

# Sustainability Report 2021



**Transcom**

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# 1. Transcom 2021



# 1.1 Transcom at a glance

This report presents the sustainability efforts of Transcom Holding AB and its subsidiaries (hereafter Transcom) during 2021. Transcom is a global company with 30,073 customer experience specialists in 23 countries\*. The report includes data from Awesome OS, located in the Philippines and the United States, and Xzakt Kundrelation AB, located in Sweden, both part of the Transcom Group. We offer digitally enhanced customer experience (CX) services to some of the world's most ambitious brands. We do this through a variety of services – CX advisory, customer care, technical support, customer retention, customer acquisition, cross-selling and upselling, content moderation, collections, and backoffice services. In our daily work, our local customer experience experts serve our clients' customers in digital and traditional channels; chat, email, messaging, social media, voice, and video. We work with over 300 clients globally within the Ecommerce & Tech, Services & Utilities, and Cable & Telecom sectors.

This report also includes data from Transvoice, located in Sweden, and part of the corporate Group. Transvoice is an interpretation and language services company.

During 2021, Transcom acquired City Connect, an omnichannel customer experience specialist with operations in Croatia, North Macedonia, and Slovenia, and TMS connected!, a customer

service provider specialized in the utilities industry in Germany. Given the late integration of these two companies into the Group, their data will be excluded from this year's report. We also opened operations in Moldova, however during 2021, we only had a limited number of consultants working from home, why no data is presented in this report.

Transcom's global headquarter is located in Stockholm, Sweden. Transcom is a privately owned company where the majority owner is Altor Fund IV, together with significant minority investor Gunilla von Platen (founder and former owner of Xzakt Kundrelation), as well as key people from Transcom's management team.



Value chain and sustainability



Value chain and its connection to sustainability:



# 1.2 CEO comment



Transcom works with the most brilliant brands on earth. Our promise to them is to be relentlessly committed to their ambition. During the past year, it was more evident than ever that we are not only partnering around customer experience and digital transformation, but in our joint ambition to drive a sustainable agenda, creating a positive, lasting change for the planet, its people, and the communities where we operate. We are excited to have continuous conversations with our current and future clients, owners, suppliers, and employees around sustainability; analyzing results, setting targets, initiating action and projects. In 2022, we will intensify our work within environment and climate, setting more precise targets and taking a more active approach to reduce our carbon footprint.

During 2021, we increased our efforts in creating a better workplace and employee experience, focusing on culture and leadership. What are the characteristics of great leaders? What do we offer new talents? What does a diverse workplace look like? How do we make sure that all of our 30,000 employees develop to the best of their abilities? We look forward to continuing this work together with all the corners of Transcom during 2022, and are certain that this will help improve employee satisfaction, reduce attrition, and lead to an increase of internal promotions in the coming years.

In July, we launched our revised policy framework. We realize the importance of a well-defined governance structure. But even more importantly, we realize that our efforts in this area are futile if our employees don't know how to access the policies, don't understand them, and don't follow them. Apart from spending considerable time on the content of the policies, we also intensified training and compliance checks. At the core is our Code of Business Conduct, that guides our employees how we do business at Transcom, and how to find more and deeper knowledge in our other policies.

Despite being in the midst of a global pandemic, we saw the corners of the Transcom universe expand substantially during the year. In August, Transcom acquired City Connect, an omnichannel customer experience specialist with operations in Croatia, North Macedonia, and Slovenia. We also added operations in Colombia and Moldova – all in all we can summarize 25 new locations and expansions, and a large increase in employees worldwide.

In this report, I'm pleased to present our sustainability actions and performance during 2021.

Stockholm  
Jonas Dahlberg, President & CEO

# 1.3 Our sustainability approach

Sustainability has always been an integral part of our corporate strategy, business culture, and day-to-day operations. Our sustainability program Transcom Cares focuses on the six core areas that we consider the most material to our operations. Each area has an executive sponsor leading the efforts, setting and following up on targets.

**People development:** Actively empower and support our people in their current role and future career. Executive sponsor: Chief People & Communications Officer, Marie Wedin

**Inclusion & diversity:** Create an inclusive and diverse workplace. Executive sponsor: Chief Executive Officer Global English Region, Mark Lyndsell

**Community engagement:** Unlock the power of local communities by actively contributing to the overall equality, opportunity, and sustainability. Executive sponsors: Cluster Managing Directors

**Environment & climate:** Reduce and mitigate our negative environmental impact through the way we think, act, and procure. Executive sponsor: Chief Financial Officer, Snejana Koleva

**Business ethics:** Ensure that our actions, interactions, activities, and decisions are rooted in a core sense of ethics and responsibility. Executive sponsor: Chief Financial Officer, Snejana Koleva

**Security & privacy:** Be trusted by employees, clients, and clients' customers to handle their data and safeguard integrity and privacy. Executive sponsor: Chief Technology Officer, Stefan Berg

To ensure that we progress within each area of sustainability, the audit committee and the Board of Directors conduct regular follow-ups on each sustainability topic. The CEO has overall responsibility for sustainability, supported by The Head of Group Communications who leads the continuous development of our sustainability framework, reporting, and communication.



## Risk management and governance

Transcom’s risk management and control framework identifies, assesses, monitors, and manages risks that are significant to our operations and business objectives. The identified sustainability risks and mitigations are listed below.

Risk	How it may impact Transcom	Transcom’s risk management
Disasters, disruption & hazard risks (including IT or network failure)	Continuity of our operations may be affected by natural disasters, wars, terrorist attacks, other civil disturbances, epidemics, technical failures etc. Any sustained disruption of our services may lead to deterioration in our profitability from the affected site/country/region. Information technology infrastructure failures can cause disruptions in our business activities.	We carry out detailed business impact analysis and have developed business continuity plans, which are periodically evaluated and updated. For technological risks, we have developed backup & disaster recovery plans and strategies. We have secured insurance against business interruptions.
Talent attraction and retention risks	If Transcom is unable to attract and retain skilled staff, this may adversely impact the Company’s business. The customer care outsourcing industry is prone to high staff attrition.	Transcom has deployed robust talent management and career development programs that help us in talent retention. Furthermore, the Company carries out quarterly employee satisfaction surveys and other benchmarking exercises to identify improvement areas and further strengthen our position as an employer of choice in our industry.

Risk	How it may impact Transcom	Transcom's risk management
Risks of breach of data privacy	Today's business environment is faced with the risk of data theft or data leakage (client, customer, and employee data). The challenge is to ensure that security controls and practices are sufficient to mitigate those risks. Data privacy is also subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries.	Transcom has reviewed the entire Data Privacy framework and taken necessary measures in order to fully comply with the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679). An external Data Processing Officer (DPO) supports the organization in the implementation process of the regulation, as well as continuously gives guidance and solid advice in GDPR related matters. We continue to monitor developments and new requirements to ensure that we have a strong and consistent data protection framework.
Employee misconducts	Owing to the inherent nature of the industry and service offerings, our employees may be able to perpetrate frauds or other misconducts which may not only affect Transcom, but also its clients. Most of the client contracts hold Transcom liable for damages and/or liabilities arising due to fraud.	We collaborate with our clients continuously to identify and address fraud risks in a structured manner. We have secured insurance against such misconduct.
Fraud, corruption and other unethical practices	We have operations in countries that have been assessed as more exposed to for corrupt practices. Any corrupt practices engaged in by our employee(s) may affect our goal to be a responsible corporate citizen.	We have zero tolerance towards any corrupt and unethical practices. Our Code of Business Conduct is available in 18 languages. All our employees sign this document when they start their employment, and undergo a refresh training every second year thereafter. They are given suitable training on the key values of the Code. All managers receive relevant training on this topic regularly.

## Governance

Transcom has policies within all relevant sustainability areas. The policies are owned by the Board of Directors and revised on an annual basis. In 2021, we did a major revision to our policy framework, reviewing the content and the governance framework, from securing the communication, signing, and training processes, to streamlining a global compliance process including monitoring, risk assessments, and internal audits.

**Our Code of Business Conduct** sets expectations and guidance for how we conduct business. It covers human rights, labor rights, environmental protection, and anti-corruption practices and ensures that we act with integrity towards all our stakeholders. Transcom is dedicated to doing business in line with international initiatives and sustainability standards, such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the Fundamental Conventions of the International Labour Organization, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. The CoBC applies to all Transcom employees, consultants, contractual partners, and board members. All employees need to certify their acceptance of adherence upon hire, and every second year thereafter. The Code of

Business Conduct training completion rate in 2021 was 93%, including new hires and employees with more than two years of service. The Group management is responsible for ensuring compliance with the CoBC, followed up continuously within the day-to-day operations. Through our onboarding and regular training program, the awareness of our CoBC is high.

**Our Supplier Code of Business Conduct** sets out the standards which all suppliers providing products and/or services to Transcom as well as the suppliers' employees, consultants, and subcontractors, are expected to comply with. The code covers human rights, labor rights, environmental protection, and anti-corruption practices. We take effort to include the Supplier Code of Business Conduct in all significant procurement processes. During 2021, we did not have any complaints related to our Supplier Code of Business Conduct.

