.

**WORK ACCIDENTS**

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0	■
0	■

**AVERAGE DAYS TRAINING PER PERSON**

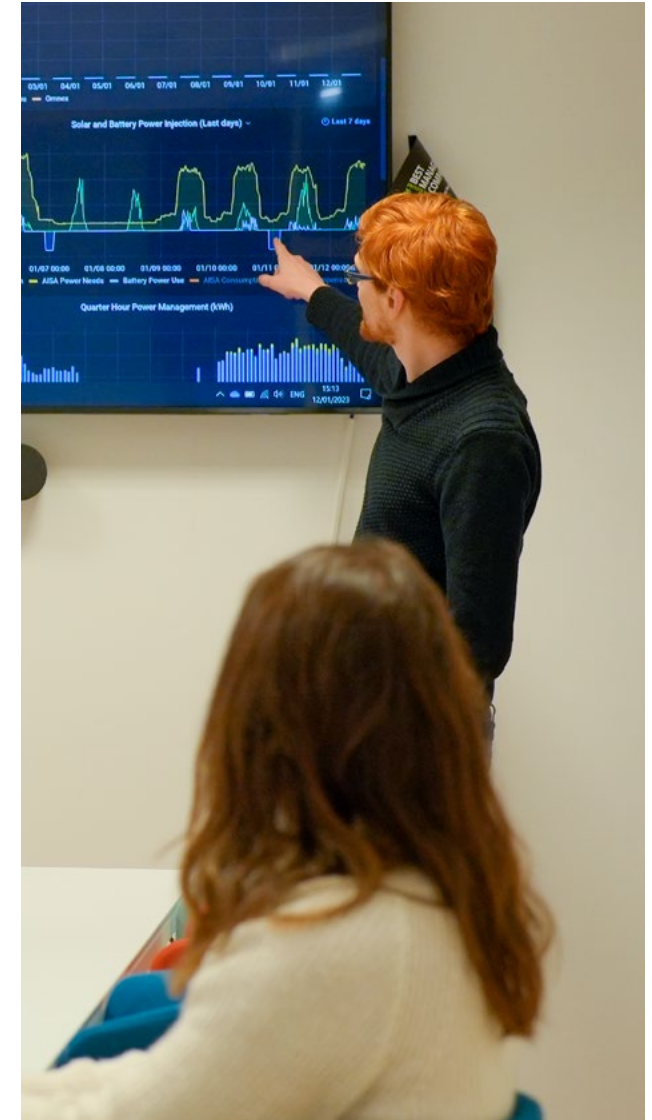
3,5	■
3	■
2	■

LEGEND: ■ IN 2022 ■ IN 2021 ■ IN 2020

## DID YOU KNOW ?

Have you ever heard of "Sick Building Syndrome" (SBS)? This sick building syndrome refers to a combination of symptoms (headaches, dizziness, irritation, concentration problems, etc.) which all have in common that they are caused by the built environment where the affected people are located. SBS can be linked to poor ventilation that prevents optimal air renewal, to chemical substances that emanate from building materials, furniture and cleaning products, or even to problems with electromagnetic fields due to the electrical installation or the devices used.

The air quality in buildings, in particular, influences cognitive performance and the energy level of staff. Charged with CO<sub>2</sub> or fine particles, the air you breathe slows down the brain's capacities. Following the health crisis of 2020, we had invested in CO<sub>2</sub> sensors to ensure the safety of our teams<sup>24</sup>. By interfacing these sensors with our Compass software, we can now monitor the air quality on our site in real time and send alerts when the CO<sub>2</sub> concentration exceeds the defined safety threshold. Analysis of the data collected also makes it possible to identify very concrete areas for improvement. And we didn't stop there! Other parameters influence indoor air quality, and therefore the working conditions of our teams. Too high level of humidity, for example, favors the development of micro-organisms, such as mold. Too dry air is also uncomfortable for breathing. Humidity is also critical for electronics, so it is useful to track and control its level.



<sup>24</sup> A high level of CO<sub>2</sub> is an indicator of a poorly ventilated room, therefore more at risk of containing viruses and bacteria.

## GOAL

We want participatory governance that gives the power of action and decision to individuals. Our goal is also to ensure safety and good working conditions for all members of our team. We need to retain and develop the skills.

Focus on two key goals:

**30 %** staff members are trained to train others, in order to improve the transmission of our knowledge and skills within the team, by 2024.

Organize **6** General staff meetings per year and improve their quality by sharing the floor between more people.

For a complete view of our quantified goals, we invite you to consult point "2.3. Our roadmap to 2026" of this report.

## SUSTAINABLE DEVELOPMENT GOALS





## 3.2

### SUSTAINABLE PRODUCTS & SERVICES

The majority of Alpha Innovations' environmental impact stems from the many years of 24-hour use of its products by its customers. On the other hand, our solutions supply power to critical infrastructures for our societies. Today, we are training ourselves in the circular economy. Tomorrow, we will fully leverage this powerful tool to provide concrete solutions, beyond the work already done on all packaging-related issues.





## MATERIAL TOPICS

### Product quality and safety

Ensure the reliability of our products, their continuous compliance with the standards and regulations in force, as well as the safety of users, and ultimately aiming for the resilience of the infrastructures for which our products are used.

### Product life cycle management

Knowing and improving the environmental footprint of our products, among other things through eco-design, reparability and proactive end-of-life management, in collaboration with our customers and suppliers.

### Sustainable innovation

Continuously improve our products and solutions, thanks to a thorough technological watch, openness to ideas, proactivity, as well as the increased diversity of our teams (in particular of ages and genders), and always favoring eco-design.

### Highlighting products, solutions and expertise

Promote our products, solutions and expertise in order to enter new markets with high added value thanks to the strong customer orientation of our sales team.

## 2022 KEY FIGURES

**1** first major circular project based on a battery cabinet made entirely from the recycling of electric vehicle batteries

**378 man days** devoted to the repair of old products installed at our customers

**0 %** classic plastic purchased to package our products<sup>25</sup>

**10 %** women STEM functions<sup>26</sup> at Alpha Innovations

<sup>25</sup> Only biodegradable plastic is still used for packaging.

<sup>26</sup> Acronym designating the following disciplines: science, technology, engineering and mathematics.

<sup>27</sup> With a 14th place in the ranking of national overshoot days, Belgium ranks in the top 15 of bad students, alongside countries such as Qatar, Luxembourg, the USA, the United Arab Emirates and Canada. <https://www.overshoot-day.org/newsroom/country-overshoot-days>

<sup>28</sup> The relationship between the gross domestic product and the internal consumption of resources in Wallonia.

<sup>29</sup> <https://www.theguardian.com/environment/2022/aug/07/chaos-after-heat-crashes-computers-at-leading-london-hospitals>

## CHALLENGE

### THE MAJOR CHALLENGES FOR WALLONIA

In 2020, only **23 %** of STEM graduates from the six French-speaking universities were women

Belgium = **3<sup>rd</sup>** European country to fastest exhaust its of natural resources<sup>27</sup>

Belgium = **4** planets needed to support our way of life

### THE MAJOR GOALS OF WALLONIA

Gender Plan 2020 – 2024:

**37,5 %** of women graduating from STEM fields by 2030

Walloon Waste Plan – Resources:

**-25 %** direct demand for materials

**-25 %** domestic material consumption

**+16,7 %** % resource productivity<sup>28</sup>

We serve markets that are both demanding and critical in a context of sustainable development (hospitals, railways, etc.). We know the consequences of climate change will hit our infrastructures hard, as demonstrated by the computer outages that hit two of Britain's leading hospitals this summer<sup>29</sup>.

"With global warming, power and cooling systems are going to have to be much more efficient and resilient." Professor George Zervas, Department of Electronic and Electrical Engineering, University College London.

