



Sustainability Report 2023

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CEO comment

At Transcom, we're committed to driving a sustainable agenda, creating positive, lasting change for the planet, its people, and the communities where we operate. This year, we've done so in a turbulent environment, where world conflicts have caused not only a humanitarian crisis, but triggered ripple effects on the global economy. We follow world conflicts closely, especially in Ukraine and the Middle East. Transcom is not directly affected as we have no operations in the affected areas, but our people have shown solidarity and care, and our local offices have helped where they could, especially by contributing with humanitarian aid.

2023 was also the warmest year on record, with many extreme events around the world – flooding, wildfires, drought, extreme heats – having significant impacts on human health, ecosystems, nature and infrastructure. The atmospheric concentrations of carbon dioxide and methane reached record levels. It is clear that we all need to do our part to curb climate change. I'm proud to say that Transcom is finalizing our climate strategy, including firm emission targets, during the first half of 2024.

The year was not only marked by disasters but also by the promise of a brilliant future. AI sparked the fifth industrial revolution, the age of intelligent machines, and became a significant force in every sector, with CX leading the way. This is affecting our people, as they get superpowers from AI tools, it affects our clients, as they can the labor shortage in the western parts of the world can be evened out with AI translation tools, creating job opportunities in emerging economies and developing markets where Transcom's strong focus on working conditions and being an equal opportunities employer can contribute to the overall sustainability.

We have started our journey towards the EU Corporate Sustainability Reporting Directive and its accompanying standard ESRS. This report is a transition; we aim to be fully compliant for the fiscal year 2025.

I'm pleased to present our sustainability performance during 2023.

Stockholm

Brian Johnson, President & CEO

1. General information

Basis for preparation

This is the consolidated sustainability statement of Transcom Holding AB and its subsidiaries (hereafter Transcom). The statement includes data from Awesome CX, located in the Philippines and the United States, Xzakt Kundrelation AB, located in Sweden, City Connect with operations in Croatia, North Macedonia, and Slovenia, TMS connected!, located in Germany, Forcontact, located in Albania, Croatia, Kosovo, Spain, and Switzerland, and Transvoice, located in Sweden, all part of the Transcom Group.

The statement covers Transcom's upstream value chain, own operations, and downstream value chain (end-of-life).

On July 18, 2023, Transcom acquired timeframe, a premium service provider of customer care, sales, marketing, and video identification services. Timeframe's over 700 employees are serving primarily logistic, energy and e-commerce companies from seven locations in Germany (2), Portugal (2), and Greece (3). Due to the late integration of the company, its data will be excluded from this year's report.

Sources of estimation and outcome uncertainty

The following metrics are subject to measurement uncertainty:

- Employee data is collected from internal HR systems. The HR data is an average headcount across the reporting period, January 1-December 31, 2023. There is a possibility of a 1% discrepancy in the HR data due to different dates of closing the HR data among the countries.
- Estimating Scope 3 emissions is associated with inherent uncertainties due to limitations in availability and accuracy of primary data, which is why the reported figures should not be regarded as exact measurements. The table below summarizes Transcom's Scope 3 accounting methodologies. We have yet to perform an uncertainty estimation using the GHG Protocol methodology.

Scope 3 accounting methodology

Scope 3 category	Accounting method
Purchased goods and services	Average-data method
Fuel- and energy-related activities	Average-data method
Business travel	Distance- and average-data based method
Employee commuting	Distance- and average-data based method
Waste	Average-data method

Any forward looking statements in this sustainability statement are subject to a number of risks and uncertainties, many of which are beyond the Group's control, that could cause the Group's actual results and performance to differ from any expected future results or performance expressed or implied by any forward looking statements.

Changes in preparation or presentation of sustainability information

In comparison to last year, Transcom is including data from Forcontact, acquired in 2022. Forcontact has operations in Albania, Croatia, Kosovo, Spain, and Switzerland, and was excluded from the 2022 sustainability data due to its late integration.

During 2023, Transcom moved to a new ESG reporting platform, using DEFRA emission factors. The change of emission factors has had a noticeable effect when comparing emission data, especially for Scope 3.1 Purchased goods, Scope 2 District heating and cooling.