Through our Code of Business Conduct, we vow to take appropriate action against wrongdoings. We promote a culture where anyone feels safe and is encouraged to act and report any wrongdoings related to our operations. Our **Whistleblower policy** is an essential part of this commitment. Transcom encourages our employees and suppliers to report any suspected non-compliance with the Code of Business Conduct and

Supplier Code of Business Conduct. Complaints can be sent in through email, mail, or via a form on our intranet. When a complaint or malpractice is received they go through a confidential assessment process, where the reporter has the option to stay anonymous.

The investigation process depends on the concern and situation. It could be escalated to the Chairman of Transcom's Board of Audit Committee, an independent auditor, the police, or other law enforcement authority. The reporter will be notified about the progress and what actions have been decided, unless circumstances do not permit it. During 2021, we had 20 reports via the whistleblower function. The reports concerned work environment, fraud, threat, and harassment. All reports have been investigated and closed but two that are currently under investigation. Three cases, regarding harassment, led to a disciplinary action; two warnings and one dismissal.

**Transcom's slavery and human trafficking statement** (in accordance with the UK Modern Slavery Act) is a step taken to strengthen human rights protection throughout our value chain. All forms of modern slavery, forced or child labor, exploitation and servitude are prohibited at Transcom and in our value chain.

# 1.4 Focus on what matters

Transcom conducted its first **materiality analysis** in 2012, and has continuously developed it since. Our materiality analysis lets us identify the most relevant sustainability issues within human rights, labor rights, environmental protection, and anti-corruption for our stakeholders and our business, and ensure that we have the right priorities.

In late 2019, we began the process of conducting a new materiality analysis, starting with updating our topics. Due to the needed shift of focus during the pandemic, the process was delayed. We are currently conducting stakeholder dialogues to finalize the materiality analysis and materiality matrix.

In the **materiality matrix**, our topics have been prioritized using two common methods; stakeholder dialogues and impact analysis. In the impact analysis, we analyzed how the sustainability topics impact Transcom and our operations as well as how Transcom impacts the topics throughout our value chain. The topics in the top right corner of the matrix are the most material for us and thus our core focus. Note that the materiality matrix is from 2019, and currently under revision. The updated materiality analysis and matrix will be presented in the sustainability report for 2022.



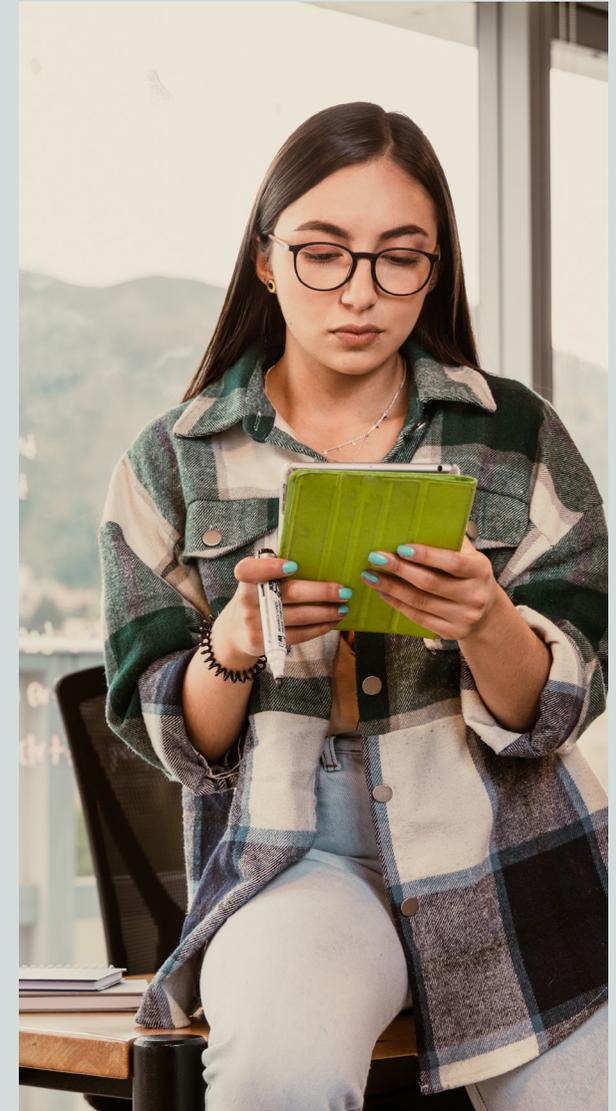
- 1 Endorse training and talent management
- 2 Ensure customer data protection and security
- 3 Have ethical and environment friendly suppliers
- 4 Safeguard non-discriminatory and ethical conduct towards end-customers
- 5 Initiate energy reduction at offices
- 6 Promote equal opportunity and diversity 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

# 1.5 Stakeholder engagement

Transcom conducts stakeholder dialogues and materiality analyses in order to identify which sustainability aspects are considered to be most material. The identification and selection of which stakeholder groups to engage with is based on the degree to which Transcom's operations depend and have an impact on the stakeholder in question. Transcom's Group Executive Leadership Team is responsible for defining what stakeholders to engage with.

To ensure that all stakeholders are heard and our strategy is in line with their expectations and demands, we have an internal structure that ensures close, integrated, and continuous dialogues. Our key stakeholders are our employees, owners, investors, and clients (see table on page 13). Our stakeholder engagement process consists of a blended approach of surveys and interviews. On a biannual basis, all of our employees are invited to share their feedback through a survey available in 18 languages. We conduct interviews with clients, selected to form a representation of our global client base, our owners, and investors. We are using a decentralized approach to encourage continuous dialogues around sustainability, where individual functions are engaging with their key audience. The outcome of these dialogues help us prioritize critical issues, and provide insight on emerging opportunities and trends.

In 2021, we intensified our stakeholder dialogues and the first results of these dialogues are accounted for under *Sustainability – the employee perspective 2021* (page 16). It will be part of the new materiality analysis, together with input from all our stakeholders.



Stakeholder(s)	Why we listen	How we listen	Most important aspects (2019)
Transcom's Executive Leadership Team	To set the strategic direction and priorities and understand what issues are most important in our different geographies	ELT meetings Workshops and briefings	Be an equal opportunity employer Be transparent with financial reporting Work proactively with anti-corruption
Employees	To understand which sustainability issues are most important to our people	Quarterly Pulse survey ESG Surveys Ambassador/employee networks	
Clients	To understand the challenges our clients and their industries face, and what this means for our cooperation	Client relationship management and dialogue Voice of Client surveys Quarterly Business Reviews Sustainability audits ESG questions in RFPs and tenders Client-led reporting disclosures (such as EcoVadis or CDP)	Have fair and transparent recruitment practices Be an equal opportunity employer Focus on fair working conditions for employees
Owners	To understand the demands and requirements, the challenges and opportunities	Board meetings Meetings and reports on ESG ESG surveys	Provide continuous training for employees Be transparent with financial reporting Have fair and transparent recruitment practices
Investors	To understand the demands and requirements, the challenges and opportunities	Investor meetings ESG surveys Reporting disclosures (such as CDP)	Provide continuous training for employees Be transparent with financial reporting

Our **sustainability topics** are identified guided by sustainability frameworks and reporting standards, such as the Global Reporting Initiative (GRI), UN Global Compact, and the Sustainable Development Goals. Our topics were updated in 2020 to ensure alignment with today’s most critical issues.

Topic	Definition
Attract and retain a talented and engaged workforce  Training and development	Ensure that employees want to work and keep working at Transcom. This could e.g. be done through a high standard of working conditions, skills development, and talent management.
Health and well-being at work	Transcom should ensure that all employees are healthy and can easily attain a healthy lifestyle. This can e.g. be done through wellness programs, focusing on ergonomics, ensuring work-life balance, or having an available therapist at the offices.
Ensure equal opportunities and diversity among employees and management	Ensure an equal and diversified workplace and actively counteract discrimination in Transcom’s operations. E.g. through active measures, policy documents, risk assessments, training, and internal routines.
Support community engagement	Transcom should facilitate and encourage community engagement, especially when the initiatives have a strong connection to Transcom’s core business.
Reduce energy consumption and greenhouse gas emissions in own operations	Ensure that energy and greenhouse gas emissions are continually decreasing in Transcom’s operations and when travelling.