If we want to guarantee their reliability, our solutions, beyond strict compliance with the best quality and safety standards in force, must integrate climate risks, in order to contribute to the adaptation of our societies. In a context of increased risk of weather hazards and scarcity of resources, our solutions must also be designed to be easily and quickly repairable, at an affordable cost. The negative impacts generated at each stage of the life cycle of our products and services must be understood in order to be reduced. In the case of our solutions, it is the stages of manufacture and use at the customers' premises that have the most impact. The eco- design of our commercial offer is therefore our first lever of action.

We are convinced that this smart "eco- design" cannot reach its full potential without diversified R&D, engineering and technical teams. "A homogeneous team thinks the same thing, challenges itself less, innovates less and will therefore be less efficient<sup>30</sup>". This problem will not be solved if we do not show ambition, proactivity and creativity.

Although evolving, our sector is very concerned by the lack of gender diversity: in large technology companies, the proportion of women in technical roles amounts to 25%, while it reaches 33% in the overall workforce<sup>31</sup>.

This problem also finds its root in the choice of studies of girls who remain too few to turn to STEM studies (sciences, technology, engineering and mathematics). We also believe that intergenerational diversity should be a point of attention. For this, our ability to attract and retain young talent will be crucial in the years to come.

In addition to eco-design, other pillars of the circular economy may prove to be equally relevant for Alpha Innovations. It is up to us to explore them, in order to increase the value of our offer and develop new, more virtuous economic models. Our sense of collaboration and communication with our customers and partners will be essential for this: we will have to rally them to our vision, redefine the requirements together and align ourselves on what is important... and what is no longer so.

<sup>30</sup> <https://labs.clio.com/how-we-doubled-the-representation-of-women-in-engineering-at-clio-2d9a4a1a0282>

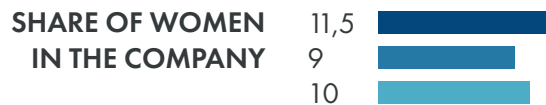
<sup>31</sup> <https://www2.deloitte.com/us/en/insights/industry/technology/technology-media-and-telecom-predictions/2022/statistics-show-women-in-technology-are-facing-new-headwinds.html>

## STRATEGY

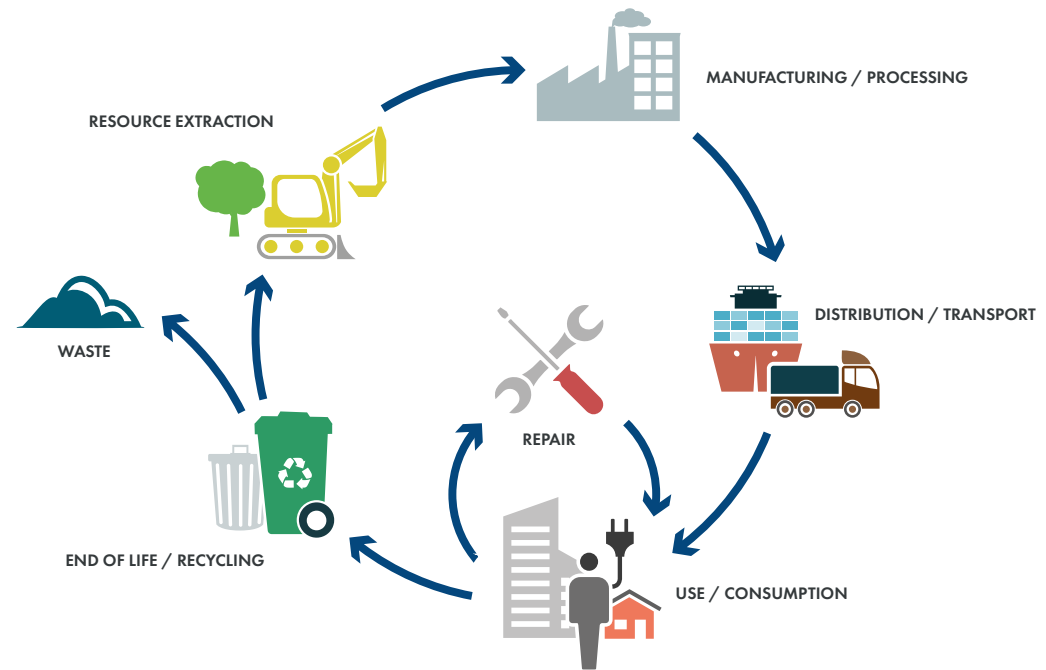
### DIVERSITY, LIFE CYCLE OPTIMIZATION & NEW CIRCULAR MODELS

#### Diversity

The studies are unanimous: diversity and gender mix increase innovation and business performance. With only 11% of female employees in the company and 10% of STEM (Science, Technology, Engineering, and Mathematics) positions occupied by women, we are far from being efficient on the issue. Our first lever of action is our visual identity and our way of communicating. Our website, our appearances in the press and our external communications must contribute to giving an inclusive image of Alpha Innovations. Particular attention must also be paid to the environment, working conditions and relations, as well as to our processes and operating methods, in order to ensure that these are fully favorable and in line with the expectations of female talent. We must be creative and proactive in our recruitment and draw inspiration from the strategies implemented by other companies. Finally, we can lead the younger generations by showing the example. In our societies, models are extremely important. It is important to show girls successful role models in STEM that they can relate to. This is why we aim to develop awareness-raising actions aimed at schools, in order to encourage young girls to see STEM courses as possible study choices for their future. We will also be on the lookout for possible partnerships on this theme, in order to multiply the positive impact of our action.



LEGEND: ■ IN 2022 ■ IN 2021 ■ IN 2020



#### Product life cycle

Knowing the life cycle of our solutions well and identifying the negative impacts generated at each stage allows us to take global action on the environmental footprint. We still have a lot to do on this subject. So far, we have implemented improvement actions on the use, end-of-life and distribution stages of our solutions. At the level of the use phase, our R&D team has succeeded in improving the energy efficiency of products in standby mode<sup>32</sup> and we contribute to extending the duration of use by offering efficient repair services. The promotion of this type of service to customers, as well as the reparability of our products, are points for improvement for the years to come.

At the end-of-life stage of our solutions, we must already comply with the European system of extended producer responsibility for waste electrical and electronic equipment (WEEE) generated on the European market. The goal in the years to come will be to go beyond regulatory compliance to implement a real end-of-life management strategy for our solutions. Finally, we are proud to note that our team has done a lot of work on the distribution stage of our solutions, and in particular on the packaging issue, with a view to eliminating plastic and reusing incoming packaging.

<sup>32</sup> For more information, see point "4.3. Climate & environmental footprint"



## GLOSSARY > EXTENDED PRODUCER RESPONSIBILITY

“Extended Producer Responsibility” (EPR) is inspired by the “polluter pays” principle. There are both European and national obligations regarding this mechanism.

As far as Alpha Innovations is concerned, our products are subject to the EPR on waste electrical and electronic equipment (WEEE).

This means that as a manufacturer, distributor or seller of electrical and electronic equipment, the company must contribute to ensuring that it is disposed of and treated appropriately, in accordance with European and national legislation. Very concretely, this means that we must:

- register with the competent national authorities in each European country in which we distribute or sell equipment,
- regularly present a report on the quantity of electrical and electronic equipment put on the European market,
- organize or finance the collection, processing, recycling and recovery of our end-of-life products,
- as a distributor, offer a take-back service allowing customers to return their waste electrical and electronic equipment free of charge,
- as a manufacturer, comply with the provisions of the directive relating to the restriction of the use of certain dangerous substances.

In Belgium, we meet our regulatory obligations by financing the Recupel organization for the products placed on the Belgian market each year.

## DID YOU KNOW?

We approached the issue of managing the life cycle of our products through quick wins, that is to say the aspects that it was easiest for us to improve quickly. In 2021, we worked on packaging: the one for our solutions, the one from our purchases, the one which we buy and the one which we receive, and which ends up in our bins.

