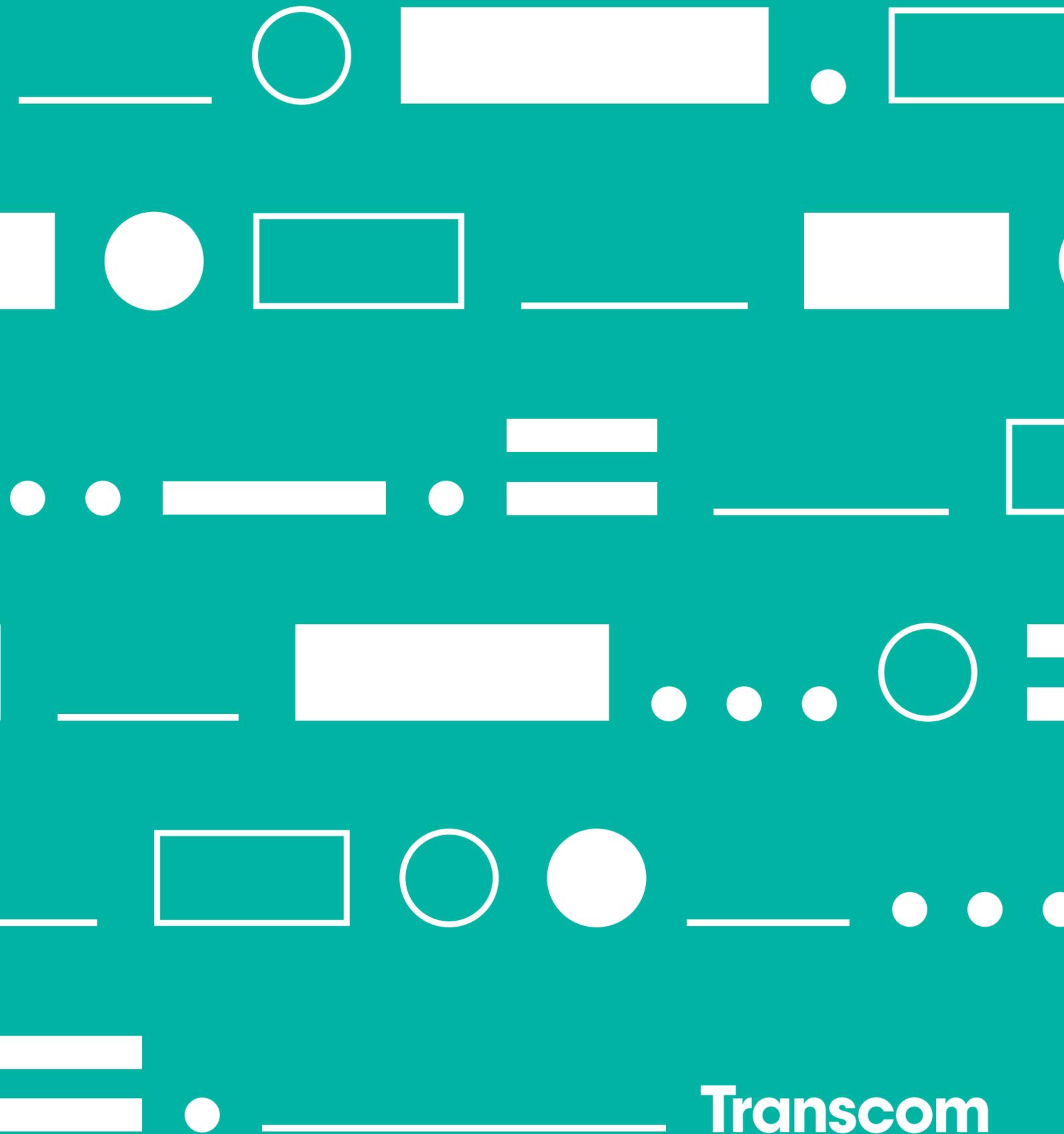


Sustainability Report 2018



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1. Transcom 2018

1.1 Transcom at a glance



27,372 customer experience specialists (including Awesome OS) with

>33 languages 

1.5 million customer service interactions per day



544m EUR Revenue 2018

106m EUR Total equity

218m EUR Current debt

Transcom is passionate about creating smarter people experiences. In order to realize our value proposition, we believe that sustainability needs to be integrated into corporate strategies. This sustainability report presents how Transcom manages sustainability and works to achieve a positive impact on people and the environment.

With local specialists around the world, Transcom Holding AB provides outsourced customer care, sales, technical support, and collections services to companies within among others the telecom, financial services, cable, government & healthcare, consumer goods,

retail/e-tail, logistics, and media sectors. At Transcom, the focus is on providing an outstanding customer experience through our wide network of contact centers and work-at-home agents. We help our clients to drive growth through our consulting services using customer experience, robotic process automation, virtual agents, live chat, gamification, and conversational analytics.

Altor Fund IV is the majority owner of Transcom. During the summer of 2018 Transcom acquired Awesome OS (please see page 26 for more information). Transcom has its headquarters in Stockholm, Sweden.

Transcom's value chain and sustainability

Client relationship & retention	Employee life cycle	Operations
Implementation & transition	Attracting & Recruiting	Workforce management
Client governance	Onboarding & training management	Performance management
Client satisfaction	Employee development & retention	Quality & customer experience
Continuous improvement process		

Value chain and its connection to sustainability

Safeguard non-discrimination and ethical conduct towards end customer	Endorse training and talent management	Have ethical and environmental friendly suppliers
Ensure customer data protection and security	Onboarding & training management	Initiate energy reduction at offices
Client satisfaction	Support community engagement	Reduce and have proper disposal of e-waste
		Take proactive anti-corruption measures
		Take proactive measures against fraud

*Albania, Canada, Chile, Croatia, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Philippines, Poland, Portugal, Serbia, Spain, Sweden, Tunisia, United Kingdom, United States

1.2 Comment from President & CEO



Transcom's vision, to make life simpler by creating smarter people experiences, is a promise and an obligation to our employees, our clients, and our clients' customers. In 2018, we manifested this by transforming into a more innovative, customer-centric and people-driven organization, looking not only how we could improve the day-to-day life for our people but also advance as a sustainable business.

Sustainability has always played an essential part in our corporate strategy, business culture, and daily operations. Since 2013, our efforts are formalized in the program Transcom Cares, which focuses on people development, equality & diversity, and community engagement. Through this program, our talented people support their local communities, co-workers in need, and the environment through volunteering, influencing, and supporting our corporate donations.

Our 27,000 employees serve over 200 international clients from over 50 contact centers in 21 countries. We are the voice of our clients – a global service partner who combines passionate human talent with intelligent technology. Every day, we handle over 1.5 million interactions on their behalf. It is of utmost importance that we operate at the highest ethical standards and safeguard their customers' information. Moreover, it is equally important that we keep up with development and seize the opportunities that digitalization brings, including further developing

our people's skills.

We are proud of the role we play in the lives of current and former employees. Providing a platform for career development for young talents, our customer care specialists learn to strengthen their communication and technology skills in a dynamic environment. Hiring thousands of people every year across the globe, it's imperative to us to be an equal opportunity employer, ensuring a diverse and gender balanced workforce throughout our operations. We have long been successful in our employee equality, and are improving our efforts in senior management.