Topic	Definition
Reduce and have proper disposal of e-waste	Minimize e-waste in Transcom’s operations as well as ensure sustainable and safe e-waste management. Transcom also extends the life of electronics for as long as possible and consider buying refurbished electronics if possible.
Safeguard non-discriminatory and ethical conduct towards end-customers and clients	Ensure that clients and customers are treated in a non-discriminatory way and that customer experience specialists actively counteract discrimination. This can be done through policy documents, training and internal routines.
Counteract fraud, bribery, and other corrupt practices in customer, client, and supplier interactions	<p>Transcom should proactively work against bribery, nepotism, facilitation payments, embezzlement and other corrupt practices through implementing a robust governance system. The governance system should ensure compliance with national and international legislation on corruption issues like Foreign Corrupt Practices Act (FCPA) and UK Bribery Act.</p> <p>Counteract and proactively work against fraud, bribery and other corrupt practices while handling customer and client interactions through e.g. policy documents, risk assessment, and internal routines.</p>
Sustainable supply chain	Ensure compliance with human rights, labor rights, environmental and anti-corruption requirements in Transcom’s supply chain. This includes compliance with international sustainability guidelines like the UN Global Compact as well as national legislation like the Modern Slavery Act in the UK.
Ensure customer and client data security and privacy	Ensure customer data privacy and security through e.g. safe handling of personal information as well as GDPR and California Consumer Privacy Act compliance.

## Sustainability – the employee perspective (2021)

During March, 2021, Transcom invited all employees to participate in a sustainability survey, available in 18 languages to capture as many voices as possible. Over 530 employees responded to the anonymous and voluntary survey. This testament to the importance sustainability has for our employees was further cemented in the response to the question “How important is it that Transcom works with sustainability”, with the average rating of 8.6 (0-not important, 10-very important).

The three most important sustainability topics for our employees were\*:

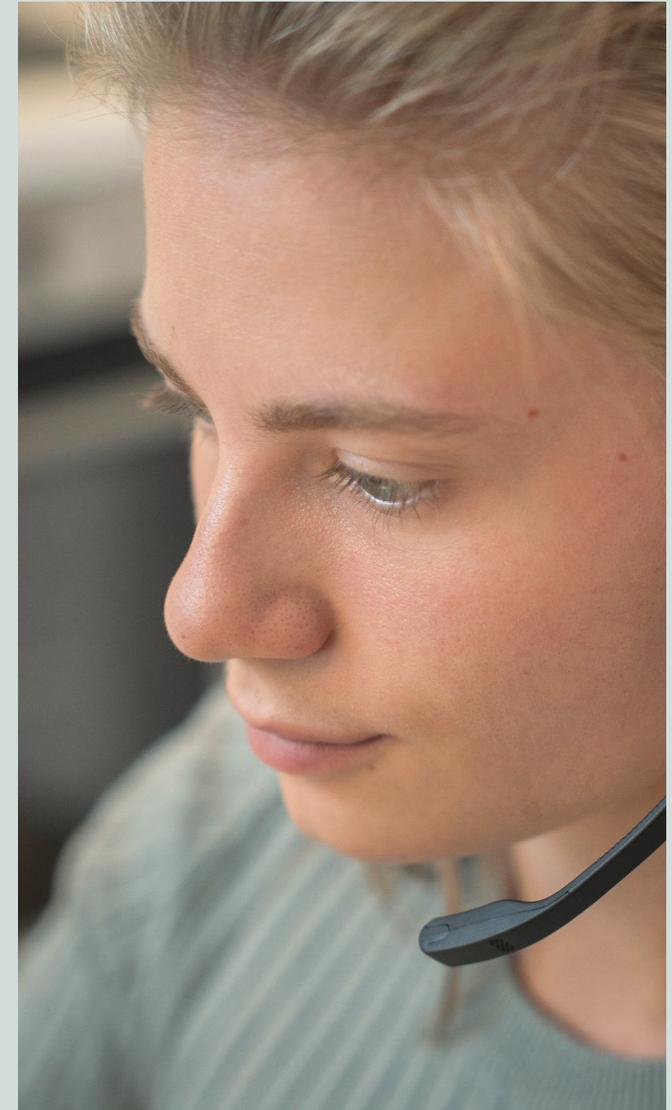
1. Attract and retain a talented and engaged workforce
2. Training and development
3. Ensure employee health and well-being at work

Our employees contributed with many ideas for how to improve our focus on sustainability:

- Increased focus in waste reductions, for example less plastic in canteens and better hardware
- Energy savings, for example turning off computers at the end of the day and allowances for bikes or charging poles for electric cars
- More focus on developing work-at-home, given its many benefits from a sustainability perspective, for example health and well-being of our employees and reduced emissions from commuting

Our employees are also asking for an increase in communication around sustainability and even more opportunities to engage.

*\* We are aware that the results differ from the most important aspects for employees in our previous stakeholder dialogues. This will be taken into consideration in the new materiality analysis and matrix.*



# 2. Transcom Cares



# 2.1 People development

*“Transcom is the sum of our people. When we’ve attracted the right people, we need to offer them opportunities to grow, and constantly strive towards improving their experience, satisfaction, and engagement. Our mission is to actively empower and support our employees, in their current role and future careers.”*

**Marie Wedin**  
Chief People & Communications Officer

Transcom’s employees are relentlessly committed. To our clients, our colleagues, and not the least, to their own dreams and visions. We are proud to be a breeding ground for future leaders, where our agents learn about direct client and customer interaction, strengthen communication and technology skills in a fast-paced and dynamic environment. These are among the most sought after soft skills in a changing job market.

Through our strong focus on training and employee development, we impact the *Sustainable Development Goal 4. Quality Education* since we increase the number of employees with relevant skills for employment, and promote sustainable development.

## **Training**

Skills training is one of the top perks young workers look for in a job. Having a competitive and compelling learning and development offering will not only help us attract talent. By continuously investing in our people, helping them grow and develop, we will make them stay – which is the ultimate return on investment.

At Transcom, learning is a continuous process. We provide internal learning through our T:University platform, but also external learning, peer-to-peer learning, and mentoring.

T:University is a cloud based solution, accessible for all our employees, from any device. It features a digital course catalog with almost 400 courses, of which around 100 are focused on career development, providing the learner an overview of content focused on competency development and corporate compliance. Only in 2021, 86 new courses were added to support the new global policy framework, leadership development, and client and government requirements. A continued focus area was the work-at-home experience, both from a leader and an agent perspective. With titles like remote leadership for leaders, and guides for agents and supervisors, we ensure that we provide a workplace that supports health and well-being for our employees regardless if they work from home or at a site.

## **Career development**

Transcom has a clearly defined process for career progression, as a line manager or in a specialist role. Our program for professional development, Transcom Discover, is a professional development program designed to build, nurture, and retain our top talents through competency-based learning.

During 2021, we continued the rollout of the Team Leader and Business Manager Playbooks.

These frontline leadership playbooks are part of our Global Operating Model, supporting a consistent approach in performance management. The program gives our 1,300 Team Leaders and 160 Business Managers a solid basis for their work and develops their leadership skills. A standardized way of working with clear targets, regular performance reviews, and individual career development plans supports each employee's opportunity to grow and lays a foundation for their future careers. We are pleased to see that 86% of our Team Leaders and 85% of our Business Managers have completed the mandatory training in the playbooks and adapted this new way of working, or are well underway.

We recognize the importance of our employees receiving regular performance reviews and career development plans, and are happy to see that our employees' perception of career development opportunities reached a yearly average of 64.6% in our quarterly employee satisfaction surveys, up from 57.2% in 2020.

We were pleased to see that our efforts lead to an increase in manager feedback for skills development, with a yearly average of 85.0%, compared to 81.3% during 2020. We will continue to monitor and report on these parameters, aiming to constantly improve the rates.

## **Employee satisfaction**

One of the most important tools for managers in Transcom is the quarterly employee Pulse satisfaction survey. It gives us valuable feedback and a chance to improve our company, leadership, engagement, employee experience, and overall quality of our workplace. It covers leadership and engagement, organization and working conditions, personal satisfaction and communication.

During 2021, the yearly average satisfaction score was 76.4%, up almost five percentage points from 2020 (71.6%). We believe that a structured process to turn employee feedback into concrete actions, clear and concise communication, and a survey rhythm that is synchronized to operations, have been key to maintaining a high participation rate, averaging 65.2% during 2021.

Transcom has for the past years increased the focus on culture and leadership as well as employee well-being. In 2022, we are continuing these efforts, by focusing on our core values, and employee value proposition, which we believe will further improve the global satisfaction rates. In the Transcom Sustainability Report 2020, we described that we were aiming to find an additional KPI, employee engagement score.

After analyzing our current survey data and the insights we can draw from it, we have decided to stick to the global satisfaction score and report on average participation rate for increased transparency.

## **Creating jobs in emerging markets and developing countries**

Employment is essential to economic development and growth, and Transcom has an important role to play, especially in emerging markets and developing countries. We are the first employer for many of our employees. By providing career opportunities, training, being an equal opportunity employer, and offering good working conditions, we can also contribute to the overall sustainability of the local communities.

During 2021, Transcom opened no less than 25 new offices and expansions, with a heavy concentration in the Adriatic region, with new offices in Bosnia, Croatia, and Serbia, but also through the acquisition of City Connect\* in August, also adding Slovenia and North Macedonia to our global footprint.

Transcom created 856 new job opportunities in emerging markets and developing economies by expanding our presence and opening up new offices during 2021.