We started by mapping the types of packaging received from our partners (suppliers, distributors, subcontractors and contract manufacturers<sup>33</sup>). We then defined the acceptable materials (eg: cardboard, kraft paper, etc.) and those that are no longer acceptable (eg: expanded polystyrene). Based on this analysis, we have developed an action plan to raise awareness and engage our partners on the issue of packaging reduction and sustainability. A supplier charter also has been prepared and we will promote it widely in 2023 to gain the widest support.

At the same time, we carried out the same type of exercise for all the packaging products purchased and consumed on-site. Our main goal was the reduction, if not the elimination, of plastic. To do this, we have invested in an embossing machine that allows us to reuse part of the cardboard received via the goods delivered to us, to replace the polyurethane foam traditionally used. If we have not yet found a satisfactory alternative to the plastic used to film the pallets, we have however opted for a biodegradable material.

Our biggest achievement is undoubtedly the reusable packaging project that we carried out in partnership with one of our main customers. We have designed wooden transport boxes, perfectly sized for our products. Designed by our mechanical draftsmen, these sturdy transport cases, perfectly adapted to the form factor of the parts, are used for transport between the metal manufacturing site, the surface treatment site and the screening site. By reducing the handling time and the volume transported, the return on this investment of a few tens of thousands of euros will be quite rapid. But for us the environmental impact alone justifies this investment: no more packaging used and discarded at each stage and a reduction in the volumes transported by road.



<sup>33</sup> For the definition of our various partners, see point “4.1. Stakeholder Inclusion Note”

## New circular models

The circular economy is not limited to the eco-design of our products and solutions. It is above all a prism through which we can rethink our way of creating value. Today, services related to extending the service life of our solutions (preventive maintenance, repairs, etc.) represent a very small part of our turnover. However, the new circular economic models represent an enormous potential for commercial innovation: leasing, life cycle management contract for the installed base, advanced monitoring and control, «Energy as a Service» models, modular and scalable production that would be possible to upgrade over time, reuse and reconditioning, etc. are all potential levers of sustainable development for Alpha Innovations.

### GOAL

We want a balanced, diverse, supported and equipped team to enable them to come up with the best ideas to make Alpha Innovations' offer sustainable. We want to collaborate with our customers and suppliers to intensify our circularity. We aim to strengthen the compliance of our solutions with the best standards in force and to set up closer following of our customers.

#### Focus on two key goals:

**20 %** of women in our R&D, engineering and technical functions by 2025

**100 %** of our main solutions and products have been analyzed and are part of a progressive eco-design approach by 2025

For a complete view of our quantified objectives, we invite you to consult point "2.3. Our roadmap to 2026" of this report.

## SUSTAINABLE DEVELOPMENT GOALS





## 3.3

### ENVIRONMENT

To contribute to the universal goal of carbon neutrality, Alpha Innovations must measure, monitor and reduce its carbon footprint. We must also contribute to providing low-carbon products and services and to preserving natural capital, which is essential for the absorption of greenhouse gases and maintaining biodiversity. Beyond the climate, we need to identify our other negative environmental impacts in order to manage and reduce them.

## MATERIAL TOPICS

### Energy management

Control energy-related costs, improve our monitoring solutions and be a true pioneer on the issue, among other things through rigorous energy management, the development of our autonomy and the promotion of our innovative solutions for reducing energy consumption.

### Climate change and other environmental impacts

Lead an ambitious climate strategy, continuously improve waste management, manage our mobility in the most sustainable way, reduce water consumption and focus on local and sustainable purchases in the daily operations of the company.

## 2022 KEY FIGURES

**8,000 m<sup>2</sup>** of insulated roof (2020)

**- 25 %** of electricity consumption thanks to energy efficiency measures<sup>34</sup>

**296 MWh** of renewable electricity produced over 2 years<sup>35</sup>

Approximately **300,000 tCO<sub>2</sub>e** will be emitted by products sold (2020)<sup>36</sup>



34 Mainly energy monitoring and smart lighting.

35 That is the equivalent of the annual consumption of nearly 150 Walloon households (2,000 kWh/year on average).

36 Over their estimated lifetime (between 12 and 25 years).

## CHALLENGE

### THE MAJOR CHALLENGES FOR WALLONIA

Belgium = one of the EU countries most affected by rising energy costs in 2021-2022.

Belgium = the only Western European country with high water risk<sup>37</sup>

For more information on the production of our first carbon assessment and on the details of our carbon footprint, please consult point "4.3. Note on the realization of the carbon footprint" of this report.

We did not wait for the energy crisis or to get the of our carbon footprint to take an interest in the energy issue. As a provider of power supply solutions, we have to be pioneers on this issue.

The results of our very first carbon footprint assessment have however brought the energy issue back to the fore. We provide solutions that consume electricity and mostly operate continuously. We knew that this aspect was going to be substantial. On the other hand, we were far from imagining its preponderance: almost all of our carbon footprint is linked to the electricity consumption of our products at our customers'. It's colossal.

The carbon footprint exercise allowed us to realize to what extent the quality of our collaboration with our customers and the smart design of our solutions are critical elements of Alpha Innovations' climate strategy. We need to better understand the use made of our products, in order to improve the accuracy and monitoring of our carbon footprint over time, but also to feed our eco-design thinking.

### THE MAJOR GOALS OF WALLONIA

Walloon Energy Climate Plan by 2030:

**-55 %** greenhouse gas emissions

**-23 %** energy consumption

**23.5 %** renewable energies

**5 %** maximum annual water exploitation rate

Listening to the customer at the beginning of the project, then throughout the duration of our business relationship with them, is essential. Understanding the needs and their evolution allows our experts to offer the most efficient and energy-saving solutions.

The importance of the use phase should not, however, encourage us to stand still on the other aspects of our environmental footprint.

We have begun thinking about the transition to low-carbon mobility for our team, but this is hampered in particular by the location of our site, which is poorly connected to public transport networks. Our direct water footprint is small but remains an issue in a region at high risk of water shortages. Regarding the day-to-day running of the company, the challenge is to be able to make the right choices, particularly in terms of sustainable purchases. This is far from being an easy task when faced with complex and multi-impact issues. Today, making the right choices as a consumer requires time and investment; the same goes for the day-to-day needs of a business. The infinite complexity of defining "sustainable food" is a good illustration of this.

37 Belgium is in 23rd place among the countries most at risk of water shortages, behind Cyprus but ahead of Greece, Spain and Italy.

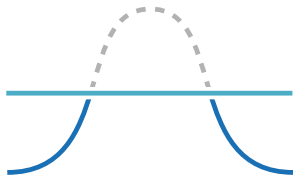
38 Carbon footprint carried out in 2021 for the reference year 2020.

## STRATEGY

SUSTAINABLE TRANSITION OF OUR FACILITY, MONITORING OF THE CARBON FOOTPRINT & ENERGY EFFICIENCY OF OUR SOLUTIONS

### Our site in Louvain-la-Neuve

Our first focus was to be able to better control our own energy consumption. To do this, we rely on a combination of energy efficiency measures, on-site renewable electricity production and storage, and data analysis. In 2020, we invested in the renovation and insulation of our roof. The roof is also painted with white coat, a "low tech" method which makes it possible to reduce the overheating of buildings in summer, thanks to the reflective power of this color. The renovation works provided us with the opportunity to install a large photovoltaic installation (467 panels), with an annual production capacity of approximately 145 MWh of renewable electricity (i.e. the equivalent of the annual consumption of 70 Walloon households) and 100% of Alpha Innovations' own needs. The second step, completed by the end of 2021, was the installation of a storage capacity on our site<sup>39</sup>. To maximize the environmental and economic gains of photovoltaics, we use Compas, our monitoring & control software, to collect and track important information from our installation in real time. This monitoring solution allows us to have a clear view of our electricity production, our supply of electricity stored in the batteries and our consumption. Thanks to this information, we can predict and reduce consumption peaks. We can inject stored electricity at the time of maximum need in order to reduce the external energy demand. This "peak shaving" technique allows us to reduce our costs and participate in stabilizing the grid.