In 2017, Transcom addressed the Sustainable Development Goals (SDGs), focusing on goals 5; Gender Equality, 8; Decent Work and Economic Growth, 10; Reduced Inequalities, 12; Responsible Consumption and Production, and goal 17; Partnerships for the Goals. This year, we have intensified this work, communicating what we are doing and what we are aiming to do going forward.

Striving to be a sustainable business with a minimal negative impact on our people, our local communities and the global environment is a sound basis for smarter people experiences, not only today but for the future. I am pleased to present our efforts and results in the Transcom sustainability report 2018.

Stockholm,
Michael Weinreich
President & CEO

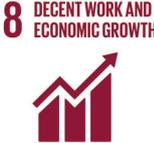
1.3 Transcom and the Sustainable Development Goals

Transcom is a global customer experience specialist with offices on multiple continents. Consequently, the sustainability risk and impact mitigation efforts must coincide with global expectations and frameworks. We conducted a mapping of the sustainable development goals on our

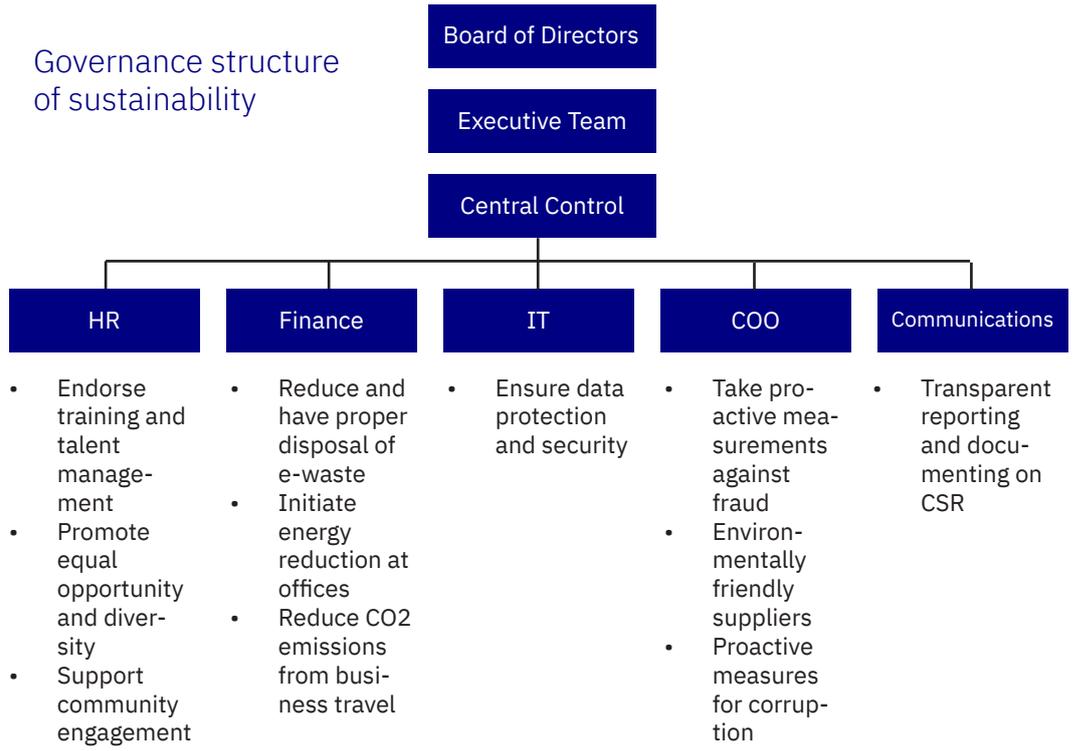
entire value-chain and materiality to find which global goals we have the most significant possibility to impact with our sustainability strategy. The analysis took into account current operations, the materiality analysis described on page 28 and finally the risks associated.

Goal	Targets	How Transcom supports the target
 <p>1 NO POVERTY</p>	<p>1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.</p>	<ul style="list-style-type: none"> • Transcom has a strict and explicit statement on human rights, labor rights, environmental issues and anti-corruption in our Code of Business Conduct and Supplier Code of Business Conduct.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.</p> <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>	<ul style="list-style-type: none"> • Transcom provides accessible and affordable health-care options for employees.
 <p>4 QUALITY EDUCATION</p>	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.</p>	<ul style="list-style-type: none"> • Transcom focuses on training employees in order to promote productivity and diversification e.g. via Transcom University. This motivates Transcom's employees to obtain extra qualifications through internal training programs. • Transcom offers training programs that are equally available and accessible to all employees which increases the number of youth and adults with relevant skills.

Goal	Targets	How Transcom supports the target
<p>5 GENDER EQUALITY</p> 	<p>5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.</p>	<ul style="list-style-type: none"> • Transcom has taken suitable measures e.g. policies, training, anonymized hiring processes, ensuring non-discrimination in employment through implementing gender-sensitive recruitment. • Transcom is paying equal remuneration, including benefits, for work of equal value. • In certain geographies, Transcom provides child care services to employees. • Transcom ensures equal access to our training programs. • Transcom has established a zero-tolerance policy towards all forms of violence, discrimination and harassment. • Transcom has established a structure that allows employees to anonymously report incidences or suspected incidences of adverse human rights impacts, and has protection in place for whistleblowers so that these persons feel able to report without fear of retribution.
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>	<ul style="list-style-type: none"> • Transcom monitors and reports on the amount of energy consumed, according to source.
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.</p> <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.</p>	<ul style="list-style-type: none"> • Information on human rights, labor rights, environmental issues, and anti-corruption are contained in Transcom’s Code of Business Conduct. This increases awareness and promotes sustainable development as well as sustainable practices by ensuring that the code is shared and understood by all employees. • Transcom ensures responsible employment strategies, providing fair working conditions and productive activities for all employees. • Transcom has a strict and explicit statement on human rights, labor rights, environmental issues and anti-corruption in our Code of Business Conduct and Supplier Code of Business Conduct.

Goal	Targets	How Transcom supports the target
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.</p> <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<ul style="list-style-type: none"> • Transcom evaluates risk in human rights, labor rights, environmental issues and anti-corruption on their main suppliers. • Transcom has implemented appropriate workplace training programs.
 <p>10 REDUCED INEQUALITIES</p>	<p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p>	<ul style="list-style-type: none"> • Transcom always ensures equal respect and support to women and men in our customer care service activities. • Transcom consider the diversity of language, culture and family, circumstances which may exist in the workplace when introducing measures to promote equality.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p> <p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>	<ul style="list-style-type: none"> • Transcom discloses sustainability using GRI standards to report on a country-by-country basis. • Transcom communicates how human rights impacts are being addressed and how sustainability principles are being introduced into business practices. • Transcom ensures transparency and unbiased dialogue with stakeholders through an impact assessment and materiality analysis.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p> <p>16.5 Substantially reduce corruption and bribery in all their forms.</p>	<ul style="list-style-type: none"> • Transcom develops and implements policies and programs to effectively address all forms of corruption in the business at the highest ethical standards regardless of region or situation following our zero tolerance on corrupt practices. • Transcom demonstrates a zero-tolerance approach to corruption and bribery at top management and leadership levels. Being aware of any improper advantage, for example when it comes to obtaining or retaining business. • Transcom has implemented a whistleblower policy that applies to Transcom employees, agency workers, contractors, and home agents.
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>17.7 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.</p>	<ul style="list-style-type: none"> • Transcom frequently has partnerships with civil society and is active when it comes to community engagement. • Transcom supports joint development initiatives and works with governmental and non-governmental partners, civil society and international organizations.