\* Note that the data from City Connect is not included in this report, due to the late integration. It will be disclosed in the sustainability report for 2022

Topic	Targets 2021-2023	2021	2020
Attract and retain a talented and engaged workforce Health and well-being at work	Measure and constantly improve global employee satisfaction score and employee participation rate	76.4%*	71.6%*
	Measure and constantly improve global employee perception of career development opportunities	64.6%*	57.2%*
	Measure and constantly improve global employee manager feedback for skills development	85.0%*	81.3%*
Create job opportunities in emerging markets and developing economies**		856	453

\*Average participation rate in the quarterly Pulse survey 2021  
65.2% (42.2% in 2020)

\*\* As defined by the International Monetary Fund: Albania, Bosnia and Herzegovina, Croatia, Egypt, Hungary, Philippines, Poland, Serbia, Tunisia, increase of employees per 31 Dec 2021 compared to last year

## 2.2 Inclusion & diversity

*“Inclusion and diversity for a company like Transcom is both natural and necessary. In our ambitions to constantly improve, we need radical transparency and to hear and learn from all points of view. Our mission, simply put, is to continue to evolve an inclusive and diverse workplace.”*

Mark Lyndsell  
CEO Global English Region

We have over 30,000 employees in 26 countries spanning five continents, and we are serving over 300 clients’ customers through approximately 2 million interactions in 33 languages every day. We value the diversity reflected in different backgrounds, experiences, and ideas to provide an inclusive work environment with respect for each other, our clients and their customers, our business partners, and suppliers. An inclusive work environment helps broaden our perspectives, drive innovation, make better decisions, and understand our clients’ customers better. Transcom is a meritocracy where all evaluations are based on competence, qualifications, and performance. We provide equal opportunities to all qualified candidates and employees and we have a zero-tolerance for any form of discrimination.

Through our focus on and actions within inclusion and diversity, we impact the *Sustainable Development Goal 5. Gender equality* and *10. Reduced inequalities* through reinforcing our zero-tolerance for any form of discrimination through policies, training, anonymized digital hiring processes, and gender sensitive recruitment. We pay equal remuneration for work of equal value, and foster an understanding and appreciation for diversity.

### Recruitment

Our digital recruitment practices minimize hiring biases through the validated screening assessment used at the beginning of the process. By combining technology and human intelligence, we identify the best candidates with the correct competencies and skills for the position. We are aware of the potential issue with biased AI and actively work with our suppliers and internal innovation teams to ensure that the ethical concerns of AI and robotics are minimized.

### Training

We believe that understanding bias and building awareness on a global level is an important step when it comes to fighting underrepresentation. In December of 2021, we introduced mandatory training for managers, and optional training for all employees on unconscious bias and micro-aggression in the workspace, to help better understand how biases occur and their impact. Our target is to have a course completion rate of 100% for this program from 2022, to eliminate discriminatory behavior and support an increase of inclusion of underrepresented talent. The five-step course is available for all employees globally on our e-learning platform T:University.

## **Work environment**

We acknowledge that the work environment, both physical and virtual, can be a hindrance for inclusion. This is one of the aspects we consider in our ongoing project to renovate and revitalize our sites to provide our employees with a workplace that supports their physical health and mental well-being.

In 2021, over 50% of our staff were working from home, either temporary, as a consequence of pandemic restrictions, or as a permanent way of working. We continued to fine-tune our recruitment and operational practices to ensure that our virtual workplace supports employee well-being regardless of location. The Learning & Development team developed courses and training materials to support leaders, supervisors, and agents in a remote workforce. Our global HR community created a structure to easily inspire each other through sharing best practices and wellness initiatives rolled out in different geographies across our Transcom network.

Acknowledging that providing work-at-home opportunities can also increase the inclusion of people with disabilities, we will continue to offer work-at-home opportunities for all job levels in all countries also after the pandemic, making it

easier to join, and grow with Transcom without the need to commute to a physical location.

## **Employee engagement and awareness**

Our employee engagement teams facilitated webinars and released podcasts on topics such as mental health, mindfulness, HIV / AIDS awareness, and African American History as it relates to Systemic Racism. Additionally, we recognized the LGBTQIA+ community, celebrating their history, contributions, and lived experiences.

Transcom is committed to a continuous focus on increasing knowledge about DEIB (Diversity, Equity, Inclusion, and Belonging) topics and making intentional efforts to break down barriers, stand against ignorance, and eliminate discrimination.

## **Gender equality**

Transcom has a history of working with equal pay for equal work and having a sound gender balance for managers. On a global level, we have 61% women in the group, and 45% female managers globally. However, we have room for improvement, and a number of initiatives to improve the representation of women in management are under way. We have an

equality and diversity policy for our Board of Directors, which is annually monitored. Our goal is to have a sound 50/50 gender balance on all levels of management.

## **Open and transparent dialogue**

We value the opportunity to engage in open dialogue with our employees across the company and we respect our employees' right to freedom of association. At Transcom, 32% of employees are covered by collective bargaining agreements. The percentage represents employees from Italy, Latvia, Netherlands, Norway, Spain, Sweden and Tunisia.

## North America Diversity Council

In 2021, our Diversity Council in North America continued efforts to identify and support opportunities for growth and systemic change through the implementation of an annual employee survey to learn the DEIB (Diversity, Equity, Inclusion, and Belonging) topics that are most important to our workforce. We used this feedback to execute a calendar of celebrations, activities, and events that would be most impactful to our employees and the communities where we live and work.

Additionally, we reviewed practices, policies, and processes to identify ways to prioritize our commitment to drive genuine positive change. We modified our supplier procurement processes to increase diverse vendor partnerships. Additionally, we accomplished successful internal and external visual and communication campaigns that increased representation and celebration of marginalized groups. These are just a few examples of how we have illustrated our dedication to fostering a culture that is authentic in promoting diversity, equity, inclusion, and belonging. Please don't take our word for it, here's what our employees are saying:

*"I believe that Transcom is really dedicated to the people part of our business. It's also very refreshing to have leaders who truly care about diversity."*

-Anonymous Pulse Survey Response

*"Transcom is extremely inclusive and accepting of everyone."*

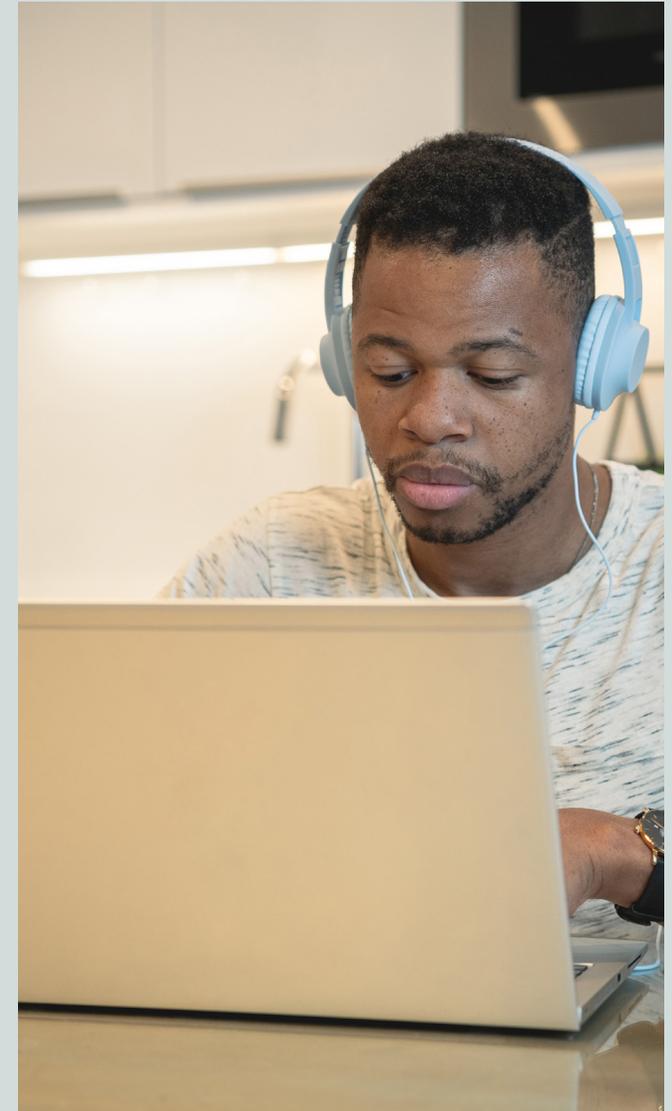
-Anonymous Pulse Response

*"Transcom is doing a good job creating a fun environment and building an inclusive atmosphere with diversity."*

-Anonymous Pulse Response

*"Transcom shows a culture of inclusiveness and diversity which is very important to me."*

-Anthony



Topic	Targets 2021-2023	2021	2020
Ensure equal opportunities and diversity among employees and management	Improve the representation of women in management, with a goal of gender balance (50/50) on all levels	Executive Leadership Team: 60/40% (M/F)  Managers: 55/45% (M/F)	Executive Leadership Team: 67/33% (M/F)  Managers: 58/42% (M/F)
	Training 100% of managers on diversity, unconscious bias and how to build an inclusive culture to increase inclusion of underrepresented talent	Course developed and rolled out during 2021	-

## 2.3 Community engagement

**Our mission: To unlock the power of local communities by actively contributing to the overall equality, opportunity, and sustainability.**

*“What I find most relevant with our new way of working is that it is transparent and communal. Everybody knows the process, and can get as involved as they please. And trust me, they do! There are ongoing discussions everywhere in our offices, and no lack of project suggestions. We know that the actions we do are the right ones – because not only have they been suggested and prioritized by our employees, but they have put their own time and efforts into making them come true”*

Anna Romanska  
Project Manager for Global Marketing & Communications.