In the same way, we control the heating installations throughout the site, also with Compas: the calendar and schedule of our working days, combined with a minimum temperature rule, allow us to heat the zones according to the real needs of the team (70% gas savings). In terms of future improvement prospects, we remain on the lookout for the development of «smart grids» and are thus part of the initiative to set up a Renewable Energy Community in the Louvain-la-Neuve.

**For more information on the actions undertaken on these themes between 2020 and 2021, please consult point "4.4. Correlation table".**



### DID YOU KNOW ?

At Alpha Innovations, we apply the principles of "smart lighting". Since 2021, we have been monitoring and controlling the use of artificial lighting in favor of the use of natural light. How? With our software solution, Compas, coupled with sensors installed throughout the company building. We have divided the warehouse and the workshop into zones, according to their occupancy rate. The script developed by our team allows us to collect data and automatically activate/deactivate artificial lighting according to:

- Time of day: for the production area, the automatic mode is activated at 6:30 am when the first team members arrive and is deactivated at 4:00 pm to switch to manual mode.
- The level of luminosity of the zone: certain zones being less solicited than others, each zone has its own rule defining when artificial light must be used (for example storage zones).

This optimization and energy efficiency technique allows us to reduce our consumption without affecting our infrastructure (in 1 year, -25%). This way, we can get environmental and financial gains, while giving us the opportunity to switch to LED lighting little by little, when the luminaires actually reach the end of their life.

<sup>39</sup> Via the installation of four power converters and batteries (75 kW).

## Carbon footprint monitoring

You can only improve what you measure. This is why in 2021 we measured for the first time the carbon footprint of our entire value chain, i.e. on the three emission scopes<sup>40</sup>. Alpha Innovations' two biggest emission categories are the electrical consumption of our solutions at our customers and the procurement related to production, i.e. all the materials, components and products used in the manufacture of our solutions. These results highlight two major priorities of Alpha Innovations' sustainable strategy: hardware eco-design and the energy efficiency of our solutions. Despite this result, our reduction plan includes actions on all categories of the carbon footprint (freight, staff travel, waste, etc.), and the consistency of our actions. We are committed to a logic of continuous improvement: firstly, regarding the reliability of our carbon footprint, through the gradual improvement of the quality and accuracy of the data used for its calculation, and secondly, regarding the reduction of the greenhouse gas emissions, in order to contribute to planetary carbon neutrality by 2050.

## Consumption of our solutions

The electrical consumption of our solutions generates the majority of our impact on the climate. On this aspect, the eco-design of our solutions and the use of data collection and analysis for energy efficiency purposes are the main levers of action of our R&D team. Our products consume electricity even in standby. By revising their design, we have already managed to reduce this consumption in standby by 80%, from 70 to 15 W. Our R&D team, by using more advanced digital control, aims to reduce this consumption to only a few watts. We also noticed that the converters were rarely used at their nominal power where the efficiency<sup>41</sup> is optimum. A lever for action is therefore to work on widening the high-yield range as much as possible.

## GOAL

We want to move towards energy autonomy and help our customers in this area, as well. We want to contribute fully to achieving global carbon neutrality. We want to behave as a responsible buyer and consumer. We aspire to find levers of action to mitigate the loss of biodiversity.

### Focus on two key objectives:

**1** site vegetation project evaluated each year

**20 %** of staff use low-carbon mobility to come to work by 2026

## SUSTAINABLE DEVELOPMENT GOALS



For a complete view of our quantified objectives, we invite you to consult point "2.3. Our roadmap to 2026" of this report.



## GLOSSARY > SCOPES & ELECTRICITY YIELD

The **emission scopes** are a way of categorizing an organization's sources of greenhouse gas (GHG) emissions. If we simplify, "scope 1" includes emissions directly generated by the organization, in particular following its use of energy and fossil fuels (by its facilities, machines and vehicles). "Scope 2" includes indirect emissions related to the use of energy produced by a third-party and imported into the organization (electricity, steam, etc.). "Scope 3 accounts for all the other indirect emissions linked to the organization's activity as a whole: procurement, waste, the use and end-of-life stages of its products, the transport of goods, etc. On average, except for specific sectors, scopes 1-2 represent a maximum of 5% of a company's total carbon footprint.

The yield, or **energy efficiency**, can be seen as the relation between the actual efficiency of a device and the maximum efficiency it can achieve. The energy efficiency of a machine or system represents the percentage of the energy consumed (or energy absorbed) and transformed into useful energy. For example, a light bulb does not use all the electrical energy it consumes to transform it into light energy (useful energy). Part of the energy consumed is transformed into heat or thermal energy. This can be considered as a loss of energy (or dissipated energy) if it is not used.





## 3.4

### RESILIENCE & IMPACT

Be proactive on the issue of supply, whether in terms of the opportunity to relocate to Europe, the sustainability of the current supply chain (including strict respect for human rights and safety), or prevention and management of shortages of critical components and materials.

## MATERIAL TOPICS

### Anticipation & control of supply challenges

Be proactive on the issue of supply, whether in terms of the opportunity to relocate to Europe, the sustainability of the current supply chain (including strict respect for human rights and security), or prevention and management of shortages of critical components and materials.

### Business resilience and sustainability

Preserve the economic success of the company and ensure business continuity through investment in the right tools (digitalization, circular economy, etc.) and through financial health under control, which notably requires optimized management financial flows and inventory, as well as our ability to control and pass on cost increases in the added value of our products and solutions.

### Become an inspiring company

Proactively share our experiences in partnership with our ecosystem to encourage action in other organizations in order to become a reference in terms of CSR. Radiate also thanks to our teams who are trained in sustainable development.

## 2022 KEY FIGURES

**3** Awards (Best Managed Company, Ecovadis Gold, Made Different Ambassador)

EBITDA estimated at **8.5 %**



## CHALLENGE

### THE MAJOR CHALLENGES FOR WALLONIA

Wallonia = among the group of European regions whose economic dynamism has **stagnated** over the last 20 years<sup>42</sup>

Belgium = **26**<sup>e</sup> countries in the Global Innovation Index 2022, down from 2020 and 2021<sup>43</sup>

### THE MAJOR GOALS OF WALLONIA

Declaration of Walloon Regional Policy:

By 2030, increase the secondary sector from 15 to 20% of Walloon GDP.

Lisbon Strategy Europe 2020:

By 2030, gross domestic expenditure on research and development must reach 3% of Walloon GDP.

After the eco-design of our solutions, our biggest challenge is undoubtedly the management and sustainability of our supply chain. Indeed, the latter is complex: we work with four types of partners (suppliers, distributors, subcontractors, contract manufacturers<sup>44</sup>) all of which provide us with different elements in our production line.

Like almost all players in the technology sectors, we have been impacted by the materials crisis and the shortage of electronic components which started in 2020, with the global pandemic, and which is still far from being resolved. Today, we have little control over our strategic supplies and we are therefore very exposed to the associated risks: price volatility which threatens our profitability, shutdown of activity due to a lack of sufficient supplies, non-compliance with deadlines, etc. In this context, it seems essential to us to remain attentive to any opportunity to (1) simplify and shorten the supply chain, (2) regain control over a larger part of our production chain and (3) diversify our sources of supply.

Beyond its resilience, it is the sustainability of our supply chain that constitutes another point of attention. In our sector of activity, the most worrying aspects are: respect for human rights and labor law (safety, working conditions, decent pay, etc.), the traceability of «conflict minerals» which come from areas at war and at the origin of crimes and human rights violations, the prevention and reduction of environmental impacts in the countries where our partners operate and the lack of transparency. The latter impacts important stakes for Alpha Innovations: the quality, safety and compliance of our solutions, traceability and the reduction of toxic substances (in connection with compliance with European REACH and RoHS legislation<sup>45</sup>) and the use of subcontractors by our partners. The longer and more opaque the chain, the more it will be out of our control of quality and durability requirements. We know from experience that it is not enough to set requirements. We must also monitor and verify that our partners comply with these requirements.