1.4 Governance



To properly implement sustainability into all of Transcom’s business operations, Transcom has a clear governance structure. Each material sustainability area has a topic owner which ensures ownership over the area and responsibility for compiling data on key performance indicators. Another responsibility for the topic owner is to ensure internal engagement around Transcom’s sustainability initiatives.

The audit committee and the Board of Directors are responsible for following up on Transcom’s progress within its material sustainability areas. Sustainability is also controlled by the Head of Internal Audit, who reports independently to the Board of Directors.

1.5 Code of Business Conduct and Supplier Code of Business Conduct

Trust, honesty, and transparency are at the heart of everything we do. To ensure that all Transcom employees and representatives act in accordance with Transcom's values, we have developed a Code of Business Conduct. The Code of Business Conduct is based on 13 principles covering human rights, labor rights, environmental protection and anti-corruption practices that are essential in Transcom's daily operations. To ensure that the Code of Business Conduct is properly integrated into Transcom's operations, the code is owned by the Board of Directors and revised on an annual basis.

It is of great importance that all employees are properly informed of the Code of Business Conduct and follow its principles. Therefore, an introduction to the code is included in Transcom's global onboarding pro-

cess. All employees are required to pass a quiz on the code. This process gives employees the opportunity to reflect on Transcom's most important values. The robust implementation process of our Code of Business Conduct policy covering sustainability within our operations has resulted in correct actions and clear governance of all areas.

We also understand the prominence of supporting our suppliers to be sustainable. Therefore, we have implemented our Supplier Code of Business Conduct encompassing requirements within human rights, labor rights, environmental protection, and anti-corruption practices. Equally to the Code of Business Conduct, the Board of Directors is the owner of the code for suppliers. We strive to have the Supplier Code of Business Conduct as part of every major procurement process.

1.6 Risk Management

Sustainability risk management is crucial for Transcom in order for us to maintain our position as one of the leading global service partners. Transcom has conducted different types of sustainability risk assessments. Primarily, we conducted one in connection to our materiality analysis focusing on our material sustainability aspects. Secondly, we always conduct a risk assessment for the corporate governance report and further we conducted a risk assessment of our purchasing categories and suppliers.

Internally, two main risks are related to whether Transcom would be unable to attract and retain skilled staff and also not being able to ensure high standards of working conditions, which is of utmost importance for a company in the customer care industry. In order to mitigate the risks, Transcom has implemented robust talent management and career development programs (see page 12-14 for more information). We also conduct a yearly employer satisfaction survey to identify improvement

areas and further strengthen our position as the first choice for applicants in our industry. With regard to working conditions, all health and safety issues are handled with local HR managers, workers representatives, and labor unions.

When analyzing our supply chain it becomes evident that Transcom continuously must keep an eye on upholding a healthy work life balance and other social risks connected to excessive working hours, discrimination and health and safety training when we use other staffing and call center service providers. Corruption and environmental risks are unlikely to materialize. However, it is important for Transcom to ensure that dealings with vendors are transparent, ethical, free from any conflicts, and at arm's length basis and ensure the highest standard of data privacy as well as reduce their environmental footprint such as emissions from business travel. Transcom will during 2019 continue to focus on mitigating key risks in the supply chain.

2. Transcom Cares highlights

Transcom Cares is Transcom’s sustainability program that focuses on social sustainability. What started as an employee grassroots initiative by Transcom employees in the Philippines has over the years transformed into an overarching global corporate outreach program. It has become one of our highly praised corporate

initiatives and is integrated into our operations to support local communities and provide our employees with the opportunity to volunteer and contribute within areas that they are most passionate about. The program consists of three pillars: people development, equality and diversity, and community engagement.



2.1 People development

Our customer experience specialists are the voice of our clients. An inspired, skilled, and enthusiastic workforce is the backbone of our smarter people experiences. At Transcom, we understand the value our employees bring to the table and their high position in our value chain. Transcom must continue to be an attractive workplace in order for us to appeal to new talents as well as retaining our high performing teams and individuals. Therefore, our main social sustainability goal is to become the number one employer of choice in the industry.

Our annual employee satisfaction survey shows that the overall satisfaction rating is 81% at Transcom and employees highly appreciate their colleagues and friendly atmosphere, job flexibility and the many internal opportunities for development. We are happy with the results; however, we are constantly working on improving our satisfaction rating and will enhance local action plans for to promote further improvements during 2019.

Total number of employees by contract type		
Europe	Male	Female
Full time	3,852	7,092
Part time	901	1,728
Consultants	652	735

Global English Region	Male	Female
Full time	4,361	4,854
Part time	9	6
Consultants	0	0

Total number of employees by employment type		
Europe	Male	Female
Full time	3,160	7,092
Part time	2,245	1,728

Global English Region	Male	Female
Full time	4,368	4,854
Part time	3	6

Total employee count	
Male	9,776
Female	14,416

Europe includes our operations in Albania, Croatia, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Serbia, Spain, Sweden, and Tunisia. Global English Region include our operations in Philippines, UK, Canada, and USA. Data for our operations Transvoice, Corporate and operations in Chile has not been included in the permanent and temporary breakdown due to limitations in reporting data. Total number of employees in Chile amounted to 541, Corporate 220 employees and Transvoice 147 employees.

2.1.1 Training

We are determined to offer our employees stimulating working conditions with motivating compensation programs and career development. We offer several programs to constantly improve our employees' skills and to remain a company that always evolves. Throughout 2018, Transcom has provided multiple different training programs for our employees. All new hires at Transcom receive tailored training, followed by client-related regular updates.

Transcom employees also receive training in relevant policies in or-

der to secure that all employees are aware of correct and expected actions in specific situations. Furthermore, coaching and performance management is accessible to all Transcom employees. One of our most appreciated virtual training initiatives is our e-learning platform Transcom University, which will be relaunched as an app for smartphones and tablets during the first half of 2019. Transcom can through these initiatives provide our employees with inspired learning, advanced knowledge and foster innovation.

2.1.2 Career development

We are proud of the role we play in the lives of our current and former employees. Our agents learn about direct client interaction in a dynamic environment, strengthening their communication and technology skills. To provide our employees with the opportunity to individually grow and advance their careers within Transcom, we have a clearly defined career progression, either as a line manager or in a specialist role. Through our internal career and leadership programs, we are able to advance our employees to excellent future leaders, and it makes us happy to see that many of our managers

began their career path at Transcom as agents or in junior support roles. 90 percent of our Team Leaders are internally recruited and 75 percent of our Business Managers.

Each year, we award and recognize special efforts made by our committed Team Leaders from all around the world with the Team Leader Award. The winners are invited to a conference to meet the leaders of Transcom, be celebrated and awarded.