The data quality in the 2023 data has increased with regards to Scope 3.1 Purchased goods and Scope 3.5 Waste, where there was no need to extrapolate data in 2023. This improvement in data quality also entails higher emissions.

In the sustainability report for 2022, Transcom completed Scope 3.7 Employee commuting with *remote work*, an optional estimation of emissions from energy consumed per person and day. Given the difficulty of isolating the number of hours worked from home by our employees, as well as the heating, cooling and energy consumption, we have decided to abandon this additional disclosure to focus on employee commuting. We acknowledge the fact that this does not provide the full picture of emissions from our operations and will continue to look for a relevant method to disclose this information.

Transcom is preparing for the upcoming Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS), with the intention of being fully compliant for the fiscal year 2025. Transcom is no longer reporting with reference to the GRI Standard.

Reporting errors in prior periods

An error in the scope 2 emissions reported in last year's report has been identified. The error did not affect the global emissions, but the electricity usage and percentage of renewable energy.

- Electricity MWh: 21 329
(renewable: 3764, non-renewable: 17565)
- District heating MWh: 3357
(renewable: 143, non-renewable: 3214)
- District cooling MWh: 2326
(renewable: 209, non-renewable: 2117)
- Fuel MWh: 3543
(renewable: 181, non-renewable: 3362)

Actual percentage of renewable energy: 14%

Disclosures stemming from other legislation

EU Taxonomy Regulation (EU) 2020/852 and its delegated acts: The Transcom Group's business activities are not considered by the EU Taxonomy as making a substantial contribution to the EU greenhouse gas emissions.

Governance

Board of Directors

- Number of executive members: 0
- Number of non-executive members: 7
- Female/male board members: 1F (14%), 6M (86%)
- There is no employee and other worker representation in the body
- Transcom does not employ a unitary board or a dual board governance structure
- Total independent board members: 3
- Total non-independent board-members: 4
- Percentage of independent board members: 43%

Transcom's Board of Directors has vast experience from leading positions in large, international companies, especially from the BPO industry, providing in-depth contact center operations, management and sales expertise. The Board also has expertise in digital customer experience (CX), the AI and digital sector. All Board appointments, including succession planning, ensures that the structure of the Board meets high ethical standards as well as has the optimal balance of knowledge, skills, and experience. Diversity and equality is always taken into consideration. The Board members' competence on climate-related issues has not been assessed.

Oversight of material sustainability impacts, risks and opportunities

The CEO has the overall responsibility for sustainability, supported by the Head of Communications who leads the continuous development of the sustainability framework, communication, and reporting. The CEO refers strategic plans including sustainability related actions to the Board of Directors for decision.

The Board of Directors holds at least five ordinary meetings per year, where risk management, including sustainability risks, is covered. Sustainability risks can be escalated to the Board as frequently as necessary, adding it to the agenda of an ordinary meeting or calling for an extra meeting if the discussion and decision cannot be postponed.

To carry out its work more effectively, the Board of Directors has created an Audit Committee. To ensure that we progress within each area of sustainability, the Audit Committee conducts regular follow-ups on each sustainability topic, and presents recommendations and reports on which the Board of Directors may base its decisions and actions. All members of the Board of Directors have the same responsibility for decisions made and actions taken, regardless if issues have been reviewed by a committee.

Transcom's sustainability framework focuses on six material areas. Each area has an executive sponsor leading the efforts, setting and following up on targets. The sponsors have been selected for their subject matter expertise and ability to prioritize and execute global programs. Actions, targets, and results are followed up at least on a yearly basis, and are published in the annual sustainability report.

Sustainability matters addressed during the reporting year

Risk management

The Board of Directors has overall responsibility for Transcom's risk and internal control systems and for monitoring their effectiveness. The Board of Directors monitors the ongoing process by which critical risks to the business are identified, evaluated and managed.

Transcom's risk management and internal control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of business objectives, ensure compliance and to provide reliable financial information. The CEO and Executive Leadership Team (ELT) are responsible for reviewing and monitoring the financial, strategic, human resources, operational, commercial, technological, compliance, ESG and other applicable risks. The ELT monitors the Group's risk profile to proactively identify the most important risks.