42 8th triennial report of the European Commission on the effects of EU cohesion policy, reporting period 2001 – 2019.

43 Belgium ranks 26th out of the 132 economies included in the analysis of the Global Innovation Index 2022 (GII) (down 4 places compared to the two previous years), 25th among the 48 economies of the high-income group and 16th among the 39 European economies. <https://www.globalinnovationindex.org/analysis-economy>

44 For a definition of these, see point "5.1. Stakeholder Inclusion Note".

45 REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals): this involves listing, evaluating and controlling chemical substances manufactured, imported and placed on the European market; RoHS directive = revised in 2011, this directive aims to limit the use of certain hazardous substances in electrical and electronic equipment

## STRATEGY

“INDUSTRY OF THE FUTURE” TRANSITION & SUPPLY SUSTAINABILITY

### Industry of the future

In 2021, Alpha Innovations committed to the «Factory of the Future (FoF) by Digital Wallonia» program aimed at accelerating the digital transformation of Walloon industrial and manufacturing companies and improving their competitiveness. The program begins with a diagnosis carried out by an external expert. This audit made it possible to assess the level of maturity of the company on the key transformations of the «Made Different» methodology<sup>46</sup>. Alpha Innovations is already performing well on two of the seven axes, has worked on the other 5 in 2022 and is continuing on the path, the improvement of which will always remain a challenge, in 2023. We are aiming to obtain «Factory of the Future» recognition by 2024. As part of the improvement plan, we are carrying out the intelligent reorganization of our workshop and warehouse, in order to increase the efficiency, ergonomics and working comfort of the teams, but also migrated our ERP to its latest version.

The 7 axes on which Alpha Innovations works:

1. Advanced Manufacturing Technologies
2. Integrated Engineering
3. Digital Factory
4. Human Centered Organization
5. Networked Factory
6. Eco Factory
7. Smart Manufacturing

## GOAL

Aim for the smart and progressive relocation of our supply and production chain, remaining attentive to new opportunities. Preserve our financial health by controlling our costs and by continually reflecting on our optimization levers. Ensure health, safety and respect for rights and working conditions throughout our value chain. Sharing our sustainability successes and challenges to inspire those around us.

Focus on two key goals:

**100 %** of suppliers adhering to our supplier charter/ code by 2024.

**4** actions / year to inspire our stakeholders on good CSR and sustainable development practices.

For a complete view of our quantified objectives, we invite you to consult point “2.3. Our roadmap to 2026” of this report.

## SUSTAINABLE DEVELOPMENT GOALS



46 <https://www.digitalwallonia.be/fr/publications/methodologie-made-different/>

A person in a blue shirt is working on a network switch. They are holding a white cloth over the switch, possibly to clean it or protect it. The background is a server room with various cables and equipment. The image is overlaid with a white diamond shape and a grid pattern.

**4**

## **METHODOLOGY NOTE**

## 4.1. STAKEHOLDER INCLUSION NOTE

### Why include its stakeholders?

All internationally recognized standards for CSR (Corporate Social Responsibility) and sustainability reporting<sup>47</sup> identify stakeholder inclusion and consultation as a strategic tool in developing an ambitious, credible and legitimate sustainable strategy.

Consulting your stakeholders makes it possible to better identify their needs, their challenges and their expectations. This allows you to confront different points of view and realities, while gathering new ideas. This exercise contributes to constructing a more global and less self-centered vision of sustainable development.

### What do we mean by “stakeholders”?

The term “stakeholders” refers to the entire ecosystem in which Alpha Innovations operates. This term is opposed to the traditional economic vision which considers only the interests and requirements of the owners of a company, that is to say its shareholders. Within stakeholders, shareholders are one category among others to be considered.

The new definition of stakeholders proposed by the international standard for sustainability reporting Global Reporting Initiative (GRI)<sup>48</sup> is as follows: “Stakeholders are individuals, groups or organizations that have interests that are or could be affected by the activities of an organization”. This new definition focuses exclusively on the positive or negative impacts that a company can or could have on its ecosystem and therefore implies that the most vulnerable stakeholders should be considered as a priority.

Traditionally, an organization’s internal stakeholders (employees, subsidiaries, etc.) are distinguished from its external stakeholders (customers, suppliers, etc.).

Alpha Innovations stakeholder mapping



\* are included in the “Partners” category at Alpha Innovations:

- Suppliers: companies that deliver products to Alpha Innovations for which it ensures the development and production itself.
- Distributors: companies that deliver to Alpha Innovations products manufactured by others, for which it merely markets.
- Subcontractors: companies that provide Alpha Innovations with custom metal fabrication, surface treatment, cutting or printing services.
- The Contract Manufacturers (CM): companies that manufacture the products or subassemblies developed by Alpha Innovations, according to the plans and instructions of Alpha Innovations.

<sup>47</sup> Synonymous with “extra-financial” reporting.

<sup>48</sup> GRI 1: Foundation 2021.

<sup>49</sup> By this we mean the other companies of the CE+T group to which we belong: CE+T Energird, CE+T America, CE+T Power, JEMA.

## INCLUSION OF OUR STAKEHOLDERS

Our stakeholder engagement strategy is under development and is part of our 2026 goals. At this time, we have been able to include the following stakeholder expectations:

### • Internal (Staff)

- o All staff members participated in a half-day sustainable development workshop where they were invited to reflect on the social responsibility of their company.
  - 100% of staff trained in the 17 SDGs and made aware of the principles of the circular economy ;
  - 120 unique ideas to make Alpha Innovations more sustainable.
- o An online survey was circulated to collect staff opinions on the 13 material issues identified for Alpha Innovations and to check whether any important issues had been missed.
  - Participation rate of 80% ;
  - New challenges identified: digitization and diversity (particularly of gender); we have modified the definitions of two of our material topics to include these points of attention<sup>50</sup>.

### • External

- o Regional authority (Wallonia): the requirements in terms of sustainable development have been integrated via the analysis of the quantified objectives retained in the 3rd Walloon strategy for sustainable development.
- o Professional federation: our CSR manager discussed and challenged our strategy during 5 "eco-factory" workshops at Agoria.

In 2023, we want to improve the consideration of the expectations of the following external stakeholders: customers, suppliers, media.

## DIALOGUE WITH OUR STAKEHOLDERS

Dialogue with our internal stakeholders is anchored in our DNA and in our culture. Our goal for the coming years is to strengthen inclusion and communication with more of our stakeholders, including external ones.

## NOS OBJECTIFS D'ENGAGEMENT DE NOS PARTIES PRENANTES

### Staff

Intensify and improve General Staff Meetings.  
 Develop participatory management.  
 Integrate the aspects of satisfaction and responsibility into the 360° evaluation.

### Customers

Establish a customer training process focused on sustainability.  
 Strengthen our satisfaction measurement systems.  
 Structure an active customer listening process  
 Consult on our relevant issues.

### Partners

Strengthen our collaboration with our partners on the themes of sustainability, responsibility and quality.  
 Encourage the circular economy.  
 Consult on our relevant issues.

### Group

Share our experience in terms of CSR and sustainable development with the other companies of the group (in particular CODIR and youth committees).  
 Consult on our relevant issues.

### Transversal

Publish our sustainable development report annually.

<sup>50</sup> Respectively to our challenge "Resilience and sustainability of the company" and "Responsible innovation".

## 4.2. MATERIALITY METHODOLOGY NOTE

Our approach to materiality analysis consists of the steps detailed below. All the steps have been completed in 2022.

