

# Sustainability Report 2022



**Transcom**

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# 1. Transcom 2022



# 1.1 CEO comment



Transcom works with the most brilliant brands on earth. Our promise to them, and to our people, is to be relentlessly committed to their ambition. We're also committed to driving a sustainable agenda, and creating positive, lasting change for the planet, its people, and the communities where we operate.

Entering the post-pandemic world in January 2022, we did not expect to be thrown into a new global crisis by February 24, when Russia invaded Ukraine. This senseless and cruel war has caused a massive humanitarian crisis, and triggered global ripple effects. Transcom does not have any sites or employees in Ukraine or Russia. But we're a company that puts people first, a community that reaches out to help others where we can. Our people showed solidarity, unity, and care, and many local Transcom Cares activities were centered around helping the people of Ukraine. You can read more about this under *Community engagement* on page 29.

In last year's sustainability report, we described our efforts on evaluating how we, as a global organization, can achieve carbon-neutrality, working towards an abatement plan in line with the Paris Agreement, and assessing our entire environmental footprint by looking at relevant scope 3 emissions not yet quantified. We're progressing this initiative with setting 2022 as a base year, and doing a full GHG inventory to be able to set firm targets for emission reduction. You can read more about our efforts and progress under *Environment & climate* on page 31.

During the past years, culture and leadership has been one of the main drivers for our strategy. Being a people centric business, we need to

ensure that we have a solid employee value proposition, not only providing financial stability and skills development, but providing a culture of support, trust, inclusion, empowerment, collaboration, and continuous learning. One of the highlights of the year was to articulate our company values. Acknowledging the fact that it's not about what we say but how we act, we're now making sure that all our employees understand our values and the entailing behaviors through training and discussions. We are implementing them in key processes, from attraction and recruitment to offboarding. You can read more under *People development* on page 19, and *Inclusion & diversity* on page 25.

Transcom continued to grow during the year, organically with 8 new locations and 3 office expansions, and through the acquisition of Forcontact, a customer experience specialist with 650 employees across six sites in Albania, Croatia, Kosovo, and Spain. The majority of these new sites are in nearshore locations.

I'm pleased to present our sustainability actions and performance during 2022 in this report.

Stockholm, Jonas Dahlberg, President & CEO

# 1.2 Transcom at a glance

This report presents the sustainability efforts of Transcom Holding AB and its subsidiaries (hereafter Transcom) during 2022. Transcom is a global company with 30,021 customer experience specialists in 27 countries\*. The report includes data from Awesome OS, located in the Philippines and the United States, Xzakt Kundrelation AB, located in Sweden, City Connect with operations in Croatia, North Macedonia, and Slovenia, and TMS connected!, located in Germany, all part of the Transcom Group.

We offer digitally enhanced customer experience (CX) services to some of the world's most ambitious brands 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, via 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.

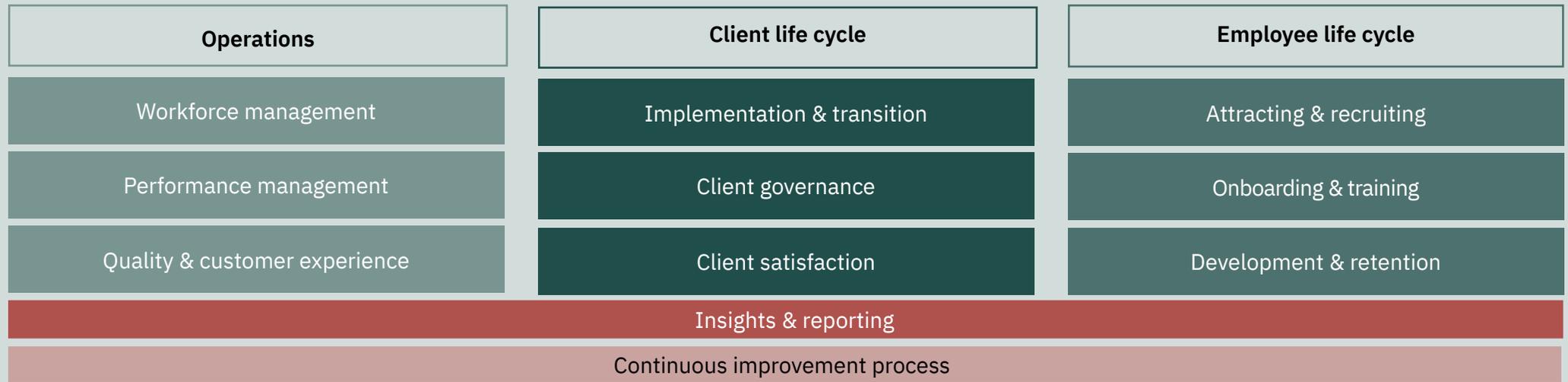
This report also includes data from Transvoice, located in Sweden, and part of the corporate Group. Transvoice is an interpretation and language services company.

On December 19, 2022, Transcom acquired Forcontact, a customer services provider specialized in fashion and luxury retail and e-commerce. Forcontact, headquartered in Switzerland, has 650 employees, and offices in Albania (3 sites), Croatia, Kosovo, and Spain. Due to the late integration of the company, its data will be excluded from this year's 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:



# 1.3 Governance

At Transcom, sustainability is an integral part of our corporate strategy, business culture and day-to-day operations. The CEO has the overall responsibility for sustainability, and refers strategic plans including ESG related actions to the Board of Directors for decision. The Board of Directors provide governance and oversight over the strategy, operations, and management. The Board also actively and regularly reviews governance best practices, including overseeing Transcom’s senior management, to whom it has delegated the authority to manage the day-to-day operations, including ESG related matters.

Our sustainability program Transcom Cares focuses on the six core areas that we consider the most material to our operations:

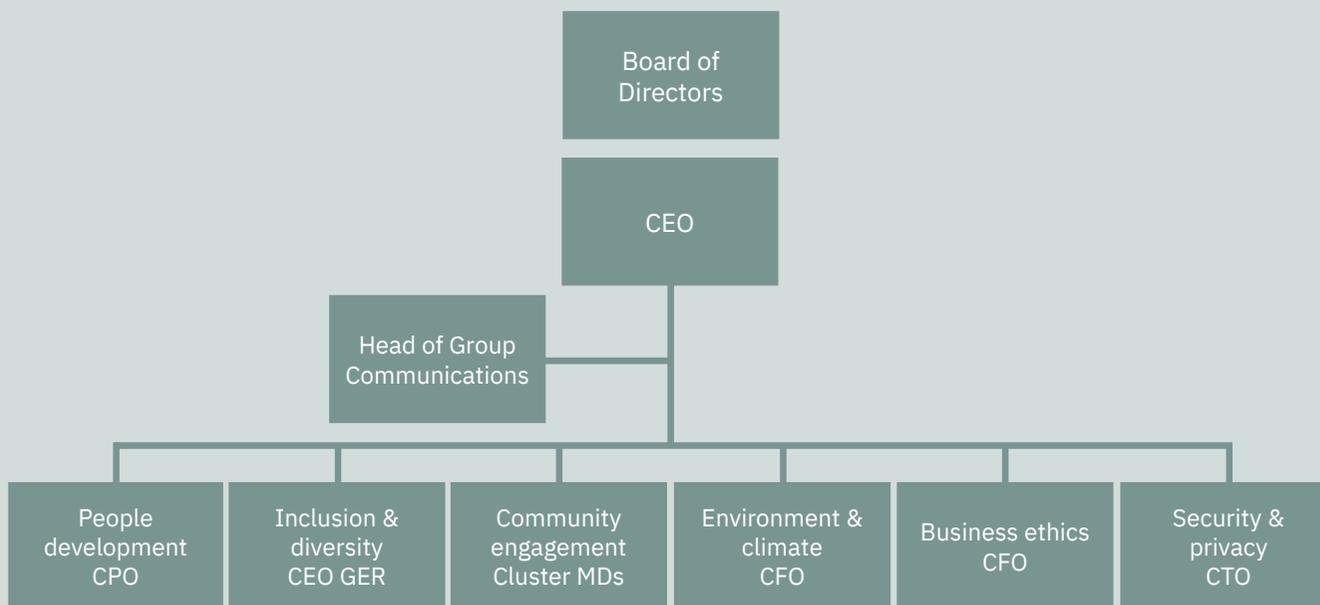
- **People development:** Actively empower and support our people in their current role and future career.
- **Inclusion & diversity:** Create an inclusive and diverse workplace.
- **Community engagement:** Unlock the power of local communities by actively contributing to the overall equality, opportunity, and sustainability.
- **Environment & climate:** Reduce and mitigate our negative environmental impact through the way we think, act, and procure.