Transcom has a history of having a strong focus on local employee and community engagement driven by our passionate employees. The actions of our local teams not only contribute to a better society at large, but also increases well-being and commitment of our employees. Our community engagement program is integrated into our operations, providing employees the opportunity to volunteer and contribute within areas that they are most passionate about. Every country sets its own plan, depending upon the local needs. This year, we are highlighting the focused work from two of our geographies, Poland and the Philippines.

### **Poland – cultivating the socially-conscious company**

To foster a culture of social responsibility, and capture our peoples’ interest and engagement, Transcom Poland rolled out a new strategy for local Transcom Cares initiatives in 2020.

The goal is both to raise awareness around sustainability topics and inspire changes in the everyday behavior of employees. The strategy and key success factor since the program launched has been maximal employee involvement. From prioritizing what sustainability themes to work with (yearly through a survey), to suggesting activities (monthly via email), to

actually becoming the owner of the project. An annually selected Transcom Cares committee, consisting of employee representatives and managers, receives all proposals, selects the activities and sets the plan and budget. They also follow-up and evaluate the programs, as well as drive the overall communication through the entire process.

During 2021, Transcom Poland carried out four employee initiatives, three information campaigns, and four charity activities, all within the three topics selected by their employees: physical wellness, mental health, and charity drives for different causes.

**Women’s day run:** Together with our employees, we took part in a run to help the “Women and Children” Foundation

**Charity Match:** Szymon entered Transcom into a charity football match to support the English Summer & Winter Camp organization

**Anti-depression campaign:** Julia proposed an information campaign to increase awareness of depression, and designed the visuals for it

**Anti-stress campaign:** We organized a series of themed days aimed at combating stress at work, such as Origami Day and Popcorn Day

**Psychologist consultations:** We made a number of slots available to all employees for free psychological consultations together with the Harmony Centre

**Playground fundraiser:** Justyna from Olsztyn collected Transcom gadgets for a fundraiser to build a playground for disabled children in Olsztyn

### Philippines – in the spirit of Malasakit

What came to be our global sustainability framework, Transcom Cares, started as a grassroots initiative in the Philippines in 2009. This local sustainability program today has two missions – helping employees in times of needs and financial emergencies, and helping and partnering with our local communities. It is strongly connected to the culture of Malasakit, a Filipino trait simply translated as ‘genuine care/interest’ fostered in Transcom Philippines.

For our first mission, employees can help their colleagues by raising funds through *Share & Shirt up* and *Jacket for a Cause* campaigns (wherein they can donate to the fund and get Transcom-branded merchandise in return) or by donating the monetary value of their Paid Time Off (PTO) credits. These funds are used to help their fellow employees cover for medical

expenses, send their dependents to schools, help them secure college degrees, or aid them during times of calamities and bereavement.

The second mission is community engagement. Employees can help and partner with their local communities on diversity and inclusion projects, such as reaching out to indigenous people, caring for children in foster home, or combating HIV stigma and discriminations; or caring for the environment, through waterways cleanup, replanting mangroves along coastlines or simply helping to plant more trees.

Due to the pandemic and community restrictions in the Philippines during 2021, most activities were focused on Covid related action and activities.

Transcom Cares was able to give financial and medical assistance to at least **1,061 employees:**

- to employees who were afflicted with COVID-19 (121 employees): EUR 21,000
- to employees who were affected by calamities such as super typhoons and floods (231 employees): EUR 38,600
- through various loans and grants (709 employees): EUR 137,000

Through its partnership with MindNation, Transcom sought ways to uplift its employees through monthly mental health webinars and podcasts as well as through weekly 15-minute virtual motivational sessions. 625 employees also benefited from the professional counseling and consultation services provided by MindNation.

Transcom pushed its advocacy to fight the stigma surrounding AIDS and HIV by partnering with the Philippine Educational Theater Association (PETA) and sponsored the online viewing of the stage play titled “Under My Skin”. 1,100 employees and 400 partners from local government units, non-government organizations, health and educational institutions were given free access to watch the play.

*“Transcom, in its very core, is all about an inclusive team that is focused on people – dignity, equality, and respect, for our people, clients, clients’ customers, and the communities where we are present. Every employee at Transcom takes part in proactively shaping, cultivating, and building the company we want to work and live in.”*

Caroline Co  
SVP Regional People Officer,  
Global English Region

Topic	Targets 2021-2023
Support community engagement	All countries of operations have a defined community engagement plan that they actively work with

## 2.4 Environment & climate

*“Climate change is a major threat to our planet. We are far from powerless to fight the crisis, but we need to act. For Transcom, this means to reduce and mitigate our negative environmental impact through the way we think, act, and procure.”*

Snejana Koleva  
Chief Financial Officer

Transcom is taking a proactive approach to ensure environmental protection and mitigate our negative environmental footprint. We are currently evaluating how we, as a global organization, can achieve carbon-neutrality, working towards an abatement plan in line with the Paris Agreement (Science-Based Targets methodology) for Scope 1 and 2. During 2022, we will also start assessing our Scope 3 emissions further, to gain deeper insights on the remaining relevant categories not yet quantified.

Our environmental impact is identified within three main areas; e-waste, business travel, and energy consumption within our office facilities. To minimize our impact, our environmental and travel policies steer our employees in the right direction. We follow the precautionary principle in our operations.

Through our environmental actions, we contribute to the *Sustainable Development Goals 7. Affordable and clean energy* and *13. Climate action* on a target level, through increasing the share of renewable energy as well as improving awareness-raising on climate change mitigation.

### **E-waste**

Technology plays a fundamental role in our business. We continuously seek to prolong the

lifecycle of our hardware to lower the amount of e-waste, and to be part of a more circular economy. We recognize the importance of the Waste Electrical and Electronic Equipment Directive (WEEE Directive) and the local waste regulations in the countries where we are present.

Refurbished equipment is purchased if possible, and if new electronics need to be procured, we select retailers with a high standard of environmental certifications, such as Energy-star, to reduce greenhouse gas emissions and other pollutants. Our Supplier Code of Business Conduct shall be signed by all vendors that we have a relationship with for one year or longer, and for vendors we place orders with an amount above 5,000 EUR per year. The only exception is when the vendor can prove that their sustainability programs go beyond Transcom’s demands.

When the equipment needs to be disposed of, it is taken care of by local facilities or third parties with adequate knowledge of sustainable end of life solutions. The disposal of e-waste is under the responsibility of the local management. The development of a global governance program to ensure a holistic approach to our e-waste footprint is under development, and will be rolled out in the coming years.

## Business travel

Transcom has a strict travel policy, and a rigorous approval process to book business trips to avoid unnecessary travel. Our rule of thumb is that travel should be minimized to reduce environmental impact, save money, and time. Travel for internal meetings should be avoided and digital first options should always be preferred. For 2021, we continued to see the effects of the pandemic in minimized traveling, with a continued decrease of scope 3 emissions by almost 40%. The emissions from company cars, scope 1, was reduced from 145 tonnes CO<sub>2</sub>e 2020 to 52 tonnes CO<sub>2</sub>e in 2021, or 64%.

The shift from physical to digital events continued during 2021. What started off as a pandemic effect, where our larger company gatherings had to be transformed to digital events, resulted in a better overall employee experience. More people were included, and more events could be held. This has led to a lasting change in the way we work with events and internal communication.

## Office energy consumption

When we are looking for new office facilities, energy-efficient solutions are preferred. At all our offices, sound environmental practices are

in place such as waste separation, recycling and energy-efficient behavior.

For 2021, we have updated the method for calculating our emissions, including both location-based and market-based scope 2 emissions, with updated emission factors. This was done in preparations for upcoming legislative changes, but also to have a more correct representation of our emissions. *Please note that this makes comparisons to previous years misleading – even though we see a 21% decrease in total energy usage in MWh, our emissions have increased by 37%.*

During 2021, approximately 50% of our global workforce were working from home, either temporary, as a consequence of pandemic restrictions, or as a permanent way of working. We opened 19 new sites, of which three had environmental certifications. We will continue to strive for environmentally certified buildings if possible when selecting new office locations, but also to work with our landlords to influence the energy mix to include more renewable energy sources, to actively seek to reduce scope 2 emissions.