2.1.2.1 Team Leader Award winners 2018

Tina Šegon, Croatia

“I felt grateful and appreciated that my years of hard work were rewarded. I am honored to be part of the Transcom family. Every tick of my watch reminds me off that.” [in 2018, the winners received a smart-watch]

Dan Andrew Barrion, Philippines

“The award is an extra token for all the hard work and perseverance of the team that I have handled and the team that I am currently handling. This serves as an inspiration not only within my team but also to my co-team leads across the world. This also motivates me more to innovate and involve our people in formulating new actions that will be beneficial to our organization and never settle with a mediocre performance.”

Mikhail Soloviev, Estonia

“Winning a Best Team Leader of Global Account was very appealing for me. It’s always a pleasure to get recognition by your manager and the whole company you are working at. It really motivates to make as much effort as possible in future not just to grow personally, but to grow with Transcom. It was also nice to meet the top management in Berlin and Michael Weinreich himself.”

Simon Rosendal, Sweden

“Being awarded the prize made me feel seen as a person in such a large company as Transcom. Getting to meet all the people who get the business going forward was fun! Getting a prize like this made me feel appreciated as a leader and all the extra things I have done for my employees and it also motivated me to continue to challenge myself, every day. I feel like an ambassador for Transcom, and got a much bigger insight into how the company works and how many important people are around the world within Transcom.”

Ingrid Alsema, Netherlands

”Being awarded and experiencing the Summit 2018 was a big compliment for me! I would like to thank my Team and my colleagues for my nomination and the way we always work together as a Team. Up to greater accomplishments in the future.”

Ana Mafalda Lima Cardoso, Portugal

“I am grateful for the recognition that was made to my work, but I appreciate it, for having a fantastic team, who works relentlessly every day at my side. Without them, this recognition was not possible. Thank you all.”

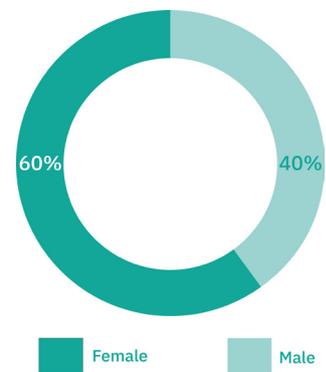
2.2 Equal opportunities

Transcom is an equal opportunity workplace where everyone is given the chance to continuously develop and advance their career. This has resulted in a strong corporate culture where employees grow with us and progress to take on new challenges at Transcom. We enforce zero tolerance on discrimination and actively focus our resources to prevent it. As previous years, Transcom did not have any cases of discrimination or harassment.

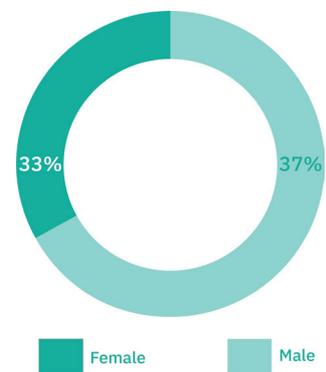
During 2018, we digitalized our recruitment process. To deliver the best candidate experience, we use a combination of technology and human intelligence to assess and identify the best candidates. By replacing CV's and personal letters with a validated screening algorithm, we can further increase objectivity in the early screening of prospective employees. This means that we can set a baseline before any human contact is made to ensure an objective and non-discriminatory recruitment process.

In line with our Business Code of Conduct, we value the opportunity to engage in open dialogue with our employees across the globe and we respect our employees' right to freedom of association and collective bargaining. In 2018, 31% of Transcom employees were covered by a collective bargaining agreement. The percentage represents employees from Italy, Spain, Netherlands, Norway, and Sweden.

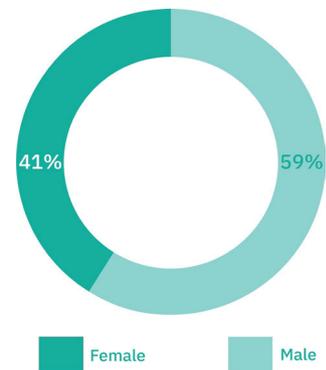
Gender distribution of employees



Executive management



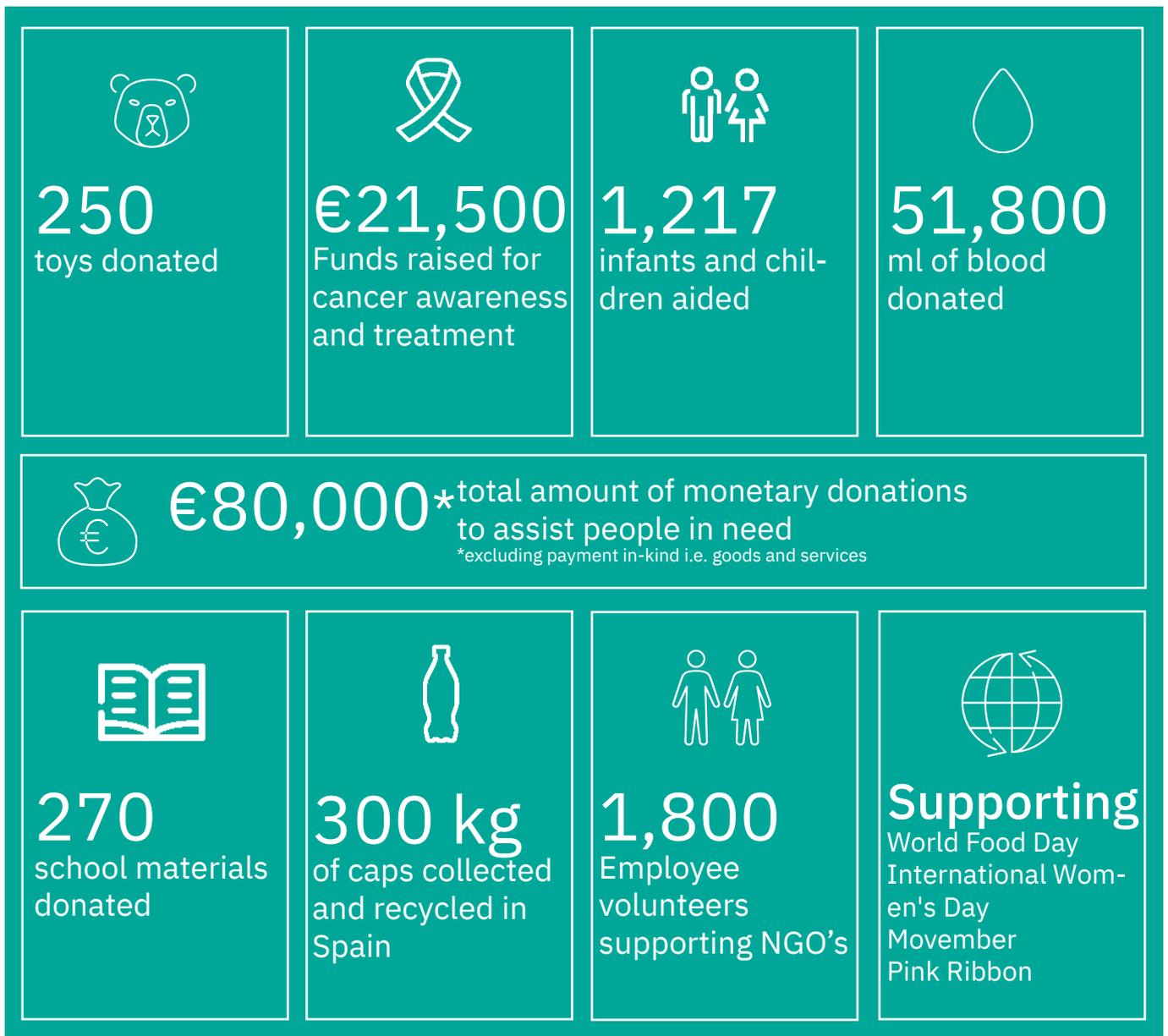
Managers



2.3 Community engagement

Transcom has a strong commitment to the communities in which we operate. Many of our community engagement activities depend on our employees' passion to contribute

their time and energy, making us all proud to work at Transcom. Here is a summary of our community engagements during 2018 and examples of the many initiatives carried out.