- **Business ethics:** Ensure that our actions, interactions, activities, and decisions are rooted in a core sense of ethics and responsibility.
- **Security & privacy:** Be trusted by employees, clients, and clients’ customers to handle their data and safeguard integrity and privacy.

Local and global actions, targets, and results are followed up on a yearly basis.

The CEO is supported by the Head of Group Communications who leads the continuous development of our sustainability framework, reporting, and communication. The Audit Committee and the Board of Directors reviews and approves the sustainability report before its release.

Each area has an executive sponsor leading the efforts, setting and following up on targets.



A detailed overview of Transcom’s governance structure can be found in the Corporate Governance Report 2022.

# 1.4 Strategy, policies, and practices

Transcom has policies within all relevant sustainability areas, owned by the Board of Directors and revised on an annual basis. The Group Executive Leadership Team is responsible for ensuring compliance. The Chief Financial Officer is responsible for the governance of our internal policies, including policies related to sustainability. Our policy framework is available to all employees through the intranet.

**Transcom's Code of Business Conduct (CoBC)** is available in 22 languages and 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. This means that Transcom should conduct due diligence, apply the precautionary principle, and respect human rights, particularly regarding employees and workers in emerging economies and developing markets. The CoBC applies to all Transcom employees, consultants, contractual partners, and board members.

All employees need to read and sign the Code when they are hired, and are recertified every second year thereafter. The Group management is responsible for ensuring compliance with the CoBC, followed up continuously within the day-to-day operations. Owing to our onboarding and regular training program, the awareness of our CoBC is high. The Code of Business Conduct training completion rate in 2022 was 95%, including new hires and employees with more than two years of service.

**Transcom's Supplier Code of Business Conduct** sets out the standards which all vendors and suppliers providing products and/or services to Transcom as well as their employees, consultants, and subcontractors, are expected to comply with. The code covers human rights, labor rights, environmental protection, and anti-corruption practices. 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, only exception being if they have an even more comprehensive Code of Business Conduct in place. During 2022, we did not have any complaints related to our Supplier Code of Business Conduct.

**Transcom's Whistleblower policy** is available in 22 languages. It is an essential part of our vow to take appropriate action against wrongdoings through our Code of Business Conduct. Promoting a culture where anyone feels safe to act and report any wrongdoings related to our operations, we encourage 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 of a 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 whistleblower will be notified about the progress and what actions have been decided unless circumstances do not permit it. During 2022, we had 27 reports via the whistleblower function. All reports have been investigated and closed. The reports concerned harassment, discrimination, work environment, labor law violation, and violation of GDPR. In 22 cases, actions were taken, whereof five cases led to disciplinary action, three warnings and two dismissals.

**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.

**Transcom's environmental policy** is a guide to facilitate decision-making and to ensure environmental considerations are taken in all parts of our business. It applies to all managers, employees, workers, contracted workers, affiliates, and other contractual partners associated with or representing Transcom. We shall always strive to minimize our impact on the environment, with a specific focus on, but not limited to, energy consumption, climate impact, and resource consumption. The policy dictates compliance with national laws and regulations, but also to follow the precautionary principle, and always do a risk analysis of environmental risks, including impacts on biodiversity and ecosystems before embarking on new business ventures, facilities, activities, or projects. Non-compliance with the environmental policy should be reported via the whistleblower function. During 2022, we had no complaints via the whistleblower function.

**Transcom's group travel policy** aims at minimizing the environmental footprint of travel, and applies to all employees, contractors, consultants or temporary staff traveling for business purposes. With the policy, Transcom aims to minimize travel to save money, time, and reduce our environmental impact. Digital options are always to be preferred, especially for internal meetings. Approval of travel bookings follow the grandfather principle. Transcom's emissions due to business travel is followed up on an annual basis and presented in our scope 3 emissions.

**Transcom's equality and diversity policy for the Board of Directors** applies to the members of Transcom's Board. It sets out the Board of Directors commitment to promoting equality and diversity by enhancing a culture that includes and values different cultures, perspectives, and experiences. It highlights all Board members' responsibility to be observant and report on all incidents of discrimination, including, but not limited to, harassment, offensive treatment, and victimization. The policy is based on the UN Global Compact, Swedish and EU legislation. Transcom is striving towards a gender balance of 50/50 at all levels. All Transcom's operations and governance bodies shall, by means of training, skills development, and other suitable

measures, promote gender balance in various types of work, within various categories of workers, and in management positions. The results of the policy are reported in this report under Inclusion & diversity and Workforce data.

### **Risk and impact management**

Transcom's risk management and control framework is designed to support the identification, assessment, monitoring, and management of risks significant to the achievement of Transcom's business objectives and negative impacts on human rights and the environment. We continuously work to improve the policies governing the management and control of both financial and non-financial risks and impacts. Our overall goal when it comes to sustainability is to minimize and mitigate any negative impacts that Transcom has caused or contributed to connected to harming people and the environment. A comprehensive risk assessment is conducted yearly and can be found in our corporate governance report.

### **Compliance with laws and regulations**

During 2022, there were no significant instances of non-compliance with laws and regulations.

# 1.5 Stakeholder engagement

Transcom regularly engages with stakeholders to identify and assess impacts, and to identify which sustainability aspects are considered to be most material for each stakeholder group. This helps us understand, prioritize and manage our sustainability impacts. Transcom's Group Executive Leadership Team is ultimately responsible for defining what stakeholders to engage with, based on the degree to which Transcom's operations depend and have an impact on the stakeholder in question.

Our key stakeholders are our employees, owners, investors, and clients (see table on page 11). To ensure that all stakeholders are heard and understood, and our strategy is in line with their expectations, our approach is to have close, integrated, and continuous dialogues around sustainability through a variety of mechanisms; surveys, meetings, direct dialogue, and interviews. All employees and workers are invited to share their feedback through a survey available in 22 languages on a biannual basis. The outcome of these engagements help us prioritize critical issues, and provide insight on emerging opportunities and trends.



Stakeholder(s)	Why we engage	How we engage
Transcom's Executive Leadership Team	To set the strategic direction and priorities and understand what issues are most important in different geographies	ELT meetings Workshops and briefings ESG surveys
Cluster Leadership Teams	To understand local relevance and prioritization of actions	Meetings Workshops, dialogues, and briefings ESG surveys
Employees (including workers)	To understand which sustainability topics are most important to our people	Quarterly Pulse surveys 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 & dialogue Client satisfaction surveys Quarterly Business Reviews Sustainability audits, assessments, and disclosures (such as EcoVadis, CDP) ESG questions in RFPs and tenders
Owners	To understand demands and requirements, challenges and opportunities	Board meetings Continuous dialogue Policies and reports ESG surveys
Investors	To understand demands and requirements, challenges and opportunities	Investor meetings ESG surveys Reporting disclosures (such as CDP)

# 1.6 Determining material topics

We have assessed Transcom's **impacts** on the economy, the environment, and people (including human rights), as well as the impacts on the business, i.e. the most significant sustainability risks and opportunities. The sources used are primarily corporate risk assessments, stakeholder dialogues and engagement, and senior leadership engagement activities. The assessment has considered whether the impacts are actual or potential, direct or indirect, through our business, supply chain, or business relationships. Both short- and long-term impacts have been considered. The significance has been assessed according to the severity, scale, scope, and likelihood of the impact.