Topic	Targets 2021-2023	2021	2020
Reduce energy consumption and greenhouse gas emissions in own operations	Actively seek to reduce our energy consumption year over year: Scope 2 emissions through choosing environmentally certified buildings when selecting new office locations Scope 3 emissions through smarter traveling and investing in technical solutions for meetings	See tables on page 31	See tables on page 31
Reduce and have proper disposal of e-waste	Ensure global governance for proper handling of e-waste	<i>Governance program in progress</i>	

GRI 302-03

Energy intensity (Mwh/employee)	
2021	2020
0.664	0.892

Co2e intensity (Mwh/employee)	
2021	2020
0.292	0.233

GRI 305-1, GRI 305-2, GRI 305-3

Total CO2e emissions (tons)		
<i>NB: The methodology for calculating Scope 2 has been updated for 2021, increasing data quality and accuracy. This means that comparisons to previous years are misleading.</i>		
	2021	2020
<b>Scope 1</b>	<b>52</b>	<b>145</b>
Diesel	5	141
Gasoline	47	4
<b>Scope 2</b>	<b>8,594</b>	<b>6,267</b>
Electricity	7,734	5,363
District heating	790	834
District cooling	70	69
<b>Scope 3</b>	<b>132</b>	<b>210</b>

*\*Scope 1 emissions occur from sources that are owned or controlled by Transcom. This includes emissions from company cars.*

*\*Scope 2 emissions accounts for emissions from purchased electricity, heating and cooling consumed by Transcom.*

*\*Scope 2 market-based is 8,944 ton CO2e.*

*\*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*

GRI 305-1

Energy & fuel					
	2021		2020		Unit
Diesel	8,013.7		54,200.9		Liter
Gasoline	18,797.8		1,895.2		Liter
	Renewable	Non-renewable	Renewable	Non-renewable	
Diesel	5.4	21.1	155.5	371.5	MWh
Gasoline	14.0	185.5	0.9	16	MWh
Electricity	3,156.2	14,091.5	3,019.7	16,642.9	MWh
District heating	77.5	2,171.9	40.3	4,742.7	MWh
District cooling	22.9	212.9	16.9	393.0	MWh
<b>Total energy in Mwh</b>	<b>19,959</b>		<b>25,399</b>		

## 2.5 Business ethics

*“Trust is the ultimate currency. It can’t be bought and, once attained, can be lost in an instant. Therefore, every day, we need to ensure that our actions, interactions, activities, and decisions are rooted in a core sense of ethics and responsibility.”*

Snejana Koleva  
Chief Financial Officer

Transcom is active in 26 countries around the world. We have over 30,000 employees. We hold ourselves to the highest ethical standards of conduct towards our stakeholders, including our clients and their customers, our employees, investors, and the general society. We must earn the trust and respect of everyone that comes in contact with our company. And this we do through our actions and behaviors, every day, in every interaction.

Through our strong focus on business ethics, we contribute to the *Sustainable Development Goals 8. Decent work and economic growth*, and *16. Peace, justice and strong institutions* by implementing policies, training, and programs to effectively address and mitigate all forms of corruption, as well as having strict and explicit statements on human rights, labor rights, and environmental issues.

### **Ethical conduct**

Being the voice of our clients, and directly addressing their customers, it is our responsibility to safeguard non-discriminatory and ethical conduct towards our clients and their end-customers. Our Code of Business Conduct sets the expectations and guidance for how we conduct business, and helps us make sound, legal, ethical decisions. It covers human rights, labor rights,

environmental protection, and anti-corruption practices and ensures that we act with integrity towards all our stakeholders. We require every employee to certify their acceptance of adherence upon hire, and every second year thereafter. We also expect employees in management positions to communicate the guidelines of our code, and be able to answer questions about it as well as create a work environment that encourages employees to come forward with questions or concerns. More information about the Code and follow up procedures can be found under *Governance* (page 10).

### **Anti-corruption**

Consistently enforcing a proactive stance to corruption in all its forms is of the utmost importance to us. Transcom does not tolerate any form of corruption, whether direct or indirect, by employees or business partners who act on our behalf. We have reduced the likelihood of corruption in our day-to-day operations by implementing a zero-tolerance to all types of corrupt practices with the help of steering and policy documents. Anti-corruption is part of our Code of Business Conduct and Supplier Code of Business Conduct. These policies require our employees, partners, and suppliers to comply with all applicable national laws and regulations.

To ensure that all employees are aware of our core values within anti-corruption, all new employees need to undergo training and certify their acceptance of our Code of Business Conduct, where anti-corruption is one of the topics covered, upon hire. Hired employees receive regular repetition of the training every second year. This year, we had a 93% completion rate for the employees concerned, new hires and the mandatory biannual training for employees with more than two years of tenance, on our Code of Business Conduct training.

Being a global company means Transcom needs to be aware of different country-specific risks. We conduct risk assessments on all parts of our business looking at Transparency International's Corruption Perception Index to know where Transcom needs to focus and take extra measures to prevent corruption. Each country's risk register includes the risks of corruption through the scope of the internal audit and, when strategically necessary, in risk assessments for business development.

In our efforts to combat corruption, employees, clients, and partners are encouraged to raise concerns about potential misconduct through our whistleblower system, in line with our Whistleblower policy. These policies are described in more detail in the chapter *Our sustainability approach* (page 7).

## **Sustainable supply chain**

Transcom's responsibility, encompassing the four areas human rights, labor rights, environment, and anti-corruption, does not only include our own operations but spans our entire value chain. We do our utmost to ensure that our suppliers attain the highest ethical, social and environmental standards.

Our suppliers can be divided into four main categories; IT and network, temporary staff and recruitment agencies, facilities-related suppliers, and other miscellaneous suppliers. Two-thirds of our suppliers are situated in Europe and the remainder in North America and the Asia-Pacific region. We have decentralized supplier management, meaning that we don't have a central purchasing organization. The responsibility lies with the local organizations.

We have a clear process to evaluate our new suppliers and take effort to include the Supplier Code of Business Conduct in all significant procurement processes. If a supplier hasn't signed our Code, it is because they have an even more comprehensive Code of Business Conduct in place. By signing the Supplier Code of Business Conduct the supplier as well as their subsidiaries, including employees, agents and subcontractors, need to commit to the provisions in the code.

The code is based on the UN Global Compact's ten principles. If Transcom detects breaches towards the code, corrective measures can be demanded. If the supplier does not act accordingly, contracts with the supplier may be terminated. However, Transcom always believes that cooperation and dialogue are the best ways to improve our own as well as our suppliers' sustainability performance. Transcom is always open to support our suppliers and safeguard that no breaches towards human rights, labor rights, environmental protection, or corruption emerge in our supply chain.

As noted in the chapter *Risk management and governance* (page 8), the most prominent risks in our supply chain are social risks related to temporary agencies/staffing and sub-contractors. This is why we are focusing our efforts on these vendor categories, ensuring that all new vendors have signed the Code.

During 2021, there were zero confirmed incidents of corruption.

Topic	Targets 2021-2023	2021	2020
Safeguard non-discriminatory and ethical conduct towards end-customers and clients	100% of employees trained in Code of Business Conduct, at hiring and every 2 years after	93% completion rate CoBC	90% CoBC refresh 100% new employees
Counteract fraud, bribery, and other corrupt practices in customer, client, and supplier interactions	100% of employees trained in anti-corruption as part of the Code of Business Conduct, at hiring and every second year thereafter		
	100% of new temp agencies and sub-contractors signed Supplier Code of Business Conduct	90%	

## 2.6 Security & privacy

*“We have a huge responsibility towards our stakeholders – employees, clients, and their customers – to safeguard the integrity and privacy of their data. At Transcom, we earn this trust every day through our structured and focused work.”*

Stefan Berg  
Chief Technology Officer

Every day, our over 30,000 customer experience specialists handle approximately 2 million interactions with our clients’ customers. Ensuring protection of the data and privacy is a priority for us, and we understand that technology alone is not enough. We need to ensure that safety and security measures go hand in hand with the latest technology and human knowledge, which is why we have a strong focus on training and awareness.

### GDPR

Transcom has a well-established governance structure to ensure compliance with applicable data protection laws. Compliance is monitored by a steering committee including the Global Data Protection Officer, Global Head of Legal, Global Chief People & Communications Officer, Global Chief Information Security Officer and Global IT Operations. All GDPR related policies are available to employees via the intranet. All employees located within the EU, or those who handle clients based in the EU, undergo mandatory digital GDPR training during the onboarding process, and every second year thereafter.

In 2021, we had a 94% completion rate of our GDPR training for employees located within the EU or handling clients based in the EU (new hires or employees with more than two years’ tenure).

### Information security

To establish and reinforce the knowledge about security and data protection, all employees handling production or personal data, or supporting the management of them, go through security awareness training within 30 days of hire, and every year thereafter. During 2021, a new mandatory online training was created and rolled out for all employees to raise the security awareness even further. Our target, starting from 2022, is to have all active employees complete this training upon hire and every year thereafter.