2.3.1 Local initiatives

Albania: The zero hunger initiative

Raising awareness among people participating in recycling food and recipes, and how to create new dishes from food leftovers. We invited all our employees to share their recycling food and recipes. For each contributed recipe, Transcom added two Euros to a fund to be used for future projects.

Croatia: Easter and Christmas action for children

Every year, Transcom Osijek TL organizes a sale of crafted theme items and decorations for Easter and Christmas. The entire profit goes to the Association for Children with special needs in Vukovar, “Vukovarski leptirići” (“Vukovar Butterflies”). The sales this year generated over 400 Euro.

Italy and Croatia: Supporting a colleague in need

One of our colleagues in Croatia was diagnosed with cancer. To help her, her colleagues in Italy and Croatia did a number of activities to help pay for her medical cares. In Italy, they organized a lottery, gathering 3,000 Euro. In Croatia, the team partnered with a humanitarian association and collected financial support.

Estonia: Raising money to fight cancer

The Estonian team arranged a charity lottery and bake sale in the office to raise money for the Estonian Cancer Fund.

Germany: Child Cancer Aid

Every year, the German team collects bottles in special bins in the office to be recycled. The money is donated to Child Cancer Aid. This year, we collected 1000 Euros.

Italy: Family house adoption

Since 2014, every Christmas, we adopt house families where we bring gifts and necessities to children in the neighborhood. This year, we brought gifts and necessities for 1000 Euros.

Latvia: Christmas market

This market is an annual tradition to raise money for different charity initiatives. Depending on the selected charity specific needs, employees do extra activities – spend their day with children at the hospital, take care of animals for a couple of hours. At the end we make a charity closure where the groups present their results. In 2018, we earned 2,000 Euro by selling goods that we could donate to Children’s Hospital.

Lithuania: “Little heart – big dreams”

Our employees donated school supplies, clothes and money for “Order of Malta Relief Organization in Lithuania” to be distributed to children in need.

Netherlands: Animal rescue

Our employees organised a baking competition. The money was donated to a local organization for animal welfare.

Norway: Sick children

Instead of a Christmas gift to employees, all employees are invited to vote which organization the money should be donated to. This year, they selected a local organization called “Sykehusbarn”, providing a better experience for children in hospitals.

Poland: The Great Orchestra of Christmas Charity

The GOCC is the biggest, non-governmental, non-profit, charity organization in Poland. The Polish team did a fundraising for the organization to buy medical equipment for hospitals.

Portugal: Transcom held a market with handmade articles created by children of **AFPAD – Famalicense Association of Prevention and Support to the Deficiency.**

Serbia: Children in need

In Belgrade, our employees donated clothes and supplies to the children of Svратиšte shelter. In Novi Sad, the employees bought Christmas presents for the Home for the children and youth with disabilities and spent a day at the home with them.

Spain: Donate your Pencil

The Spanish team collected school supplies for children without resources in collaboration with the Oscar Pompa Association. The result was 50 backpacks, 100 pens, 100 notebooks, and 20 water drums.

Sweden: Instead of a Christmas gift to employees, the Swedish office donates an amount to a charity organization. All employees are invited to vote which organization the money should be donated to. This year, the money was donated to **Barncancerfonden** helping children with cancer.

United Kingdom: Every year, the UK team holds two charity event days. The employees volunteer and bring food and gifts for different games where employees take part by paying. All contributions go to a charity chosen each year.

United States: IWET – Hurricane relief

Transcom provided financial assistance for employees impacted by hurricanes and flooding for both Hurricane Florence and Hurricane Michael in 2018.

2.4 Transcom TAYO

In the Philippines, our local battle cry is Transcom TAYO, which translates to "We are Transcom". Transcom TAYO captures how the corporate culture is centered on people. One big part of Transcom TAYO is the importance of work life balance for employees. Office space has been expanded to include a lounge, café and a gym. This investment helps improve the work environment and adds to the already existing commitment to our employees' wellness and lifestyle. Additional standard amenities that Transcom offer at each office site in the Philippines are on-site pharmacies and a free shuttle bus. To support families with young children, child care is offered at each production site. In total, all Transcom sites across the Philippines accommodated 5,280 children in 2018. These standard amenities are a part of Transcom's ongoing work to create flexible, safe and comfortable working environments where people can develop and thrive in their working lives.

Transcom Cares in the Philippines

Transcom organizes fundraisers for employees such as "The Kindness creates endless ripples" and "Transcom's Fun Run" where employees get together to contribute

to the Transcom Cares Fund. The means are used to help other employees that have endured hardship or want to fulfill a dream. In 2018 the Transcom Cares fund helped 200 employees with emergency loans and 18 employees who suffered damage to their properties due to typhoons. It also gave scholarship grants to 10 employees to support them in completing their college degree and 120 employees received financial assistance for calamity, bereavement, sickness and small outreach activities.

Partnering with non-governmental organizations

In the quest to contribute to the communities in the Philippines, Transcom is partnering with NGOs. A pressing issue in the Philippines is the fast-growing HIV epidemic where urgent action needs to be taken. In light of this situation Transcom entered into a partnership with The Red Whistle, an organization which aims at raising the awareness about HIV, educate employees about the benefits of HIV testing, and encourage them to undergo testing. The target is that at least 20% of employees will voluntarily undergo testing.

3. Transcom's sustainable operations

3.1 Environment

Transcom has global operations that are dependent on local infrastructure. Transcom understands that to reach global goals and ensure a sustainable global climate we must make an effort to reduce our negative environmental impact.

Failure to mitigate future global climate risks will impact all businesses in the long run. Naturally, Transcom follows the precautionary principle by managing risks of negative environmental impact by international guidelines and always adopts a proactive stance to increase environmental protection.

We focus on the issues where

Transcom and our stakeholders have identified potentially significant environmental impact: namely e-waste, business travel, and energy consumption in our facilities.

Our environmental policy and travel policy leads Transcom's operations into an environmentally friendly direction and optimizes our environmental performance. For example, Transcom has the ambition to reduce the need for business travel by increasing the use of collaboration technology and adopting a strict approval process to ensure that any business travel undertaken is necessary and efficient.