### #1 Identification of relevant topics

To establish a list of sustainability topics relevant to Alpha Innovations, which was then used during the stakeholder consultation and for the development of our roadmap to 2026, we followed three steps:

- (1) analysis of EcoVadis assessment criteria and B Corp Disclosure Questionnaire questions
- (2) sector benchmark (suppliers and customers)
- (3) sector financial materiality defined by SASB Standard

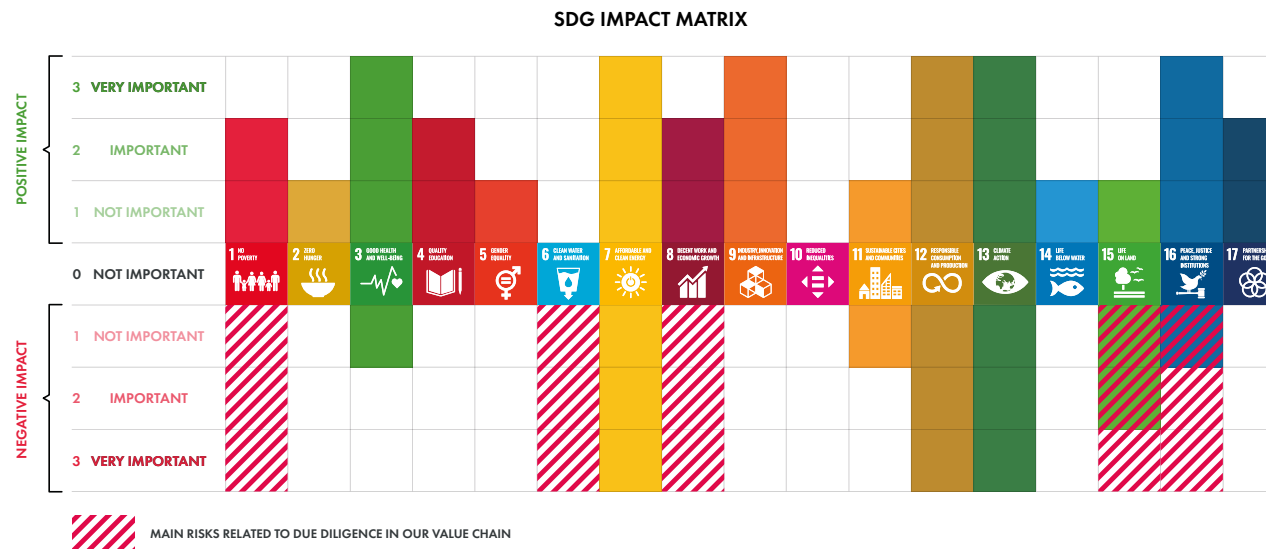
Thanks to this external analysis, we identified 30 topics<sup>51</sup>. We then organized a brainstorming workshop with the members of the CSR Strategy project team, supervised by an independent CSR expert. This workshop allowed us to create the foundations of the internal vision. The idea-ation workshops organized with the staff afterwards allowed to enrich and consolidate this vision.

By cross-referencing the external documentary analysis and the results of the various brainstorming sessions, we arrived at a list of 13 relevant topics, which were subsequently submitted to an impact assessment by the Strategy Committee and internal stakeholders.

### #2 Identification of significant economic, social and environmental impacts of activities

The assessment of the positive and negative impacts of our activities on people (including human rights), the environment and the economy was carried out on the basis of the international framework of the 17 Sustainable Development Goals (SDGs)<sup>52</sup>. This analysis allowed us to verify that our list of relevant topics actually covered all the company's priority SDGs. It also allowed us to identify our points of attention in relation to due diligence.

The challenges and priority fields of action of the 3rd Walloon Sustainable Development Strategy were also analysed, as well as the most significant territorial risks at national and regional level (based on scientific literature).



This matrix visually represents our level of impact on the 17 SDGs. A scale of 1 to 3 is used each time to assess our positive impact (in green) and negative (in red). The maximum impact level therefore corresponds to 6 colored squares. We consider the priority SDGs for Alpha Innovations to be those with a minimum impact level of 3/6.

<sup>51</sup> This documentary analysis was carried out by Smart2Circle.

<sup>52</sup> The "SDG Assessment" was carried out in close collaboration with the independent expert of Smart2Circle.

### #3 Analysis of the importance of the significant economic, social and environmental impacts of the activities

The level of impact of the relevant topics was assessed by a Strategy Committee made up of the following 8 profiles: CEO, COO, CTO, HR Manager - Financial Controller, Quality Manager, Sales Engineer, Software Engineer. The Strategic Committee was asked to assess the importance of the topics based on their current or potential level of impact on Alpha Innovations' activities and on the continuity of the company.

A scale from 1 to 4 was used, as well as a ranking from 1 to 13. The evaluations were weighted identically (without multiplier coefficient), in order to give an identical weight to each participant.

### #4 Identification and consultation of stakeholders

Alpha Innovations' internal and external stakeholders were identified during a workshop with members of the CSR Strategy project team, in close collaboration with the expert firm Smart-2Circle. Our stakeholder mapping has been developed and priority stakeholders have been identified based on an analysis of influence and reciprocal dependence. A scale of 0.5 to 1.5 was used. The final score is obtained by addition. The stakeholders identified as primary (score above the threshold of 2) are staff, the parent company, customers and contract manufacturers.

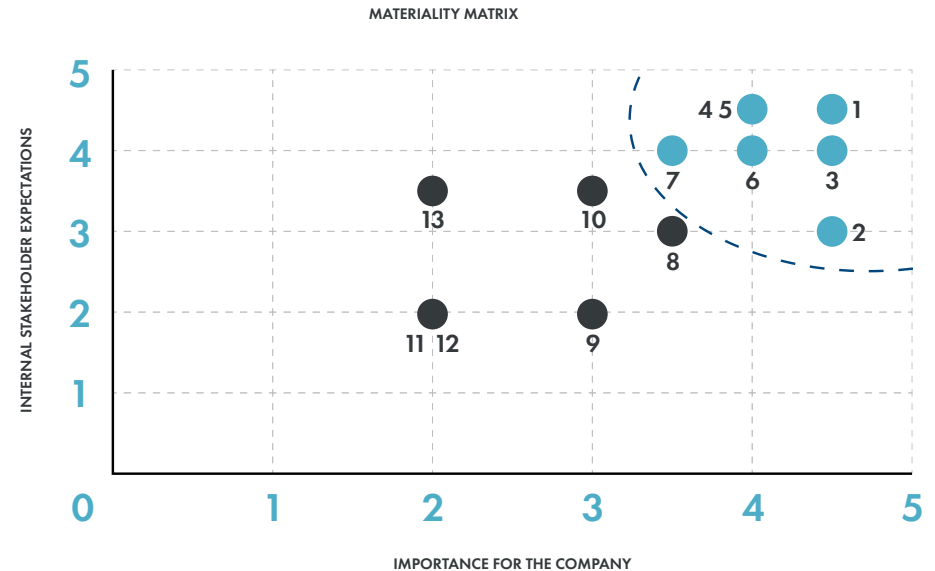
In 2022, we conducted a staff consultation twice:

- At the beginning of the process, thanks to the organization of two ideation workshops<sup>53</sup> including all staff;
- At the end of the process, for validation purposes, based on an online survey. During the online consultation, staff members were asked to rank the relevant topics from 1 to 13 in order of priority and importance.

### #5 Construction of materiality (internal vision only)

We determine the materiality of the sustainable development topics by crossing the strategic analysis of the topics (assessment of the topics based on the significance of the impacts and the risks they involve), and the expectations of the stakeholders, both internal and external. Consulting external stakeholders is part of our 2023 objectives; at this stage, it is therefore not possible to present a complete materiality matrix: the materiality matrix included in this report is given for information only.

It should be noted that the strategic analysis was carried out by an internal Strategic Committee; to increase its credibility, it would benefit from being enriched with the evaluation of CSR experts, as well as relevant experts with regard to the sector of activity of Alpha Innovations. This contribution is planned for 2023 through the participation in the CSR Impact Committee of external and independent experts.