Our **sustainability topics** were first defined in 2012 during Transcom's first materiality analysis, and have since regularly been updated, reviewed, and refined. They are based on our significant economic, environmental, and social impacts, and guided by sustainability frameworks and reporting standards, such as the Global Reporting Initiative (GRI), UN Global Compact, and the Sustainable Development Goals. They are prioritized through internal and external stakeholder dialogues. Over the years, our sustainability topics have been updated and refined with input from stakeholders, changing legislation, and our analysis of megatrends.

During 2022, we conducted a new materiality analysis and updated our material topics. Compared to the previous reporting period, we have grouped several topics together, to align with our sustainability framework, make the material topics more comprehensible, and actions and reporting on actions and results more clear. The changes are as follows; *Attract and retain a talented and engaged work-force, Training and development, Health and well-being at work* have been combined to the topic *Attract, support, and retain a talented and engaged workforce. Ensure equal opportunities and diversity among employees and management and Safeguard non-discriminatory and ethical conduct towards end-customers and clients* have been combined to the topic *Promote diversity, equality, and inclusion*. Finally, *Reduce energy consumption and greenhouse gas emissions in own operations and Reduce and have proper disposal of e-waste* have been combined to the topic *Reduce climate and environmental impact of operations*.

The analysis is based upon our actual and potential impacts on the economy, environment, and people (including human rights), how sustainability issues impact Transcom and our operations as well as how Transcom impacts the topics throughout our value chain, today and in the future. Our material topics are ranked by their respective significance to Transcom.

Impact	Actual/ potential	Negative/ positive	Material topic	Managing impacts
Our business is prone to high attrition. If we cannot attract, support, develop and retain employees we will not be able to support our clients. This could potentially have a negative impact on Transcom through substantial financial loss.	Potential	Negative	Attract, support, and retain a talented and engaged workforce	We are mitigating a potential negative impact through robust talent management and career development programs that help us in talent retention. 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.
Transcom offers content moderation as a service to clients. There is a risk that content flagged is violent or in other ways upsetting to the moderator, and repeated exposure may be damaging to the moderators' wellbeing. Not having established programs in place could lead to a negative impact on our employees' mental health.	Potential	Negative	Attract, support, and retain a talented and engaged workforce	We are preventing a negative impact by having an established health and wellness program that combines content moderation AI, people tools, and leadership education to support our people.
Transcom has many locations in emerging markets and developing economies. Through employment, providing career opportunities, training, being an equal opportunity employer, and offering good working conditions, we can contribute to the economic development and growth and the overall sustainability of these communities. By having a strong focus on training and employee development, Transcom has a positive impact on youth and adults with relevant skills for employment.	Actual	Positive	Attract, support, and retain a talented and engaged workforce	Read more under <i>People development</i> on page 19 and <i>Inclusion &amp; diversity</i> on page 25.
Transcom has a zero-tolerance for discrimination and offers equal remuneration for work of equal value. By doing so, we positively impact equality for vulnerable groups and contribute to the overall equality of the communities where we are present.	Actual	Positive	Promote diversity, equality, and inclusion	We're creating a positive impact (and preventing a negative impact) on our employees and local societies where we operate by reinforcing a 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.

Impact	Actual/ potential	Negative/ positive	Material topic	Managing impacts
Many of our employees live in areas at high risk to extreme weather events. This may pose threats to our employees' health, but also to their property, and it may affect their ability to get to work and/or work. This also has an actual, negative impact on Transcom.	Actual	Negative	Encourage community and employee engagement	Through local programs, we can mitigate the negative effects of extreme weather events by extending extra support to employees in times of needs and financial emergencies, cover for medical expenses, aid during times of calamities and bereavement, in addition to the support offered by the company.
Actively contributing to a better society with local community and employee engagement activities increases the well-being and commitment of our employees. This has an actual, positive impact on, and of, Transcom.	Actual	Positive	Encourage community and employee engagement	Read more under <i>Community engagement</i> on page 29.
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. This could potentially have a negative impact on Transcom through financial loss and/or reputational damage.	Potential	Negative	Ensure data protection and security	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.
About one third of Transcom's employees are based in the Philippines, at high risk to extreme weather events. The continuity of our operations may be affected by natural disasters and extreme weather such as cyclones and hurricanes. Any sustained disruption of our services may lead to deterioration in our profitability from the affected site/country, and expose us to legal risk due to contractual obligations to clients.	Actual	Negative	Ensure data protection and security	To mitigate the negative effects of extreme weather events, 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. We have processes and procedures.

Impact	Actual/ potential	Negative/ positive	Material topic	Managing impacts
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. This could potentially have a negative impact on Transcom through financial loss and/or reputational damage.	Potential	Negative	Take proactive measures against fraud and corruption	We collaborate with our clients continuously to identify and address fraud risks in a structured manner. We have secured insurance against such misconduct.
We have operations in countries that have been assessed as more exposed to corrupt practices. Any corrupt practices engaged in by our employee(s) may affect our goal to be a responsible corporate citizen. This could potentially have a negative impact on Transcom through financial loss and/or reputational damage.	Potential	Negative	Take proactive measures against fraud and corruption	We have zero tolerance towards any corrupt and unethical practices. Our Code of Business Conduct is available in 22 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.
Information technology plays a fundamental role in our business to communicate with our clients and provide services to our clients' customers. This leads to a negative environmental footprint from the acquisition and use of IT equipment.	Actual	Negative	Reduce climate and environmental impact of operations	Transcom takes a proactive approach to ensure environmental protection and mitigate our negative environmental footprint. 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. We monitor and report on our emissions, and are currently working on an abatement plan in line with the Paris Agreement.

Impact	Actual/ potential	Negative/ positive	Material topic	Managing impacts
Transcom’s clients, owners, employees, and investors are increasingly environmentally aware. An increasing amount of stakeholders are actively demanding us to comply with delivering information on emissions exposure. Having a sound environmental strategy and firm targets for reducing our environmental impact is vital to secure future contracts and attracting investors. The potential financial impact of not having a sound strategy could be loss of potential new contracts, and a decreasing interest from investors.	Actual	Positive	Reduce climate and environmental impact of operations	Read more under <i>Environment &amp; climate</i> on page 31
In our ongoing efforts to mitigate our negative impact by reducing our emissions, we are working with our landlords to influence a shift to renewable energy sources for our office energy consumption. Energy efficiency and environmental certifications are highlighted in our list of requirements when selecting new office locations.	Actual	Positive	Reduce climate and environmental impact of operations	Read more in <i>Environment &amp; climate</i> on page 31
Through its business relationships, Transcom may be contributing to supply chain malpractices or violations against ethical business practices, respect for human and labor rights and environmental protection. Having and enforcing a sound supplier code of conduct can have a positive effect on our supply chain through highlighting and setting expectations with regards to the ten principles of the UN Global Compact.	Potential	Negative	Ensure a sustainable supply chain	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, only exception being if the supplier has a 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.