Energy & fuel		
	Renewable	Non-renewable
Diesel	1,128.35	472.15
Gasoline	13.31	0.77
Electricity	21,264.94	4,279.70
District heating	2,444.41	883.72
District cooling	337.05	789.19
Total energy in Mwh		31,613.60
Energy intensity Mwh/employee		1,281
<p><i>302-1 Due to an identified calculation error in the energy data for 2017, last year's energy consumption amounted to 23,164 MWh and not 21,969 MWh. The discrepancy was found in the electricity.</i></p> <p><i>302-3 Chile excluded due to limitations in reporting data. Intensity figure include all reported fuel.</i></p>		

Total CO2e emissions (tons)	
Scope 1	351.00
Diesel	347.85
Gasoline	3.15
Scope 2	10,152.08
Electricity	9612.96
District heating	526.98
District cooling	12.14
Scope 3	1,457
<p><i>Scope 1 emissions occur from sources that are owned or controlled by Transcom. This includes emissions from company cars.</i></p> <p><i>Scope 2 emissions accounts for emissions from purchased electricity, heating and cooling consumed by Transcom.</i></p> <p><i>Scope 3 emissions accounts for emissions that are not owned or controlled by Transcom but occur due to Transcom activities. The disclosed data includes emissions from business travel.</i></p>	

3.2 E-waste

Excellent information technology is a prerequisite for Transcom's employees to be able to provide high-quality services. This is why we upgrade our technology infrastructure to have a lower environmental impact by seeking ways to adopt improved and efficient business solutions to reduce wasteful consumption.

E-waste is a natural and vital part of the electronics lifecycle. Transcom follows the waste electrical and electronic equipment directive (WEEE Directive) and other country-specific e-waste regulations.

Transcom takes utmost responsibility to make sure any equipment capable of holding data and con-

figurations are wiped and ready for disposal. The material is either taken care of by local facilities or disposed of by third parties. In many countries, Transcom has engaged with e-waste management companies to ensure a sustainable end of life solution.

We extend the life of our products for as long as possible and consider buying refurbished PCs if possible for the designated task. When we procure new electronics, we favor environmentally friendly technologies and types of equipment, such as Energy Star-labeled retailers. Over time we will develop our e-waste management to encompass a more circular life-cycle approach.

3.3 Anti-corruption

To proactively and consistently combat corruption in all its forms is essential to Transcom. We have taken measures to reduce the likelihood of corruption by letting the internal audit department conduct risk assessments of all our operations according to Transparency International's Corruption Perception Index. We have also implemented a zero tolerance to fraud and other unethical behavior that is solidified within the organization with the help of rigorous steering and policy documents.

The policy documents include our Supplier Code of Business Conduct and Code of Business Conduct for employees. A mandatory part of the Code of Business Conduct training is the training of all new employees in anti-corruption. After completion, all employees must provide a signed affidavit of their understanding of the Code of Business Conduct. Transcom is a global company and is therefore exposed to country-specific risks. In our global operations, we ensure that all risks of corruption are addressed in each country through the countries risk register, in the scope of our internal audits and in strategic risk assessments for business developments.

Transcom has a whistleblower policy in place to ensure that employees, agency workers, contractors, and home agents feel safe when reporting corruption and malpractices. Employees can file complaints via email, mail, or fill out a form via our intranet. The system allows for anonymous reporting. All complaints and malpractices are put through a confidential assessment process where they are investigated in detail. The length and scope of the investigation depend on the subject matter of the concern. If appropriate, the investigation will be escalated to the Chairman of Transcom's Board of Audit Committee, an independent auditor, or the police or other law enforcement authority. If the concern is of urgent matter, action is taken before the investigation is conducted. The employee who reported the concern will, unless circumstances do not permit it, be notified what action Transcom decided upon and must treat any such information with the strictest confidence.

We are happy that in 2018, our review, escalation process, and whistleblower system all jointly showed no indications of any cases of corruption.

3.4 Supply chain and human rights

Transcom's sustainability strategy encompasses the entire value chain. We do our utmost to ensure that our suppliers attain the highest ethical, social and environmental standards, and have processes in place to evaluate how well our suppliers follow different sustainability standards. Transcom's suppliers are mainly within IT and network, temporary staff and recruitment agencies as well as facilities related suppliers. The majority of the suppliers are situated in Europe (two-thirds) with the remainder mainly in North America and the Asia-Pacific region.

We aim for all new suppliers to sign our Supplier Code of Business Conduct, which is based on the UN Global Compact's ten principles and requires suppliers to pose equal de-

mands on their suppliers. Exceptions can be made in cases where, for instance, corporate IT vendors can show that they have a more comprehensive Code of Business Conduct than Transcom's policy.

During 2018, we initiated a risk analysis process of our purchasing categories and suppliers. The increased understanding of our supplier base provides us with valuable intel about our services and provides us with great opportunities to engage with our suppliers. The cooperation facilitates a dialogue on how we can support the supplier and monitor that we don't have any breaches towards human rights, labor rights, environmental protection or corruption in our supply chain.

3.5 Data protection

To guarantee safety and security measures Transcom keeps up to date with the latest technology and knowledge. In May 2018, the new EU regulation GDPR (General Data Protection Regulation) came into force. A significant focus was therefore placed on ensuring compliance with the new regulation. A project manager was assigned to this task reporting directly to Transcom CEO, as well as a steering committee comprised of senior members of Transcom including our Global Director of Security and Privacy, Global Head of Legal, Global Governance, Global HR, and Global IT Operations.

Transcom reviewed the privacy governance and contractual framework in the context of GDPR. All relevant group-wide policies were created and rolled out, and data privacy coordinators were appointed and trained on the policies. A digital, mandatory GDPR training was rolled out via our e-learning platform Transcom University; a total of 61% of Transcom employees took part in digital training to ensure a unitary approach to everyday processes in regards to data protection. Moreover, all new employees need to go through security awareness training within 30 days of a new hire.

4. Awesome OS

Energy consumption (Mwh): Electricity

Renewable	1804,00
Non-renewable	0,0

Awesome OS was established in the United States and the Philippines in 2006. Company culture and employee happiness have always been at the core of their business strategy, leading to better service and committed personnel. Their customers are mainly fast-growing US e-commerce clients which Awesome OS provides services for in their 9,000 sqm office space in over four offices in Davao, Philippines. Awesome OS also has a smaller office in Los Angeles, which is mainly a sales office. In the last quarter of 2018, Awesome OS Europe was founded in Berlin. In total, the energy use from Awesome OS's office space was 1084 MWh in 2018.

In 2018 Awesome OS had 2,272 employees working to provide customer service (e.g., through voice, email, chat, SMS and social media), back office support (e.g., content moderation, administrative functions, bookkeeping, data entry), web programming and graphic design services. There is an employee distribution of 47.1% males and 52.9% females working at Awesome OS.

Similar to Transcom, Awesome OS has a culture of enhancing employee well-being. For example, Awesome OS offices have massage therapists

available 24 hours a day, aromatherapy rooms as well as mental health experts providing support for employees. Since mental health-related illnesses are becoming increasingly prominent in today's society, Awesome OS understands the importance of discovering mental health issues at an early stage to be able to provide the right help at the right time for their employees.

Physical well-being is promoted through paying annual physical examinations for all employees and promoting different physical activities that are accessible to those employed. For example, Awesome OS rents a basketball court for two hours every week for its team members. Employees also receive discounts at the local gym, restaurants, pharmacies and book stores.