We are employing several frameworks to improve our concept of layered security and defense in depth, i.e. the PCI DSS, ISO/IEC 27001:2013, COBIT 5, NIST SP 800-53 R4, NIST CSF and similar security frameworks. Transcom follows a risk based approach to define the countermeasures used to protect our operations against the continually changing threat landscape. This means that we can reach the control level maturity we consider appropriate for our business environment and risk exposure in a comprehensive way. We continuously follow security alerts and event related information from our production IT environment to be able to respond timely to any incident.

We are employing several frameworks to improve our concept of layered security and defense in depth, i.e. the PCI DSS, ISO/IEC 27001:2013, COBIT 5, NIST SP 800-53 R4, NIST CSF and similar security frameworks. Transcom follows a risk based approach to define the countermeasures used to protect our operations against the continually changing threat landscape. This means that we can reach the control level maturity we consider appropriate for our business environment and risk exposure in a comprehensive way. We continuously follow security alerts and event related information from our production IT environment to be able to respond timely to any incident.

From 2020, a mature and solid information security organization became even more important when Covid forced us to rapidly enable work-at-home for our traditional brick and mortar operations. Having 16 years' experience of work-at-home, and following the framework developed for our COPC certified North American work-from-home operations, we could continue to offer safe and continuous operations despite the pandemic. In 2021, Transcom continued to provide services in a combination of brick-and-mortar and work-at-home scenarios to meet our clients' need for flexibility on service delivery.

## Compliance

Transcom operates in 26 countries. To ensure that all applicable laws and regulations are followed, our legal team continuously reviews and adopts new legislative requirements from the countries where we provide services for clients. Our efforts when it comes to compliance includes external audits, and internal control assessments. The annual risk assessment process provides assurance that the implemented countermeasures are working appropriately. When explicitly required by clients, Transcom delivers services under security certification such as PCI DSS, ISO 27001:2013, SOC2 or other, specific certifications like TISAX.

During 2021, Transcom did not have any substantiated complaints concerning breaches of customer privacy and losses of customer data.

*“Covid was a real game changer, sending over half of our staff to work from home within a few weeks at the same time as cyber threats were booming. The need for security and compliance has never been greater. We managed to change our strategy and evolve into this new reality in an extremely efficient way. Digital customer experience (CX) cannot work without the appropriate protection, which is duly recognized by our clients. Security is a real enabler and more required than ever.”*

**Andrea Szeiler**  
Chief Information Security Officer

Topic	Targets 2021-2023	2021	2020
Ensure customer and client data security and privacy	100% of active employees within the EU and/or working with European clients are GDPR compliant, and equivalent regulations if/where applicable	94%	96%
	100% of active employees trained in basic security awareness and behavior upon hire and every year thereafter	98%	-

# 2.7 How Transcom supports the Sustainable Development Goals



## 4. Quality education

4.4 We offer training programs available to all of our employees to promote productivity and diversification, supporting the increase of youth and adults with relevant skills.

4.7 Our Code of Business Conduct, signed by all employees, includes information on human rights, labor rights, environmental issues, and anti-corruption, global citizenship, and appreciation of cultural diversity.



## 5. Gender equality

5.1 & 5.5 We ensure non-discrimination in employment through e.g. policies, training, anonymized hiring processes, and gender-sensitive recruitment. We pay equal remuneration, including benefits, for work of equal value. We ensure equal access to training programs and have a zero-tolerance for any form of discrimination.



## 7. Affordable and clean energy

7.2 We monitor and report on the amount of energy consumed, according to source.

7.3 We are actively seeking to reduce energy consumption in our own operations through choosing energy-efficient buildings when selecting new office locations.



## 8. Decent work and economic growth

8.2 We have implemented appropriate training programs to support technological learning and innovation and address eventual negative impacts on the workforce.

8.7 We have strict and explicit statements on human rights, labor rights, environmental issues and anti-corruption in our Supplier Code of Business Conduct to increase awareness, promote sustainable development and sustainable practices.



## 10. Reduced inequalities

10.2 & 10.3 We always promote equal respect and support to women and men in our organization and when performing customer service activities. We consider the diversity of language and culture, and have a zero-tolerance policy on any form of discrimination.



## 12. Responsible consumption and production

12.5 We promote sustainable consumption and minimize the use of natural resources through recycling, reuse, and through our procurement processes.



## 13. Climate action

13.3 Transcom monitors and reports on the amount of energy consumed, according to source. Awareness on environmental protection is raised through our environmental policy.



## 16. Peace, justice and strong institutions

16.3 We develop and implement policies, training, and programs to effectively address customer data protection and security.

16.5 We develop and implement policies, training and programs to effectively address and mitigate all forms of corruption regardless of region or situation. We have a zero tolerance policy on corrupt practices on all levels. Our whistle-blower policy applies to Transcom employees, agency workers, contractors, and home agents.

# 3. Report details



# 3.1 About the report

Reporting period: January – December 2021

Reporting standard: Global Reporting Initiatives Standards

Publication of previous report: April 2021

Contact in charge of the report: Helene Ruda, Head of Group Communications, 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 Transcom’s Statutory Sustainability Report.

## Scope and Boundaries

This sustainability report covers the business of Transcom Holding AB. The full list of legal entities can be seen in Transcom Annual Report 2021.

Our employee data is collected from our internal HR systems. The HR data is stated in Headcount and is per December 31, 2021. There is a possibility of a 1% discrepancy in the HR data due to different dates of closing the HR-data among the countries.

Salary and remuneration data have been collected in local currencies and converted through currency exchange rates from the European Central Bank (ECB) and the Central Banks of Albania, Bosnia and Herzegovina, Colombia, Egypt, Serbia, and Tunisia.

Scope 1 and 2 emissions are calculated based on the Greenhouse Gas Protocol standard and IES. Emission factors used have been taken from DEFRA and Association of Issuing Bodies (AIB). Scope 3 emissions include business travel and have been provided by third parties. Comparison of GHG emissions to previous years are no longer possible, due to a refinement of the method for calculating our GHG emissions. We will set a new base year for our GHG emissions in 2022.

In comparison to last year Transcom has expanded its operations to include Colombia, and Moldova. Colombia is part of this report. In Moldova, we only had a limited number of consultants working from home, which is why no data is presented in this report. During 2021, the Transcom Group acquired City Connect, an omnichannel customer experience specialist with operations in Croatia, North Macedonia, and Slovenia, and TMS connected!, a customer service provider specialized in the utilities industry

in Germany. Given the late integration of these two companies, their data has been excluded from this year’s report.

Our material topics “Reduce and have proper disposal of e-waste”, “Sustainable supply chain”, “Safeguard non-discriminatory and ethical conduct towards end-customers and clients” and “Support community engagement” do not have quantifiable data presented in this report. We are working on developing global frameworks to measure KPIs for these topics. Instead, they are thoroughly described in the management approach disclosure in the sections 2.3 Community Engagement on page 25, 2.4 Environment & climate on page 28, and 2.5 Business ethics on page 32.

## 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.

## 3.2 Workforce data

GRI	Total number of employees by contract type		
102-08	<b>Europe</b>	<b>Male</b>	<b>Female</b>
	Permanent	4515	7489
	Temporary	1614	2967
	<b>Global English Region</b>	<b>Male</b>	<b>Female</b>
	Permanent	5423	7717
	Temporary	134	214
GRI	Total number of employees by employment type		
102-08	<b>Europe</b>	<b>Male</b>	<b>Female</b>
	Full time	4297	5703
	Part time	1931	4654
	<b>Global English Region</b>	<b>Male</b>	<b>Female</b>
	Full time	5474	7828
	Part time	83	103
GRI	Total employee count		
102-08	Male	11686	
	Female	18387	
	<b>Total</b>	<b>30073</b>	

GRI	Gender distribution of employees			
405-1	<b>Global</b>	<b>Male</b>	<b>Female</b>	
	Executive managers	60%	40%	
	Managers	55%	45%	
	Employees	39%	61%	
	<b>Europe</b>	<b>Male</b>	<b>Female</b>	
	Managers	55%	45%	
	Employees	37%	63%	
	<b>Global English Region</b>	<b>Male</b>	<b>Female</b>	
	Managers	55%	45%	
	Employees	41%	59%	
GRI	Age distribution of employees			
405-1	<b>Global</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
	Executive Management	0%	70%	30%
	Managers	15%	70%	15%
	Employees	43%	49%	8%
	<b>Europe</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
	Managers	1%	75%	24%
	Employees	34%	54%	13%
	<b>Global English Region</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
	Managers	25%	67%	8%
	Employees	54%	42%	3%

GRI	Diversity of the Board			
405-1	<b>Gender</b>	<b>Male</b>	<b>Female</b>	<b>Other</b>
		86%	14%	0%
	<b>Age</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
		0%	58%	42%
GRI	Executive salary & remuneration – ratio women to men*			
405-2	<b>Global</b>	<b>Basic salary</b>	<b>Remuneration</b>	
	Executive Management	78%	70%	
	Managers	92%	91%	
	Employees	94%	93%	
	<b>Europe</b>			
	Managers	92%	90%	
	Employees	94%	93%	
	<b>Global English Region</b>			
	Managers	92%	95%	
	Employees	94%	94%	

Europe includes our operations in Albania, Bosnia and Herzegovina, Croatia, Egypt, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Portugal, Serbia, Spain, Sweden, and Tunisia.