Material topics	Description	Transcom Cares pillar
Attract, support, and retain a talented and engaged workforce	Ensure employee satisfaction and continuous development. Ensure that employees can easily attain a healthy lifestyle. <i>Through high standard of working conditions, skills development, talent management, wellness programs, focus on ergonomics, ensuring work-life balance.</i>	People development
Promote diversity, equality, and inclusion	Ensure an equal and diversified workplace, actively counteract discrimination and safeguarding non-discriminatory and ethical conduct in Transcom's operations towards all stakeholders. <i>Through active measures, policy documents, risk assessments, training, and internal routines.</i>	Inclusion & diversity
Encourage community and employee engagement	Transcom should facilitate and encourage community engagement, especially when the initiatives have a strong connection to Transcom's core business. <i>Through locally defined action plans.</i>	Community engagement
Ensure data protection and security	Ensure customer data privacy and security through e.g. safe handling of personal information as well as GDPR and California Consumer Privacy Act compliance. <i>Through active measures, policy documents, risk assessments, training, and internal routines.</i>	Security & privacy
Take proactive measures against fraud and corruption	Transcom should proactively work against all forms of corrupt practices. <i>Through a robust governance system, consisting of policy documents, risk assessment, training, and internal routines, ensuring compliance with national and international legislation on corruption issues like Foreign Corrupt Practices Act (FCPA) and UK Bribery Act.</i>	Business ethics
Reduce climate and environmental impact of operations	Actively work to reduce and mitigate environmental and climate impact through Transcom's operations. <i>Through actively controlling and monitoring impacts and addressing reductions in a structured manner.</i>	Environment & climate
Ensure a sustainable supply chain	Ensure compliance with human rights, labor rights, environmental and anti-corruption requirements in Transcom's supply chain. <i>Trough active measures, policy documents, risk assessments, training, and internal routines.</i>	Business ethics

# 2. Transcom Cares



# 2.1 People development

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

As a big employer in many of our locations, and active within a sector with high attrition rates, with many entry-level jobs that require little to no work experience, Transcom has a huge responsibility when it comes to supporting and developing a talented and engaged workforce. The consequences if we do not act responsibly could range from financial risks for Transcom, as we could not provide services to our clients if we cannot attract employees; to impacts on entire communities, if we do not equip our employees with relevant skills for current and future employment. We have a strong, global, learning & development division, and easily accessible tools where all of our employees can develop their skills. We promote internal career opportunities and are proud to be a breeding ground for future leaders. Our focus on leadership and culture in combination with our quarterly employee surveys ensure that our people can influence their workplace environment and conditions. This can positively affect their cognitive, emotional, and physical wellbeing.

## **Training**

From initial onboarding, to soft skills training, Transcom provides opportunities throughout the employee journey. Our agents learn about direct client and customer interaction, and strengthen their communication and technology skills in a

fast-paced and dynamic work environment. We use different teaching methods to fit each learner and task; gamification, virtual reality, external learning, peer-to-peer learning, mentoring, and coaching. Our e-learning platform Transcom University, is a cloud based solution, accessible for all our employees. It features a digital course catalog with over 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. In 2022, 172 content materials were developed and published to support the global policy framework, leadership development, client and government requirements, and implementation of process changes. Each Transcom employee accessed Transcom University at least three times within 2022, and spent an average of 25-48 minutes learning for self-development, to complete mandatory courses, and to access content on leadership and culture.

Transcom is continuing to increase the percentage of employees that work from home as a permanent position, and thus continues to focus on developing materials for remote leaders, and guides for agents and supervisors. This ensures that we provide a workplace that supports health and wellbeing for our employees regardless if they work from home or at a site.

## Career development

By setting clear targets for each employee, recognizing the importance of our employees receiving regular performance reviews, and establishing career development plans, we're supporting each employee's opportunity to grow and progress. During 2022, we rolled out a global talent management and succession planning framework during the year, to ensure support for both local teams and talents. We have a clearly defined process for career development, supported by Transcom Discover, a professional development program that uses a phased approach in career development to build our internal talent bench.

We have a continuous focus on leadership development for our frontline leaders. The Team Leader and Business Manager Playbooks are part of our Global Operating Model, and support a consistent approach in performance management, giving our frontline leaders a solid basis for their work and developing their leadership skills.

Measuring our employees' perception of career development opportunities, we can see that we reached a yearly average of 64.1% in our employee satisfaction survey, which is slightly below last year's results (0.5pp). This is an area

that we are constantly working with, both on a global and local basis. A global career group has been created on our intranet, where we share best practices and success stories as well as all open positions. On a cluster level, we have established internal academies, mentor and internship programs. We will continue to focus on this topic and ensure that our employees are well aware of all opportunities open to them.

Another KPI falling slightly behind last year's in our employee satisfaction survey is manager feedback for skills development. The yearly average for 2022 is 84.7 (-0.3pp). We believe that the new global talent management and succession planning framework that was rolled out in 2022 will support managers to continue to develop their talents.

## Employee satisfaction

Our quarterly employee Pulse satisfaction survey gives us a chance to improve the overall quality of our workplace through employee feedback. The survey covers leadership and engagement, organization and working conditions, personal satisfaction and communication. We take feedback from our employees seriously, and perform a detailed analysis of the results every quarter on a global and local level. The results are presented to the global and local leadership

teams, who in turn discuss the results with their teams to decide and implement concrete actions.

During 2022, the global satisfaction rate was 74.9%, which represents a decline of 1.5pp from the previous year. On a global level, there were two main improvement areas in 2022; *Transcom listens* and *career development opportunities*. Actions regarding *career development opportunities* are listed above. For *Transcom listens*, apart from the Pulse survey itself, we have focused Pulse result feedback sessions, and digital and/or physical town hall meetings with open Q&As globally and in all clusters to increase the information flow and offer more ways for our employees to voice concerns and engage in workplace improvements. We have a strong focus on not only ensuring that our employees voice their opinions in our quarterly surveys but that they are turned into a road-map to change, which is why we were happy to acknowledge that 71% of the respondents say that results have been discussed and actions are either already taken or under way.

As part of our ongoing focus on leadership and culture, we engaged with hundreds of people from all over the world, different geographies, teams, and functions, to find and articulate the essence of our company culture – our company values and employee value proposition.

Our values reflect a commitment to all stakeholders – each other, our clients and our owners.

Respecting and embracing our individual differences, recognizing that we can achieve more as a team than individually and that we're committed to developing and never standing still. We are sure that reinforcing this positive company culture will help improve employee satisfaction and reduce attrition in the coming years. To ensure that our values are known, understood, and lived, we have developed training programs targeting new employees, CSRs and leaders, complementing internal communication, team workshops and individual conversations.



## Our values

### **We're here to support**

We're customer experience experts. Committed to ensuring our clients' success by making every interaction with their customers as easy, enjoyable, and fruitful as possible. And always thinking about how we can go from good to brilliant.

### **We keep our promises**

We take commitments seriously. To our clients, our company, and each other. We're responsive, honest, and communicative. By being transparent with opportunities and requirements, we always deliver beyond expectations.

### **We come as we are**

We're diverse by nature, inclusive by choice. We provide equal opportunities and we never tolerate

discrimination. Our inclusive culture helps broaden our perspectives, and drive innovation.

### **We're team players**

We make everyone feel supported, encouraged, and welcome from day one. We value every person's contribution, and consider every point of view. We're all accountable for our actions, and their results. Together, we celebrate success, solve issues, and share learnings.

### **We're lifelong learners**

We have an open mind and are always willing to learn. Striving to do things smarter and better. This is how we improve, grow, innovate, and go through change one step at a time.

## Our employee value proposition

At Transcom, we're relentlessly committed. To our clients and each other. Every day, someone starts their journey with Transcom. Taking the potential that they have today and turning it into skills for the future. Getting recognized for working hard, being a team player, and supporting others. Championing positive, lasting change in their teams and communities. That's just how we are at Transcom. Here we care, and root for each other. You're included, just as you are, from day one. And with the right mindset, there's no end to how far we can go together.