Awesome OS take a stand against all forms of discrimination and harassment, and it is essential that all Awesome OS team members respect these values every day. There are processes and consecutions to enforce a non-discriminatory company culture within the organization.



The company has provided all employees with information and terminology in regards to harassment and ethical behavior. Each new team member is required to sign the Team Handbook where all rules, information, and vocabulary are stipulated.

Any employee, who experiences any form of harassment at Awesome OS, shall report the incident immediately through the grievance channel managed by the Grievance and Investigation Team. All allegations of sexual harassment will be quickly investigated, and the identity of the employee will remain confidential.

Awesome OS employees are very involved in community engagement projects, mainly through supplies calamity funds in case of a natural disaster in the Philippines. Also, Awesome OS's employees are active in clients' community engagements regularly.



5. Report details

5.1 Materiality

To ensure that our sustainability strategy is relevant and of importance to our stakeholders, it is based on our stakeholder dialogues and materiality analysis. This provides a roadmap of which sustainability aspects to focus on. In 2016, Transcom conducted a materiality analysis with key stakeholders. The previous materiality analysis was in 2018 updated with an impact analysis to meet the requirements in GRI Standards. This impact assessment also gave additional value to the efforts Transcom has set in relation to the SDGs as described on page 5.

As part of Transcom's previous materiality analysis, stakeholder dialogues were conducted to identify which sustainability aspects that were considered to be most material, i.e., which economic, environmental and social issues are most critical and have the most significant impact on Transcom's business. Transcom's Group

Executive Management team identified and selected key stakeholder groups to engage with; employees, owners, investors, ESG analysts, equity analysts, and clients.

The stakeholder dialogues were conducted through surveys where the stakeholder groups were asked to prioritize sustainability aspects. We also organized feedback meetings with our employees. The results of the materiality surveys and feedback meetings were analyzed and action plans were created to address the findings. Transcom's Group Executive Management prioritized amongst the material sustainability aspects to allocate adequate resources to achieve the highest impact.

Below is the outcome of the materiality analysis.

Most important aspects per stakeholder group:

Employees

- Be an equal opportunity employer
- Be transparent with financial reporting
- Work proactively with anticorruption

Owners

- Provide continuous training for employees
- Be transparent with financial reporting
- Have fair and transparent recruitment practices

Investors

- Provide continuous training for employees
- Focus on fair working conditions for employees
- Ensure high degree of customer satisfaction
- Focus on health and safety management for employees

Equity analysts

- Be transparent with financial reporting
- Focus on fair working conditions for employees
- Be an equal opportunity employer

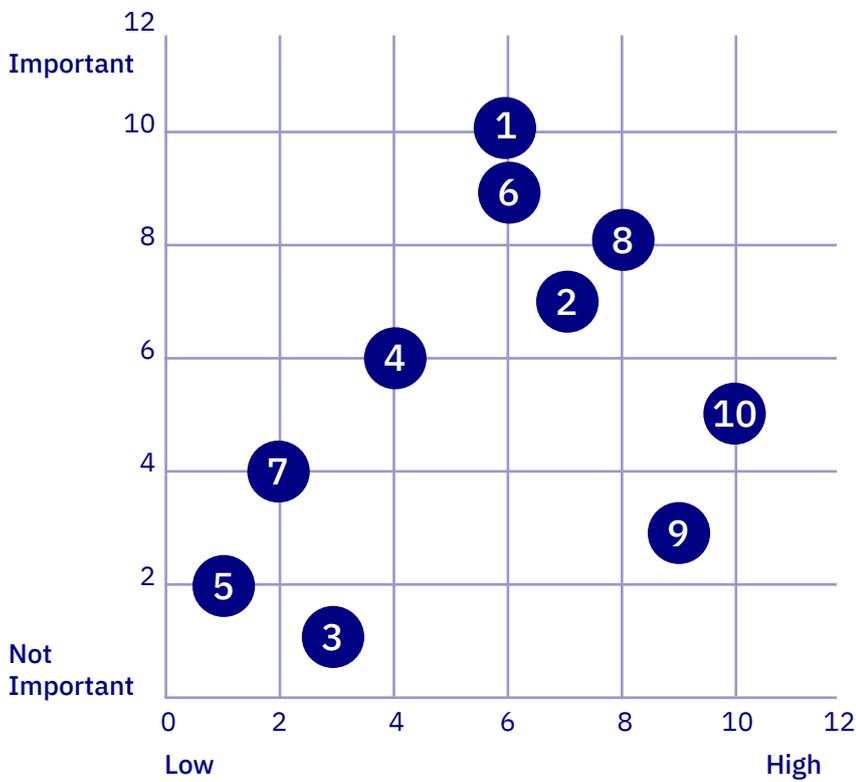
ESG analysts

- Focus on fair working conditions for employees
- Uphold freedom of association and right to collective bargaining
- Ensure high degree of customer satisfaction

Clients

- Have fair and transparent recruitment practices
- Be an equal opportunity employer
- Focus on fair working conditions for employees

Materiality matrix



- 1** Endorse training and talent management
- 2** Ensure customer data protection and security
- 3** Have ethical and environment friendly suppliers
- 4** Safeguard non-discriminatory and ethical conduct towards end-customers*
- 5** Initiate energy reduction at offices
- 6** Promote equal opportunity and diversity among employees
- 7** Reduce and have proper disposal of e-waste
- 8** Support community engagement
- 9** Take proactive anti-corruption measures
- 10** Take proactive measures against fraud

*New for 2018

5.2 About the report

Reporting period: January – December 2018

Reporting standard: Global Reporting Initiative Standards

Publication of the previous report: April 2018

Contact in charge of the report: Helene Ruda, Head of Communication, helene.ruda@transcom.com

This report has been prepared in accordance with the GRI Standards: Core option, the EU Non-Financial Reporting Directive (Directive 2004/95/EU) and the Swedish Legislative Annual Accounts Act (ÅRL), hence this report acts as Transcoms' Statutory Sustainability Report.

Scope & Boundaries

This sustainability report refers to Transcom Holding AB. For a full list of legal entities, see Transcom Annual Report 2018. The data from our acquired company Awesome OS is disclosed separately and is only accounted for on page 28.

Employee data has been collected from our HR system, SAP. All data is stated in Headcount and is per the 31st of December 2018. There exists a possibility for a discrepancy of approximately 1% based on different closing dates of HR-data among the countries.

Data disclosed regarding employment and diversity include both employees and consultants whereas consultants are excluded from data related to salary and remuneration. Salary

and remuneration data has been collected in local currencies and converted through currency exchange rates from Swedish 'Riksbanken' and Canadian currency authority 'XE.'

Scope 1 and 2 emissions are based on the Greenhouse Gas Protocol standard and IES. Scope 3 emissions include business travel and are provided by third party. Emissions for all energy sources being renewable has been manually standard calculated to 0. The material aspects "Reduce and have proper disposal of e-waste" and "Have ethically and environmentally friendly suppliers" do not have quantitative indicators for 2018 but are described in an extensive management approach disclosure in the environmental chapter of this report. After several organizational changes we have now set 2018 as our base year for the environmental data.

Omissions

- 405-1 Chile is excluded due to limitations in reporting data.
- 405-2 Chile is excluded due to limitations in reporting data. Data cannot be disclosed per region due to confidentiality constraints.