- 1 Product quality and safety**
- 2 Responsible innovation**
- 3 Company resilience and longevity**
- 4 Staff health and safety**
- 5 Transmission and continuity of know-how**
- 6 Innovative and participatory governance**
- 7 Highlighting products, solutions and expertise**
- 8 Personal development within the company**
- 9 Product life cycle management**
- 10 Anticipating and control of supply chain challenges**
- 11 Climate change and other environmental impacts**
- 12 Becoming an inspiring company**
- 13 Energy Management**

<sup>53</sup> For more information, see point "4.1. Stakeholder Inclusion Note"



### 4.3. CARBON FOOTPRINTING NOTE

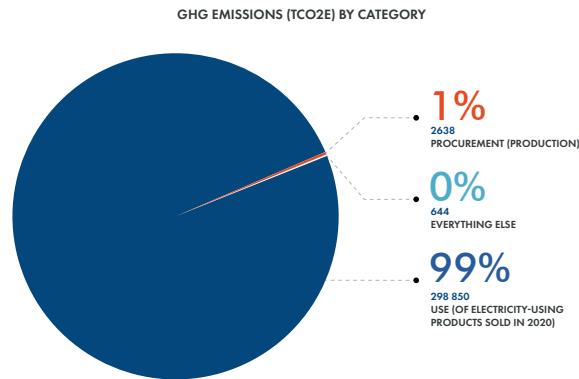
Our first carbon assessment was carried out in 2021, for the reference year 2020.

The carbon footprint was established by the independent and certified expert agency Smart-2Circle according to the Bilan Carbone® method, which itself complies with the Greenhouse Gas Protocol (GHG Protocol). All activities across our entire value chain have been included in the scope of study (scope 1 – 2 – 3) without significant exclusion.

#### Results

Methodology	Total GHG emissions in 2020 <sup>54</sup>
Bilan Carbone®	302,132 tCO <sub>2</sub> e
GHG Protocol	301,989 tCO <sub>2</sub> e <sup>55</sup>

#### Bilan Carbone®



<sup>54</sup> Greenhouse gases.

<sup>55</sup> Total emissions according to the GHG Protocol are systematically lower because the scope taken into account is less exhaustive with this method.

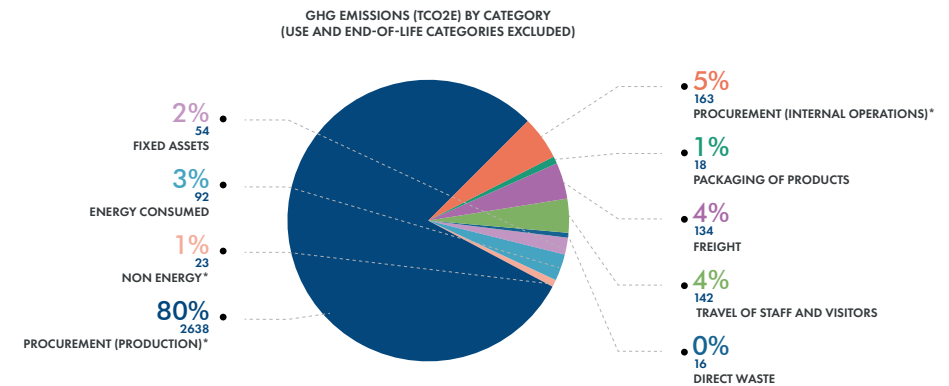
#### GHG Protocol

Emission scopes	Emissions (tCO <sub>2</sub> e)	% of total carbon footprint
Scope 1	88	0,03 %
Scope 2	24	0,01 %
Scope 3 (not mandatory)	301.878	99,96 %
<b>TOTAL</b>	<b>301,989 tons CO<sub>2</sub>e</b>	<b>100 %</b>

#### Carbon intensity

In 2020, the carbon intensity per employee was 7,369 tons of CO<sub>2</sub>e / employee (Use and End-of-life stages included) and 80 tons CO<sub>2</sub>e / employee (Use and End-of-life stages excluded).

The carbon intensity per module with converter was 13 tons of CO<sub>2</sub>e per module sold. The carbon intensity per euro of turnover was 22 kg of CO<sub>2</sub>e.



(\* ) Procurement (production) = racks, batteries, cables, steel cabinets, covers and frames, ... i.e., everything purchased to provide products and solutions to Alpha Innovations customers.

(\* ) Procurement (internal operations) = services, office supplies, city water consumed, IT equipment, etc., i.e., all purchases made to ensure the daily internal operations of the company.

(\* ) Non energy = estimated refrigerant gas leaks (related to refrigeration and air conditioning equipment on site).

## 4.4. CORRELATION TABLE

### CSR STRATEGY AND WALLOON SUSTAINABLE DEVELOPMENT STRATEGY

Sustainable development, to be coherent and ambitious, must be considered with a dual vision: global<sup>56</sup> as well as local and rooted in its territory. For this reason, it seemed important to us to take into account the sustainable development goals defined by Wallonia. These goals<sup>57</sup> are based on the 17 Sustainable Development Goals of the United Nations, a framework that is well-known to us. They have the potential to broaden our vision.

For each SDG, we have selected the Walloon goals that seemed the most relevant to us, that is to say the goals to which it would be reasonable to expect Alpha Innovations to contribute, today or in the years to come. We then listed what is already done at present by our company.

## SUSTAINABLE DEVELOPMENT GOALS



<sup>56</sup> In particular with the notion of “due diligence” expected from companies. This concept implies that companies are required to identify (through a serious and thorough analysis of the risks) and, if necessary, to prevent, put an end to or mitigate the negative impacts of their activities on the human rights (child labor, exploitation of workers, etc.) and on the environment (pollution, loss of biodiversity, etc.).

<sup>57</sup> [https://developpementdurable.wallonie.be/sites/dd/files/user\\_uploads/SWDD3/SWDD3\\_2022\\_CH3\\_obj%20chiffre%20C3%A9s.pdf](https://developpementdurable.wallonie.be/sites/dd/files/user_uploads/SWDD3/SWDD3_2022_CH3_obj%20chiffre%20C3%A9s.pdf)



## SDG TARGETS

## WALLONIA QUANTIFIED GOALS

## WHAT ALPHA INNOVATIONS DOES TO CONTRIBUTE

1.2	1.2 By 2030, the proportion of Walloons at risk of poverty or social exclusion must at least halve, i.e. drop from 26.5% in 2015 to 13.25%.	Our collaborators employed under a permanent contract <sup>58</sup> benefit from: <ul style="list-style-type: none"><li>- group insurance (retirement plan);</li><li>- monthly meal vouchers;</li><li>- eco vouchers;</li><li>- system of redistribution of results via the CCT90 salary bonus.</li></ul>
1.3	By 2030, the proportion of Walloon households declaring that they had to postpone health care for financial reasons should tend towards 0%.	Our employees under a permanent contract <sup>59</sup> benefit from a hospitalization insurance financed by the company.  Each year, we sponsor the non-profit association «Les Amis de Julien» as well as the «Rock Against Cancer» operation, which provide financial and moral support to people facing cancer.
1.4	By 2030, the share of the Walloon population that is in a situation of digital divide must tend towards 0%.	No significant contribution yet.
2.1	By 2030, the share of the Walloon population that consumes the recommended daily amount of fruit and vegetables must tend towards 100%.	We make fresh, organic and local fruit, as well as loose dried fruit, available to staff free of charge every day.
3.4	By 2030, foster and promote good mental health to reach a proportion of people with an optimal rate of vitality at more than 15% of the population.	All staff members have access to: <ul style="list-style-type: none"><li>- a shiatsu massage session once a month;</li><li>- 2 days of extra-legal leave per year for everyone;</li><li>- flexible organization of work.</li></ul>
	By 2030, reduce premature mortality from cardiovascular diseases, cancer, diabetes or chronic respiratory diseases by 1.5%.	The practice of sport at lunchtime is made possible by the provision of showers in the company.
3.5	By 2030, help reduce smoking cessation among adults and youth by at least 2%.	No significant contribution yet.
	By 2030, reduce the share of the population with harmful alcohol consumption, i.e. the population aged 15 and over who consume alcohol daily, to 8%.	No significant contribution yet.