## Creating jobs in emerging markets and developing countries

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

During 2022, Transcom grew by opening 8 new locations and further expanding 3 locations. By expanding our presence, we created 787 new job opportunities in emerging markets and developing economies.

## Wellness

Transcom has a history of promoting wellness among our employees. These are some of the local activities we saw during 2022:

**Bosnia and Herzegovina** – Sponsoring employees playing basket in Banja Luka

**Croatia** – Celebrating the World Bicycle Day by proposing bicycle routes in different cities

**North America** – Monthly Health Newsletters sharing regular wellness information and recognized holidays focused on wellbeing; Tips to stay healthy during flu season, recognizing International Stress Awareness Day, World Mental Health Day, and National Fitness Day, regular webinars on topics such as mental health and stress awareness

**Latvia** – Free life coaching sessions to discuss work and private life; Celebrating Transcom's birthday with an employee hike

**Lithuania** – Monthly lectures with external speakers on topics such as health, nutrition, movement, sports, and a healthy lifestyle

**Netherlands** – Implementing Lifecheck, an app that can help employees stop smoking, eat healthy, exercise, and consult a doctor for medical complaints

**Serbia** – Celebrating World mental health day with a video about the most common mental health problems in the workplace, how to recognize them and what to do. Also, she talked about prevention, connecting it to Transcom benefits, for eg. free psychological counseling and Fit pass. The Serbian team also arranged an online discussion for employees about healthy habits. The participants shared one recipe each to create an online cookbook, which was distributed to all employees.

**Sweden** – Health week, a week where each day have its own focus: mental health, physical health, Happiness, teambuilding and food, with visits from local gyms and organizations.

Topic	Targets 2021-2023	2022	2021	2020
Attract, support, and retain a talented and engaged workforce	Measure and constantly improve global employee satisfaction score and employee participation rate	74.9%*	76.4%*	71.6%*
	Measure and constantly improve global employee perception of career development opportunities	64.1%*	64.6%*	57.2%*
	Measure and constantly improve global employee manager feedback for skills development	84.7%*	85.0%*	81.3%*
Create job opportunities in emerging markets and developing economies**		787	856	453

\*Average participation rate in the quarterly Pulse survey 2022 67.2% (65.2% in 2021, 42.2% in 2020)

\*\*As defined by the International Monetary Fund: Albania, Bosnia and Herzegovina, Colombia, Croatia, Egypt, Hungary, North Macedonia, Philippines, Poland, Serbia, Tunisia, increase of employees per 31 Dec 2022 compared to last year

## 2.2 Inclusion & diversity

*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.*

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. We pay equal wages for work of equal value and foster an understanding and appreciation for the diversity reflected in different backgrounds, experiences, and ideas. We provide an inclusive work environment with respect for each other, our clients and their customers, our business partners, and suppliers.

### **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 a training on unconscious bias and micro-aggression in the workspace, to help better understand how biases occur and their impact, to eliminate discriminatory behavior and support an increase of inclusion of underrepresented talent. Our objective was to make this training mandatory for all managers in 2022. The course was however developed for the North American market. During 2022, our global learning & development team decided to develop a new version of the course, more targeted to Europe. Both courses are available for all employees globally on our e-learning platform Transcom University, and will be mandatory for managers from 2023. Discussing biases has also been added to our Leadership Development Program.

### **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 wellbeing.

Early 2022, most of the pandemic restrictions had been removed, meaning our staff could return to the office. Having seen the benefits

with remote work from all stakeholders – our company, employees, and clients – we are continuing to offer work-at-home as a permanent way of working. Acknowledging that providing work-at-home opportunities can also increase the inclusion of people with disabilities, we aim to offer work-at-home opportunities in all countries, making it easier to join, and grow with Transcom without the need to commute to a physical location. During 2022, 25% of our employees had permanent work-at-home employment. We have fine-tuned our recruitment and operational practices to ensure that both our physical and virtual workplace supports employee wellbeing, and our global Learning & Development team is continuously developing courses and materials to support leaders, supervisors, and agents in a remote workforce.

### **Gender equality**

Transcom offers equal pay for equal work and promotes gender balance amongst managers. To have a representative illustration of our global workforce, we are comparing data for employees with similar jobs and responsibilities, singling out our three major groups of employees – Customer Service Representatives (agents), representing 83% of our global workforce; and our frontline leaders, Team Leaders and Business Managers, representing 7% of our global work-

force alongside data for the group Executive Leadership Team. On a global level, we have 61% women in the group. The gender distribution on a global level for mid management is 46/54% (M/F), and the salary and remuneration stands at 97 vs 96%. We recognize that we have room for improvement, especially when it comes to the executive leadership, however, we are pleased to see that the pay gap is reducing compared to 2021. 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, 34% of employees are covered by collective bargaining agreements. The percentage represents employees from Germany, Italy, the Netherlands, North Macedonia, Norway, Spain, Sweden, and Tunisia. For workers not hired by Transcom, we take effort in ensuring that they have comparable working conditions and terms of employment.

### **Local activities**

Our global teams are fostering inclusivity by celebrating diverse holidays, including but not limited to Dr. Martin Luther King Jr. Day, Black History Month, International Women's Day, International Men's day, Cinco de Mayo, Juneteenth, Military Spouse Appreciation Day, Pride Month, International Non-Binary People's Day, Rosh Hashanah, Diwali, Pregnancy and Infant Loss Remembrance Day, Ruby Bridges Day, Hanukkah, Indigenous People's Day, World day for Cultural Diversity, International Day of Persons with Disabilities, and religious holidays. These days are celebrated by raising awareness, sponsorships, events, and by offering employees specialties like cakes or food specific to the holiday. Other activities during 2022:

**Bosnia and Herzegovina** – Monthly pre-paid coffee in a café providing job opportunities for people with special needs.

**North America** – Valuing Generational Diversity workshop in response to employee feedback surrounding ageism in the workplace.

**North America** – Employee belonging town hall to have a transparent discussion with executive leadership about evolving company culture and fostering an inclusive work environment.

**North America – Impact sourcing candidates.** In North America, efforts are made to include more underrepresented minorities. One of the ways to reach and attract these groups is through partnerships. During 2022, Transcom established a relationship with the Military Spouse Employment Partnership focused on finding jobs for and retaining military spouses. To date, Transcom has hired 17 military spouses. Connections with 53 Historically Black Colleges and Universities were also established, and jobs were posted to their career pages. To date, Transcom has hired 45 graduates to start their careers as advisors with us. We created partnerships with employment services that specifically support underserved communities, and facilitated 8 webinars with 130 candidates during November-December 2022.



Topic	Targets 2021-2023	2022	2021	2020
Promote diversity, equality, and inclusion	Improve the representation of women in management, with a goal of gender balance (50/50) on all levels	Executive Leadership Team: 70/30 (M/F)  Mid Management: 46/54* (M/F)	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	Delay in rollout of course – European version published, mandatory from 2023	Course developed and rolled out during 2021	-

*\*Note that comparisons on the level “managers” to previous years is no longer possible since the selection has changed (from Executive Leadership Team direct reports to the middle management levels Team Leader and Business Manager).*

## 2.3 Community engagement

Transcom has always had a strong focus on community engagement, driven by our passionate employees. The actions contribute to a better society at large, and increases the wellbeing and commitment of our employees. Our community engagement program is integrated into our operations. Every country sets their own plan, depending upon local needs. During 2022, over 200 local activities were carried out globally.

Many activities were done in solidarity and support for the people of Ukraine and all the civilians directly and indirectly affected by the war. Even if Transcom does not have any operations in Ukraine, we are a community that reaches out to help others where we can. In North America, the local team provided employees and their friends, families, and communities, with resources to help support Ukrainian refugees, as well as support for leaders to manage employee reactions to traumatic events. Our teams across Europe, in Estonia, Germany, Lithuania, Netherlands, Poland, and Spain, supported each other through anxiety, sadness and anger through sessions with psychologists, but we also teamed up to participate in events, donated money, food, medical support, clothes, and volunteered in help centers.