External assurance

No independent third party assurance has been conducted on the GRI-data. However, EY Sweden AB has conducted an assurance in accordance with FAR's auditing standard RevR 12.

5.3 Workforce data

GRI	Total number of employees by contract type		
102-08	Europe	Male	Female
	Permanent	3,852	7,092
	Temporary	901	1,728
	Consultants	652	735
	Global English Region	Male	Female
	Permanent	4,361	4,854
	Temporary	9	6
	Consultants	0	0
GRI	Total number of employees by employment type		
102-08	Europe	Male	Female
	Full time	3,160	4,485
	Part time	2,245	5,070
	Global English Region	Male	Female
	Full time	4,368	4,853
	Part time	3	8
GRI	Total employee count		
102-08	Male		9,776
	Female		14,416
	Total		24,192
GRI	Gender distribution of employees		
405-1	Global	Male	Female
	Executive managers	67%	33%
	Managers	59%	41%
	Employees	40%	60%
	Europe	Male	Female
	Managers	64%	36%
	Employees	36%	64%
	Global English Region	Male	Female
	Managers	53%	47%
	Employees	47%	53%

GRI Gender distribution of employees					
405-1	Global		Age <30	Age 30-50	Age >50
	Executive management		0%	67%	33%
	Managers		12%	78%	11%
	Employees		45%	48%	6%
	Europe		Age <30	Age 30-50	Age >50
	Managers		14%	79%	8%
	Employees		40%	52%	8%
	Global English Region		Age <30	Age 30-50	Age >50
	Managers		0%	71%	29%
	Employees		55%	42%	3%
GRI Diversity of board					
405-1			Male	Female	Other
	Gender		100%	0%	0%
			Age <30	Age 30-50	Age >50
Age		0%	50%	50%	
GRI Executive salary & remuneration - ratio women to men					
405-2	Transcom - Basic salary				
	Executive management				78%
	Managers				87%
	Employees				94%
	Transcom - Remuneration				
	Executive management				75%
	Managers				87%
	Employees				95%
	Xzakt - Basic salary				
	Executive management				100%
	Managers				100%
	Employees				100%
	Xzakt - Remuneration				
	Executive management				100%
	Managers				100%
Employees				100%	

Europe includes our operations in Albania, Croatia, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Serbia, Spain, Sweden, and Tunisia. Global English Region include our operations in Philippines, UK, Canada, and USA.

Data for our operations Transvoice, Corporate and operations in Chile has not been included in the permanent and temporary breakdown due to limitations in reporting data. Total number of employees in Chile amounted to 541, Corporate 220 employees and Transvoice 147 employees.

6. GRI Content Index

GRI Standard	Disclosure	Page	Fulfillment	Comments
GRI 102: General Disclosures	Organizational profile			
	102-1 Name of the organization	p3	F	
	102-2 Activities, brands, products, and services	p3	F	
	102-3 Location of headquarters	p3	F	
	102-4 Location of operations	p3	F	
	102-5 Ownership and legal form	p3	F	
	102-6 Markets served	p3	F	
	102-7 Scale of the organization	p3	F	
	102-8 Information on employees and other workers	p11-32	F	
	102-9 Supply chain	p3, 24	F	
	102-10 Significant changes to the organization and its supply chain	p3, 24	F	
	102-11 Precautionary Principle or approach	p21	F	
	102-12 External initiatives	p5-7	F	
	102-13 Membership of associations	p17-20	F	
	Strategy			
	102-14 Statement from senior decision-maker	p4	F	
	Ethics and integrity			
	102-16 Values, principles, standards, and norms of behavior	p9	F	
	Governance			
	102-18 Governance structure	p8	F	
	Stakeholder engagement			
	102-40 List of stakeholder groups	p28	F	
102-41 Collective bargaining agreements	p16	F		
102-42 Identifying and selecting stakeholders	p28	F		
102-43 Approach to stakeholder engagement	p28	F		
102-44 Key topics and concerns raised	p28	F		

GRI Standard	Disclosure	Page	Fulfillment	Comments
Reporting practice				
GRI 102: General Disclosures	102-45 Entities included in the consolidated financial statements	p29	F	
	102-46 Defining report content and topic Boundaries	p29	F	
	102-47 List of material topics	p28	F	
	102-48 Restatements of information	p29	F	
	102-49 Changes in reporting	p29	F	
	102-50 Reporting period	p29	F	
	102-51 Date of most recent report	p29	F	
	102-52 Reporting cycle	p29	F	
	102-53 Contact point for questions regarding the report	p29	F	
	102-54 Claims of reporting in accordance with the GRI Standards	p29	F	
	102-55 GRI content index	p29	F	
	102-56 External assurance	p37	F	
Material topics GRI 200 Economic Standard Series				
Aspect: Take proactive measures for anti-corruption				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p23	F	
	103-2 The management approach and its components	p23	F	
	103-3 Evaluation of the management approach	p23	F	
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	p23-24	F	
	205-3 Confirmed incidents of corruption and actions taken	p23	F	
GRI 300 Environmental Standards				
Aspect: Initiate energy reduction at offices				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p21	F	
	103-2 The management approach and its components	p21	F	
	103-3 Evaluation of the management approach	p21	F	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	p21	F	Due to an identified calculation error in the energy data for 2017, last year's energy consumption amounted to 23164 MWh and not 21969 MWh. The discrepancy was found in the electricity data

GRI Standard	Disclosure	Page	Fulfillment	Comments
	302-3 Energy intensity	p21	F	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	p21	F	
	305-2 Energy indirect (Scope 2) GHG emissions	p21	F	
	305-3 Other indirect (Scope 3) GHG emissions	p21	F	
Aspect: Reduce and have proper disposal of e-waste				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p22	F	
	103-2 The management approach and its components	p22	F	
	103-3 Evaluation of the management approach	p22	F	
GRI 400 Social Standards				
Aspect: Endorse training and talent management/People development				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	p12-14	F	
	103-2 The management approach and its components	p12-14	F	
	103-3 Evaluation of the management approach	p12-14	F	
GRI 404: Training and education (2016)	404-2 Programs for upgrading employee skills and transition assistance programs	p12-14	F	
Aspect: Promote equal opportunity and diversity among employees				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p16	F	
	103-2 The management approach and its components	p16	F	
	103-3 Evaluation of the management approach	p16	F	
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	p16, 30	F	
	405-2 Ratio of basic salary and remuneration of women to men	p16	Partial	Excluding information divided per region because of significant currency variance and respect for personal integrity
Aspect: Safeguard end-customers privacy and integrity				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p23, 25	F	
	103-2 The management approach and its components	p23, 25	F	
	103-3 Evaluation of the management approach	p23, 25	F	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p24	F	

GRI Standard	Disclosure	Page	Fulfillment	Comments
Aspect: Have ethically and environmentally friendly suppliers				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p24	F	
	103-2 The management approach and its components	p24	F	
	103-3 Evaluation of the management approach	p24	F	
Aspect: Support community engagement				
GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its Boundary	p17-18	F	
	103-2 The management approach and its components	p17-18	F	
	103-3 Evaluation of the management approach	p17-18	F	

7. Auditor's report on the statutory sustainability statement

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