<sup>58</sup> Regardless of the working arrangement (full-time, part-time, etc.).

<sup>59</sup> Regardless of the working arrangement (full-time, part-time, etc.).



## SDG TARGETS

## WALLONIA QUANTIFIED GOALS

## WHAT ALPHA INNOVATIONS DOES TO CONTRIBUTE

3.6	By 2030, reduce to 100 the number of annual deaths due to road accidents and by 2050, achieve "vision zero".	During staff parties, a carpooling or taxi reservation system is set up to avoid drunk driving.
4.3	By 2030, at least 47% of adults aged 25-64 should have participated in training (formal or non-formal) in the past 12 months (tracked from 2022).	<p>We have developed an onboarding process that includes a training component. The goal is that all new members of our team benefit from the training necessary for their debut in the company in a timely manner. We still need to improve the implementation of the process.</p> <p>All our staff members have access to:</p> <ul style="list-style-type: none"><li>- a training plan as part of their career development plan and a training catalogue;</li><li>- financial support for training outside work or membership of the "paid educational leave" scheme.</li></ul>
4.4	By 2030, the share of the working population who consider their digital skills sufficient for their career prospects must reach 100%.	All staff, with the exception of people in the workshop whose function does not require the use of a computer, are regularly trained in the use of the ERP modules necessary for their tasks. The digitization of the current workshop will be accompanied by ad hoc training for the entire team.
4.5	By 2030, the gap between the employment rate of those with few qualifications and the employment rate of higher education graduates must tend towards 0%, which means that they have the same access to job.	No significant contribution yet.
5.1	By 2030, the percentage of women graduating from STEM fields will have increased by 50% compared to 2020 (i.e. will have to reach 37.5%), following a promotion of scientific, mathematical and technological careers and engineering.	No convincing achievement yet, part of our goals.
5.5	By 2030, the share of women leaders and senior managers must reach 50%.	In 2022, there was 67% of female directors and senior executives in the company.
6.4	By 2030, the water exploitation rate in Wallonia will be less than or equal to 5% for each year.	No convincing achievement yet, part of our goals.



## SDG TARGETS

## WALLONIA QUANTIFIED GOALS

## WHAT ALPHA INNOVATIONS DOES TO CONTRIBUTE

7.2	By 2030, achieve 23.5% of gross energy consumption from renewable energies in Wallonia.	We have invested in a large photovoltaic installation (production capacity = 145 MWh/year). Reducing our consumption should allow us to be autonomous in the long term.
7.3	By 2030, reduce energy consumption in the Walloon Region by 23% compared to 2005 levels (i.e. an objective of reaching 117.8 TWh).	In recent years, we have implemented various energy efficiency actions: <ul style="list-style-type: none"><li>- insulation of the roof and replacement of windows to switch to triple glazing;</li><li>- roof painted white (classic paint);</li><li>- progressive automated lighting management;</li><li>- extensive energy monitoring, both gas and electricity.</li></ul>
8.4	Between 2020 and 2030, increase resource productivity by 16.7% (i.e. the ratio between the gross domestic product and the internal consumption of resources in Wallonia), which implies an absolute decoupling between the evolution of GDP and that of consumption of raw materials.  By 2030, reduce the direct demand for materials (DMI) and the internal consumption of materials (DMC) in Wallonia by 25% compared to 2013.	No convincing achievement yet, part of our goals.  No convincing achievement yet, part of our goals.
9.1	By 2030, the distribution of modal shares (in tons*km) for freight tends towards: 7% for rail, 18% for water and 75% for road.	In 2020, the breakdown of modal shares (in t*km) for freight: 57% sea, 28% road, 14% air and 1% rail <sup>60</sup> .
9.4	By 2030, reduce greenhouse gas emissions by 43% compared to 2005 for the sectors covered by the SEQE (including the industrial sector).	No convincing achievement yet, part of our goals (via the eco-design of our solutions).
9.5	(Idem target 8.2) By 2030, gross domestic expenditure on research and development must reach 3% of Walloon GDP.	In 2021, Alpha Innovations R&D expenditure represented 10% of gross revenue.
10.2	By 2030, achieve an employment rate for people with an immigrant background of 0.86% compared to the general employment rate in Wallonia.	No significant contribution yet.
10.4	By 2030, maintain the Gini index at or below 0.25.	No significant contribution yet.

<sup>60</sup> Source : Carbon footprint 2020.



## SDG TARGETS

## WALLONIA QUANTIFIED GOALS

## WHAT ALPHA INNOVATIONS DOES TO CONTRIBUTE

11.2	(Idem target 9.1) By 2030, the distribution of modal shares (in km travelled) for the mobility of people tends towards: 5% for walking; 5% for cycling; 10% for the bus, metro, tram; 15% for the train and 60% for the car.	No convincing achievement yet, part of our goals.
12.2	By 2030, reduce the total quantities of household packaging to a minimum by 7.3 kg/inhabitant compared to 2013.	(Transposition to the packaging waste of our activity) We have done a lot of work on our production of packaging waste: - we have replaced the traditional plastic film (LDPE) with biodegradable plastic film; - we invested in an embossing machine to replace the polyurethane foam padding with reused cardboard; - we have worked with our suppliers to develop reusable packaging for the transport of some of our products.
12.5	By 2030, achieve a reduction in waste incineration of at least 50% compared to 2019.	We carefully sort our waste (currently 19 differentiated and sorted streams <sup>61</sup> ). We installed a compost in 2021.
12.7	By 2030, 100% of public contracts awarded in Wallonia include ethical, social and/or environmental clauses.	(Transposition to our sustainable purchasing policy) No convincing achievement yet, part of our goals. In 2023, we are planning to audit our suppliers regarding compliance with our existing supplier charter.
13.2	By 2030, reduce greenhouse gas emissions by 55% below 1990 levels.	First carbon assessment carried out in 2021 for the reference year 2020. Objective of monitoring and improving the calculation of our carbon footprint over time (periodic update). Science-aligned reduction targets (SBTi).
14.1	By 2030, Walloon surface water will meet European environmental quality standards.	No significant contribution yet.

<sup>61</sup> The waste streams we sort: paper and cardboard, metals, WEEE (waste of electrical and electronic equipment), plastic films, household plastic and metal packaging, organic waste, batteries, chemicals, neon lights and light bulbs. We then have unsorted residual waste (in 2020, this category represented 10 tons of waste, i.e. 38% of our total waste. Source: 2020 carbon footprint).



SDG TARGETS	WALLONIA QUANTIFIED GOALS	WHAT ALPHA INNOVATIONS DOES TO CONTRIBUTE
15.1	By 2030, protected natural sites will represent 5% of Walloon territory.	No significant contribution yet.
15.3	(Idem target 11.3) By 2030, reduce the consumption of non-artificialized land to 6 km <sup>2</sup> /year and aim for 0 km <sup>2</sup> /year by 2050.	No significant contribution yet.
15.5	By 2030, at least 30% of protected species and habitats that do not have a favorable conservation status in 2020 must fall into this category.	Since 2018, we have planted several hundred meters of hedges and greened our embankments.
16	No relevant Walloon goals for Alpha Innovations.	SDG 16 is covered by the topic "Innovative and participatory governance" ("Well-being of our team" pillar).
17	Wallonia has not set a quantified goal for SDG 17 "Partnerships for the achievement of objectives". This last SDG is actually a lever for action. This is the main key success factor for achieving the 17 SDGs by 2030: collaborating and relying on the strengths and skills of others, in order to increase its positive impact tenfold!	



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