We did fundraisers, engaged employees in marathons, did solidarity challenges together with associations and NGOs.

The activity that got a lot of attention this year was the Transcom Bees project. It started with sponsoring a local beekeeper in Rostock, Germany. The honey we got from the beehive was given to employees, and sold discounted in the local Transcom Store. Today, we have local Transcom Bees projects in Germany, Spain, Poland, and Serbia (and many more to follow). The project not only provides us with honey, but is the basis of an educational program for Transcom employees about the importance of bees as pollinators of crops.

### **More local activities**

More local community and people engagement initiatives were done during the year.

Here is a selection:

**Albania** – Sharing another kind of love for Saint Valentine’s Day, the love for the weak and in need of help, the team supported two families in Durrës and Shkodër.

**Albania** – Donating food to the volunteers in the River Cleanup Albania project.

**Bosnia and Herzegovina** – Supporting the organization “Heart for Children with Cancer” by buying hoodies where all the proceeds go to children with cancer and their families.

**Bosnia and Herzegovina, Canada, Croatia, Philippines, US** – Sleeves up campaigns to encourage employees to donate blood.

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

## 2.4 Environment & climate

*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.*

Transcom takes a proactive approach to ensure environmental protection and mitigate the negative environmental footprint of our operations. Our employees are guided by our Environmental, Travel, and Purchasing policies, as well as our Code and Supplier of Business Conduct.

During 2022, we did a full GHG (greenhouse gas) inventory to consider all relevant direct and indirect emissions from Transcom's operation and value chain. This was done in order to set a new base year for our GHG emissions, part of our plan to set an abatement plan in line with the Paris Agreement (Science-Based Targets methodology) for scope 1 and 2. This meant adding several categories previously not measured, why comparisons to previous years is no longer possible.

From 2022, we are reporting on the scope 3 categories relevant for Transcom's operations: 3.1 purchased goods and services, 3.3 fuel-related activities, 3.5 waste in operations, 3.6 business travel, and 3.7 employee commuting & remote work. The last category, employee commuting & remote work is by far our largest source of emissions. It is calculated on a combination of the estimated commuting footprint of employees working from site, and the energy consumption of employees with permanent remote positions.

### **Energy consumption in operations**

One of our main environmental impacts is the energy consumption of our office facilities. We continuously strive to reduce scope 2 emissions. When looking for new office locations, we strive for environmentally certified buildings, when possible, and we work with our landlords to influence the energy mix to include more renewable energy sources. During 2022, 8 new sites were opened, of which 3 had environmental certifications. At our offices, sound environmental practices such as waste recycling is in place.

### **Technology**

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

To reduce our impact, our IT organization promotes the use of smart, energy efficient technology solutions, but also optimizes coding and storage to reduce resource consumption. Refurbished equipment is purchased if possible, and if new electronics need to be procured, we

select retailers with a high standard of environmental certifications to reduce greenhouse gas emissions and other pollutants. Our Supplier Code of Business Conduct is included in all substantial procurements. 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.

### **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.



Topic	Targets 2021-2023	2022 (base year)
Reduce climate and environmental impact of 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 34.

GRI	Greenhouse gas emissions (tonnes of CO2e)	
305	Scope 1	2,602
	Scope 2 Market based	10,615
	Scope 3.1: Purchased goods and services	6,245
	Scope 3.3: Fuel-related activities	2,303
	Scope 3.5: Waste in operations	30
	Scope 3.6: Business travel	915
	Scope 3.7: Employee commuting & remote work	9,501
	<b>Total</b>	<b>32,211</b>
	Scope 2 Location based	10,174

Scope 1 emissions occur from sources that are owned or controlled by Transcom. This includes emissions from company cars and fugitive emissions from refrigerants. Scope 2 emissions accounts for emissions from purchased electricity, heating and cooling consumed by Transcom. 0.6% of Scope 2 emissions have been extrapolated. Scope 3 emissions accounts for emissions that are not owned or controlled by Transcom but occur due to Transcom activities. 84% of Scope 3.5 has been extrapolated and the collected data is highly related to assumptions. As being the first year collecting this type of data the quality is low.

GRI	Energy intensity 2022	Total
302-3	MWh per employee	0.96
	<b>Greenhouse gas intensity 2022</b>	
305-4	Ton CO2e emissions per employee	1.07

Intensity is based on Transcom employees only (excluding workers)  
CO2e intensity is based on scope 1, 2, and 3

GRI	Energy	Non-renewable kWh	Renewable kWh	Total kWh	Total MWh
302-1	Electricity	18,616,215	2,713,148	21,329,364	21,329
	District heating	1,483,829	142,674	1,626,503	1,627
	District cooling	2,117,161	208,768	2,325,930	2,326
	Fuel	3,362,326	181,129	3,543,455	3,543
	<b>Total</b>	<b>25,579,532</b>	<b>3,245,720</b>	<b>28,825,251</b>	<b>28,825</b>

Renewable energy consumption have been estimated with 6% where applicable

## 2.5 Business ethics

*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.*

Transcom has operations in 27 countries, some of which have higher perceived levels of corruption. This, and the fact that our employees may be able to perpetrate frauds or other misconducts due the inherent nature of our industry and service offerings, means that it is of utmost importance that we hold ourselves to the highest ethical standards of conduct towards all stakeholders. This includes our clients, their customers, our employees, investors, and the general society. We earn the trust and respect of everyone that comes in contact with our company through our actions and behaviors, every day.

### **Ethical conduct**

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 CoBC and follow up procedures can be found under Strategy, policies, and practices (on page 8).

### **Anti-corruption**

Transcom consistently enforces a proactive stance to corruption in all its forms. We do 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 and every second year thereafter. This year, we had a 95% completion rate for the employees concerned; new hires and the mandatory biannual training for employees with more than two years of tenure, on our Code of Business Conduct training.

We conduct risk assessments on all parts of our business using Transparency International's Corruption Perception Index to know where Transcom needs to focus 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 function, in line with our Whistleblower policy. These policies are described in more detail in the chapter *Strategy, policies, and practices* (on page 8).

### **Sustainable supply chain**

Transcom's responsibility, encompassing human rights, labor rights, environment, and anti-corruption, does not only include our own operations but 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 a clear process to evaluate our new suppliers and include the Supplier Code of Business Conduct in all significant procurement processes. If a supplier hasn't signed our Supplier Code of Business Conduct, 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, we can demand corrective measures, and if the supplier does not act accordingly, the contract can be terminated. However, Transcom 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 *Strategy, policies, and practices* on page 8, the most prominent risks in our supply chain are social risks related to temporary agencies/staffing and subcontractors.

This is why we are focusing our efforts on these vendor categories, ensuring that all new vendors have signed the Code. We have decentralized supplier management, where the responsibility to assess and ensure compliance with our code of conduct lies with the local organizations.

During 2022, there were no confirmed incidents of corruption.

Topic	Targets 2021-2023	2022	2021	2020
Take proactive measures against fraud and corruption	100% of employees trained in Code of Business Conduct, at hiring and every 2 years after	95% completion rate CoBC	93% completion rate CoBC	90% CoBC refresh 100% new employees
Ensure a sustainable supply chain	100% of new temp agencies and sub-contractors signed Supplier Code of Business Conduct	97%	90%	-

## 2.6 Security & privacy

*By developing and implementing policies, training, and programs to effectively address customer data protection and security, we contribute to the Sustainable Development Goal 16. Peace, justice and strong institutions.*

Today's business environment is faced with the risk of data theft or leakage. Ensuring data protection and privacy is a priority for us. Understanding that technology in the forms of security controls is not enough, we need to ensure that safety and security measures go hand in hand with the latest technology and human insights. We therefore 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 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 2022, we had a 95% 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 active employees go through a mandatory online security training upon hire and every year thereafter.