Global English Region includes our operations in Canada, Colombia, the Philippines, United Kingdom, and USA.

\*The following countries have been excluded from the manager category since they do not have enough representatives of each gender to make an accurate and representative calculation: Global English Region: Canada, Colombia, Egypt, UK, and USA; Europe: Albania, Bosnia and Herzegovina, Estonia, Hungary, Latvia, Norway, Portugal, Tunisia, and Transvoice

## 3.3 GRI Content index

GRI standard	Disclosure	Chapter	Fulfillment	Comments
GRI 102: General Disclosures	<b>Organizational profile</b>			
	102-1 Name of the organization	1.1 Transcom at a glance	Fulfilled	
	102-2 Activities, brands, products, and services	1.1 Transcom at a glance	Fulfilled	
	102-3 Location of headquarters	1.1 Transcom at a glance	Fulfilled	
	102-4 Location of operations	1.1 Transcom at a glance	Fulfilled	
	102-5 Ownership and legal form	1.1 Transcom at a glance	Fulfilled	
	102-6 Markets served	1.1 Transcom at a glance	Fulfilled	
	102-7 Scale of the organization	1.1 Transcom at a glance	Fulfilled	
	102-8 Information on employees and other workers	3.2 Workforce data	Fulfilled	
	102-9 Supply chain	2.5 Business ethics	Fulfilled	
	102-10 Significant changes to the organization and its supply chain	2.5 Business ethics, 3.1 About the report	Fulfilled	
	102-11 Precautionary Principle or approach	2.4 Environment	Fulfilled	
	102-12 External initiatives	2.3 Community engagement, 2.7 How Transcom supports the Sustainable Development Goals	Fulfilled	
	102-13 Membership of associations			Transcom is not an active member in any sustainability associations.
	<b>Strategy</b>			
102-14 Statement from senior decision-maker	1.2 CEO comment	Fulfilled		
<b>Ethics and integrity</b>				
102-16 Values, principles, standards, and norms of behavior	1.4 Our sustainability approach, 1.5 Risk management and governance	Fulfilled		
<b>Governance</b>				
102-18 Governance structure	1.4 Our sustainability approach	Fulfilled		

GRI standard	Disclosure	Chapter	Fulfillment	Comments
GRI 102: General Disclosures	<b>Stakeholder engagement</b>			
	102-40 List of stakeholder groups	1.6 Stakeholder engagement	Fulfilled	
	102-41 Collective bargaining agreements	2.2 Inclusion & diversity	Fulfilled	
	102-42 Identifying and selecting stakeholders	1.6 Stakeholder engagement	Fulfilled	
	102-43 Approach to stakeholder engagement	1.6 Stakeholder engagement	Fulfilled	
	102-44 Key topics and concerns raised	1.6 Stakeholder engagement, 1.5 Transcom focus on what matters most	Fulfilled	
	<b>Reporting practice</b>			
	102-45 Entities included in the consolidated financial statements	1.1 Transcom at a glance	Fulfilled	
	102-46 Defining report content and topic Boundaries	1.6 Stakeholder engagement, 1.5 Transcom focus on what matters most	Fulfilled	
	102-47 List of material topics	1.6 Stakeholder engagement, 1.5 Transcom focus on what matters most	Fulfilled	
	102-48 Restatements of information	3.1 About the report	Fulfilled	
	102-49 Changes in reporting	3.1 About the report	Fulfilled	
	102-50 Reporting period	3.1 About the report	Fulfilled	
	102-51 Date of most recent report	3.1 About the report	Fulfilled	
	102-52 Reporting cycle	3.1 About the report	Fulfilled	
	102-53 Contact point for questions regarding the report	3.1 About the report	Fulfilled	
	102-54 Claims of reporting in accordance with the GRI Standards	3.1 About the report	Fulfilled	
102-55 GRI content index	3.2 GRI content index	Fulfilled		
102-56 External assurance	3.1 About the report	Fulfilled		

GRI standard	Disclosure	Chapter	Fulfillment	Comments
<b>Material topics</b>				
<b>GRI 200 Economic Standard Series</b>				
<b>Counteract fraud, bribery, and other corrupt practices in customer, client, and supplier interactions</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.5 Business ethics	Fulfilled	
	103-2 The management approach and its components	2.5 Business ethics	Fulfilled	
	103-3 Evaluation of the management approach	2.5 Business ethics	Fulfilled	
GRI 205: Anti-corruption (2016)	205-1 Operations assessed for risks related to corruption	1.6 Risk management, 2.5 Business ethics	Fulfilled	
	205-3 Confirmed incidents of corruption and actions taken	2.5 Business ethics	Fulfilled	
<b>GRI 300 Environmental standards</b>				
<b>Reduce energy consumption and greenhouse gas emissions in own operations</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.4 Environment	Fulfilled	
	103-2 The management approach and its components	2.4 Environment	Fulfilled	
	103-3 Evaluation of the management approach	2.4 Environment	Fulfilled	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	2.4 Environment	Fulfilled	
	302-3 Energy intensity	2.4 Environment	Fulfilled	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	2.4 Environment	Fulfilled	
	305-2 Energy indirect (Scope 2) GHG emissions	2.4 Environment	Fulfilled	
	305-3 Other indirect (Scope 3) GHG emissions	2.4 Environment	Fulfilled	
<b>Reduce and have proper disposal of e-waste</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.4 Environment	Fulfilled	
	103-2 The management approach and its components	2.4 Environment	Fulfilled	
	103-3 Evaluation of the management approach	2.4 Environment	Fulfilled	

GRI standard	Disclosure	Chapter	Fulfillment	Comments
<b>GRI 400 Social Standards</b>				
<b>Attract and retain a talented and engaged workforce</b>				
<b>Health and wellbeing at work</b>				
<b>Training and development</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.1 People development	Fulfilled	
	103-2 The management approach and its components	2.1 People development	Fulfilled	
	103-3 Evaluation of the management approach	2.1 People development	Fulfilled	
GRI 404: Training and education (2016)	404-2 Programs for upgrading employee skills and transition assistance programs	2.1 People development	Fulfilled	
<b>Ensure equal opportunities and diversity among employees and management</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.2 Inclusion & diversity	Fulfilled	
	103-2 The management approach and its components	2.2 Inclusion & diversity	Fulfilled	
	103-3 Evaluation of the management approach	2.2 Inclusion & diversity	Fulfilled	
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	2.2 Inclusion & diversity	Partial	Excluding information divided per region because of significant currency variance and respect for personal integrity
	405-2 Ratio of basic salary and remuneration of women to men	2.2 Inclusion & diversity	Fulfilled	
<b>Ensure customer and client data security and privacy</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.6 Security and privacy	Fulfilled	
	103-2 The management approach and its components	2.6 Security and privacy	Fulfilled	
	103-3 Evaluation of the management approach	2.6 Security and privacy	Fulfilled	
GRI 418: Customer privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Security and privacy	Fulfilled	

GRI standard	Disclosure	Chapter	Fulfillment	Comments
<b>Sustainable supply chain</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.5 Business ethics	Fulfilled	
	103-2 The management approach and its components	2.5 Business ethics	Fulfilled	
	103-3 Evaluation of the management approach	2.5 Business ethics	Fulfilled	
<b>Support community engagement</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	2.3 Community engagement	Fulfilled	
	103-2 The management approach and its components	2.3 Community engagement	Fulfilled	
	103-3 Evaluation of the management approach	2.3 Community engagement	Fulfilled	
<b>Safeguard non-discriminatory and ethical conduct towards end-customers and clients</b>				
GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its Boundary	1.5 Risk management & governance, 2.5 Business ethics	Fulfilled	
	103-2 The management approach and its components	1.5 Risk management & governance, 2.5 Business ethics	Fulfilled	
	103-3 Evaluation of the management approach	2.5 Business ethics	Fulfilled	

Stockholm

The Board of Directors in Transcom Holding AB (publ)

Fredrik Cappelen  
Chairman of the Board

Klas Johansson  
Member of the Board

Mattias Holmström  
Member of the Board

Donald Hicks  
Member of the Board

Lisa Stoner  
Member of the Board

Alfred von Platen  
Member of the Board

Brent J. Welch  
Member of the Board

Jonas Dahlberg  
President & CEO

# 4. Auditor's report on the statutory sustainability statement

**To the general meeting of the shareholders in Transcom Holding AB, corporate identity number 556962-4108**

## **Engagement and responsibility**

It is the board of directors who is responsible for the corporate governance statement for the year 2021 and that it has been prepared in accordance with the Annual Accounts Act.

## **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## **Opinions**

A statutory sustainability statement has been prepared.

Stockholm the day as evidenced by our electronic signature  
Ernst & Young AB

Johan Holmberg

**Transcom**