We are employing several security frameworks to improve our concept of layered security and defense in depth. 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.

### **Compliance**

Transcom operates in 27 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

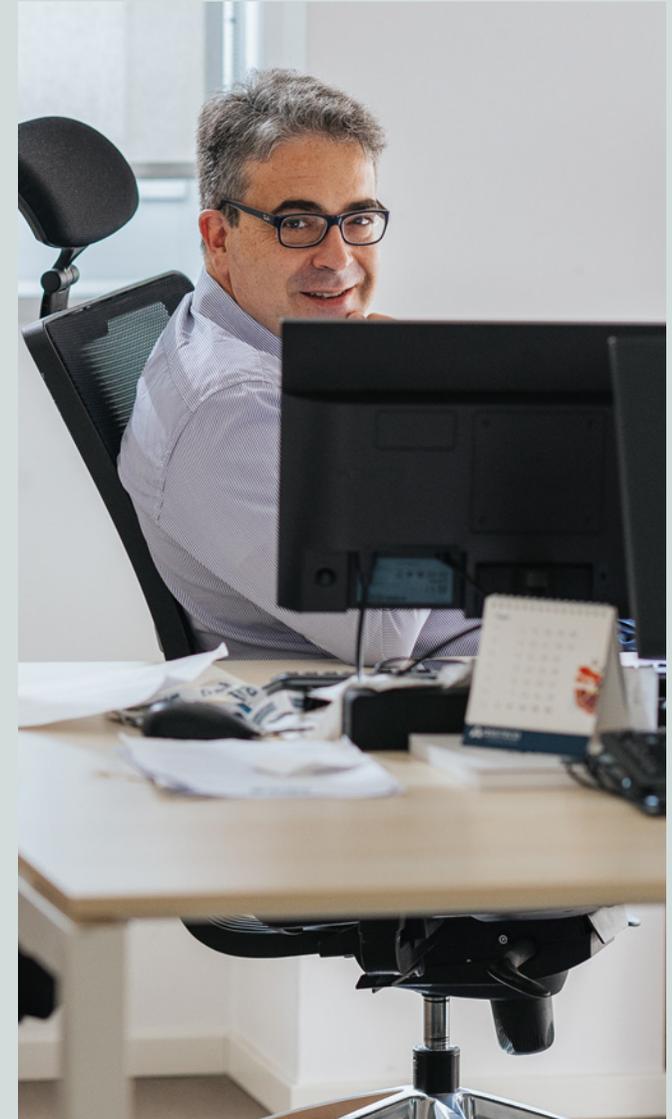
process provides assurance that the implemented countermeasures are working appropriately. When explicitly required by clients, Transcom delivers services under security certification.

During 2022, Transcom did not have any substantiated complaints concerning breaches of customer privacy and losses of customer data.

### **Local activities**

#### **Cyber Security Flash News**

The Italian Cluster created and launched a Cyber Security communication campaign targeted to all employees with the aim to inform them about the main threats represented by ransomware, phishing, social engineering and building security. Contents were organized in chapters and spread on a biweekly basis with the aim to involve people to have an active role in data protection. Employees in Albania, Croatia, Hungary, Italy, and Tunisia received these flashes.



Topic	Targets 2021-2023	2022	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	95%	94%	96%
	100% of active employees trained in basic security awareness and behavior upon hire and every year thereafter	80%*	- **	-

\*Completion rate for all active employees per December 31, 2022, that have received security awareness and behavior training within the past 12 months. For PCI compliant projects, the completion rate is 95%.

\*\*The completion rate of 98% was incorrectly reported in the sustainability report for 2021. This number was for the Global English Region, the only region where the internet security awareness training was mandatory in 2021.

# 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 in our operations, as well as the amount of renewable energy.

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. 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 whistleblower policy applies to Transcom employees, agency workers, contractors, and home agents.

# 3. Report details



# 3.1 About the report

Publication date: April 18, 2022

Reporting period: January 1 – December 31, 2022

Frequency: Yearly

Contact in charge of the report:  
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This sustainability report covers the business of Transcom Holding AB. The full list of legal entities can be found in Transcom Annual Report 2022.

Employee data is collected from internal HR systems. The HR data is stated in Headcount and is an average over the reporting period, January 1-December 31, 2022. 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 has 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, Macedonia, Serbia, and Tunisia.

Scope 1 and 2 emissions are calculated based on the Greenhouse Gas Protocol standard and IES. Emission factors have been taken from DEFRA

and Association of Issuing Bodies (AIB). Scope 3 category 1 purchased goods and services, category 3 fuel-related activities and category 5 waste generated in operations are all based on activity data collected by Transcom and based on the Greenhouse Gas Protocol standard. Scope 3, category 7 emissions for business travel have been provided by third parties.

In comparison to last year, Transcom is including data from the City Connect and TMS connected! acquisitions done in 2021. City Connect has operations in Croatia, North Macedonia, and Slovenia, and TMS connected! has operations in Germany.

For the material topic *Promote diversity, equality, and inclusion*, GRI 405-1, we have updated the way we report on salary and remuneration data to have a more like-for-like comparison. We are now comparing gender, age, and salary & remuneration data for three employee categories – the group Executive Leadership Team, middle management (Team Leaders and Business Managers), and Customer Support Representatives (CSRs or agents). For middle management and employees, these are the largest comparable roles, similar across the globe, which will give a fairer indication of how Transcom works with equal salary for equal work in all markets where we are present.

For workforce data, we have made several changes. Previous years, employees that are not employed by, but whose work is controlled by Transcom (for example temporary staff, contractors), have been reported as *employees*. This year, these external employees are reported as *workers*. Transitioning to the GRI Universal Standard and preparing for the CSRD, we are going from reporting workforce data as per December 31 to a yearly average headcount to align with our financial reporting.

For the material topic *Reduce climate and environmental impact of operations*, GRI 302 and 305, we have set 2022 as a new base year for our GHG emissions. We have reassessed our Scope 1 and 3 emissions and are reporting on more relevant categories. Comparisons of GHG emissions for scope 1 and 3 are no longer possible to previous years.

Scope 3 category 7, *Employee commuting & remote work* is based on the percentage of employees working from home and number of working days per year. As for *Employee commuting*, the calculation is based on the percentage of employees working from site and an assumption of commuting alternative and distance per day. As for *Remote work*, the calculation for energy consumption per person and day is based on the region (APAC, EMEA, AMER), based on a study

using data from the International Energy Agency (IEA). The yearly energy consumption per person is used to calculate the environmental footprint dependent on what country the employee is based in.

An error in the headcount reported in last year's report has been discovered. The correct number of employees (including workers) for 2021 was 30 455, whereas 30 073 was reported.

An error in the scope 1 emissions reported in last year's report has been discovered. The correct emissions in metric tons CO<sub>2</sub>e for scope 1 was 65, whereas 52 was reported.

An error in the completion rate for the internet security awareness training was discovered in last year's report. The completion rate of 98% was for the Global English Region, the only region where the training was mandatory in 2021.

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

Transcom supports some of the world’s leading brands with customer service. Most of our clients have seasonal ramps, due to product launches, sales, or high-season sales, where there is a need to ramp up the number of staff in customer service. This accounts both for the relatively high number of temporary employees and workers in the reported numbers.

The vast majority of workers are customer support representatives from temporary staffing agencies. The percentage of workers corresponds to seasonal ramps described above. In previous years, they were reported as Transcom employees since they have the same roles and responsibilities as Transcom employees. To ensure the wellbeing of our workers, all our temporary staffing agencies

need to sign and adhere to our Supplier Code of Business Conduct, covering the ten principles of the UN Global Compact.

GRI	January 1, 2022 - December 31, 2022				
2-7	Female	Male	Other*	Not disclosed	Total
	<b>Number of employees [head count]</b>				
	18,269	11,753	-	-	30,021
	<b>Number of permanent employees [head count]</b>				
	16,203	10,532	-	-	26,734
	<b>Number of temporary employees [head count]</b>				
	2,066	1,221	-	-	3,287
	<b>Number of non-guaranteed hours employees [head count]</b>				
	-	-	-	-	0
	<b>Number of full-time employees [head count]</b>				
13,954	10,032	-	-	23,985	
<b>Number of part-time employees [head count]</b>					
4,315	1,721	-	-	6,036	

GRI	January 1, 2022 - December 31, 2022
2-8	<b>Number of workers [head count]</b>
	2,004

\*Includes Germany, Italy, Netherlands, North Macedonia, Norway, Spain, Sweden, and Tunisia.

GRI	January 1, 2022 - December 31, 2022		
2-7	Global English Region	Europe	Total
	<b>Number of employees [head count]</b>		
	13,071	16,950	30,021
	<b>Number of permanent employees [head count]</b>		
	12,943	13,791	26,734
	<b>Number of temporary employees [head count]</b>		
	128	3,159	3,287
	<b>Number of non-guaranteed hours employees [head count]</b>		
	-	-	-
	<b>Number of full-time employees [head count]</b>		
13,051	10,934	23,985	
<b>Number of part-time employees [head count]</b>			
20	6,016	6,036	

GRI	Gender distribution of employees			
405-1	<b>Global</b>	<b>Male</b>	<b>Female</b>	
	Executive Leadership	70%	30%	
	Middle management	46%	54%	
	Employees	37%	63%	
	<b>Europe</b>	<b>Male</b>	<b>Female</b>	
	Middle management	42%	58%	
	Employees	36%	64%	
	<b>Global English Region</b>	<b>Male</b>	<b>Female</b>	
	Middle management	50%	50%	
Employees	39%	61%		
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 Leadership	0%	50%	50%
	Middle management	28%	65%	7%
	Employees	47%	44%	9%
	<b>Europe</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
	Middle management	22%	67%	10%
	Employees	35%	51%	14%
	<b>Global English Region</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
	Middle management	36%	61%	3%
Employees	62%	35%	3%	

GRI	Diversity of the Board			
405-1	<b>Gender</b>	<b>Male</b>	<b>Female</b>	<b>Other</b>
	Board of Directors	86%	14%	-
	<b>Age</b>	<b>Age &lt;30</b>	<b>Age 30-50</b>	<b>Age &gt;50</b>
	Board of Directors	0%	43%	57%
GRI	Executive salary & remuneration – ratio women to men*			
405-2	<b>Global</b>	<b>Basic salary</b>		<b>Remuneration</b>
	Executive Leadership	86%		76%
	Middle management	97%		96%
	Employees	98%		98%
	<b>Europe</b>			
	Middle management	96%		95%
	Employees	97%		96%
	<b>Global English Region</b>			
	Middle management	98%		98%
	Employees	99%		100%

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

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

Executive Leadership consists of the Group Executive Leadership Team.

Middle management consists of Team Leaders and Business Managers.

## 3.3 Principal Adverse Impact indicators

PAI indicator	Transcom 2022
GHG emissions (Scope 1, 2, 3 and total)	Scope 1: 2,602 Scope 2: 10,615* Scope 3: 18,995 Total: 32,211
GHG intensity (ton CO2e per MEUR)	44.9
Exposure to companies active in the fossil fuel sector	No
Share of non-renewable energy consumption and production	11%
Energy consumption intensity (MWh per MEUR)	40.2
Activities negatively affecting biodiversity sensitive areas	No
Emissions to water	N/A
Hazardous waste ratio	0
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	No
Unadjusted gender pay gap	2.4%
Board gender diversity	86/14% (M/F)

\*Market based, Scope 2 Location based: 10,174

\*\*Unadjusted gender pay gap equation: (average hourly gross pay of full-time male employees - average hourly gross pay of full-time female employees)/average hourly gross pay of full-time male employees

# 3.4 GRI Content index

<b>Statement of use</b>	Transcom Holding AB has reported the information cited in this GRI content index for the period 2022-01-01 - 2022-12-31 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI standard	Disclosure	Location	Comment
<b>General disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	<b>1. The organization and its reporting practices</b>		
	2-1 Organizational details	Transcom at a glance, p5	
	2-2 Entities included in the organization’s sustainability reporting	Transcom at a glance, p5	
	2-3 Reporting period, frequency and contact point	About the report, p43	
	2-4 Restatement of information	About the report, p43-44	
	<b>2. Activities and workers</b>		
	2-6 Activities, value chain and other business relationships	Transcom at a glance, p5	
	2-7 Employees	Workforce data, p45	
	2-8 Workers who are not employees	Workforce data, p45	
	<b>3. Governance</b>		
	2-9 Governance structure and composition	Governance, p7	
	2-11 Chair of the highest governance body	Corporate Governance Report 2022	
	2-13 Delegation of responsibility for managing impacts	Governance, p7	
	2-14 Role of the highest governance body in sustainability reporting	Governance, p7	
	2-16 Communication of critical concerns	Strategy, policies, and practices, p8	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report 2022	
	<b>4. Strategy, policies and practices</b>		
	2-22 Statement on sustainable development strategy	CEO comment, p4	
	2-23 Policy commitments	Strategy, policies, and practices, p8	

	2-26 Mechanisms for seeking advice and raising concern	Strategy, policies, and practices, p8	
	2-27 Compliance with laws and regulations	Strategy, policies, and practices, p9	
	<b>5. Stakeholder engagement</b>		
	2-29 Approach to stakeholder engagement	Stakeholder engagement, p10	
	2-30 Collective bargaining agreements	Inclusion & diversity, p26	
<b>Material topics</b>			
<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics	Stakeholder engagement, p10; Determining material topics, p12	Omission: Information incomplete: We have yet to prioritize our impacts
	3-2 List of material topics	Determining material topics, p17	
<b>GRI 404: Training and education (2016)</b>	404-2 Programs for upgrading employee skills and transition assistance programs	People development, p19	
<b>GRI 405: Diversity and equal opportunity (2016)</b>	405-1 Diversity of governance bodies and employees	Workforce data, p45	
	405-2 Ratio of basic salary and remuneration of women to men	Workforce data, p45	
<b>GRI 418: Customer privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security & privacy, p38	
<b>GRI 205 Anti-corruption (2016)</b>	205-1 Operations assessed for risks related to corruption	Business ethics, p36	
	205-3 Confirmed incidents of corruption and actions taken	Business ethics, p36	
<b>GRI 302: Energy (2016)</b>	302-1 Energy consumption within the organization	Environment & climate, p34	
	302-3 Energy intensity	Environment & climate, p34	
<b>GRI 305: Emissions (2016)</b>	305-1 Direct (Scope 1) GHG emissions	Environment & climate, p34	
	305-2 Energy indirect (Scope 2) GHG emissions	Environment & climate, p34	
	305-3 Other indirect (Scope 3) GHG emissions	Environment & climate, p34	

Stockholm

The Board of Directors in Transcom Holding AB (publ)

**Fredrik Cappelen**  
Chairman of the Board

**Mattias Holmström**  
Member of the Board

**Alfred von Platen**  
Member of the Board

**Christine Timmins Barry**  
Member of the Board

**Donald Hicks**  
Member of the Board

**Brent J. Welch**  
Member of the Board

**Herman Korsgaard**  
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 2022 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**