Risks are evaluated in terms of their potential impact and likelihood. The results of the risk assessment along with mitigation plans for key risks are presented to the Audit Committee and Board of Directors on a regular basis for review and follow up. The Group's business plans are based on key market, client, economic and financial assumptions. The business planning process includes an assessment of the risk and sensitivities underlying the projections.

Transcom continuously works to improve the policies which govern the management and control of both financial and non-financial risks. The adoption of these policies throughout the Group enables a broadly consistent approach to the management of risk at business unit level.

Policies, results and effectiveness

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. These policies are described under *Policies*.

Every year, internal and external subject matter experts are consulted about the content and effectiveness of our global policy framework. Changes and updates are presented to the Board of Directors for their review and approval.

Actions, metrics, and targets

We report on the actions, metrics and targets for policies related to sustainability in our annual sustainability report, including the implementation of due diligence. The results are presented to and approved by the Executive Leadership Team, the Audit Committee, and the Board of Directors, before the report is published.

Matters addressed in 2023

April: Transcom Sustainability Report 2022 – reviewed and approved by the Executive Leadership Team, Audit Committee, and Board of Directors

December: Double Materiality Assessment – reviewed and approved by the Executive Leadership Team, and Board of Directors

December: Climate Strategy and science-based targets – discussed with the Executive Leadership Team and Board of Directors, decision to develop a climate strategy.

Integration of sustainability-related performance in incentive schemes

Transcom does not have a sustainability related incentive scheme for the Board of Directors. The remuneration of the Executive management of Transcom consists of fixed salary and variable salary. The level of variable salary is in accordance with market practice and depends on the level of responsibility and seniority and calculated according to a combination of results achieved and individual performances. The performance is not assessed against specific sustainability targets or impact.

Statement of due diligence

Core elements of due diligence	Paragraphs
a. Embedding due diligence in governance, strategy and business model	3.1 Own workforce/Policies
b. Engaging with affected stakeholders in all key steps of the due diligence	3.1 Own workforce/Policies
c. Identifying and assessing adverse impacts	3.1 Own workforce/Policies
d. Taking actions to address those adverse impacts	3. Social information 3.1 Own workforce 3.2 Workers in the value chain
e. Tracking the effectiveness of these efforts and communicating	3. Social information 3.1 Own workforce 3.2 Workers in the value chain

Risk management and internal controls over sustainability reporting

To facilitate data gathering, ensure transparency, comparability, reliability and traceability, Transcom is using a digital ESG reporting platform. The data and information for the Social disclosures is provided by the HR function, employee data is collected from internal HR systems. The data and information for the Environmental disclosures is provided by the Finance function. Governance and business conduct data is provided by corporate functions. The data is verified by controllers on a country, regional, business area and finally global level.

The final report is approved by the Group Executive Leadership Team, the Audit Committee and the Board of Directors.

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

Main risks, mitigation strategies and controls

The primary risk related to sustainability reporting is invalid, misleading, or missing data stemming from inadequately designed controls and systems. Secondly, there is a strategic risk if ESG is devalued to a reporting process, rather than a process with the underlying goal of driving a transition to a more sustainable company. Key is to have the right processes and standards, informed by an understanding of Transcom's role in, and impact on, the planet and society.

To mitigate and reduce the first risk, processes and systems are being implemented to automate as much as possible the collection of data, increasing data quality and reducing the risk of human error. This means that we can shift time to focus on getting actionable

insights from, rather than the collection of, data, addressing the second risk.

Integration of findings into functions and processes

The Executive Leadership Team consists of the operational and functional leaders of the Group. Any environmental, social or governance impacts, risks or opportunities are evaluated and acted upon by the global and local functions together with operations.

Periodic reporting of findings is provided to the administrative and management bodies, either in ordinary meetings, or if needed, escalated and raised in an extra meeting.

Strategy

Transcom offers AI and digitally enabled customer experience (CX) services to some of the world’s most ambitious brands, through an estimated 2 million customer service interactions per day in 33 languages. This is done 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.

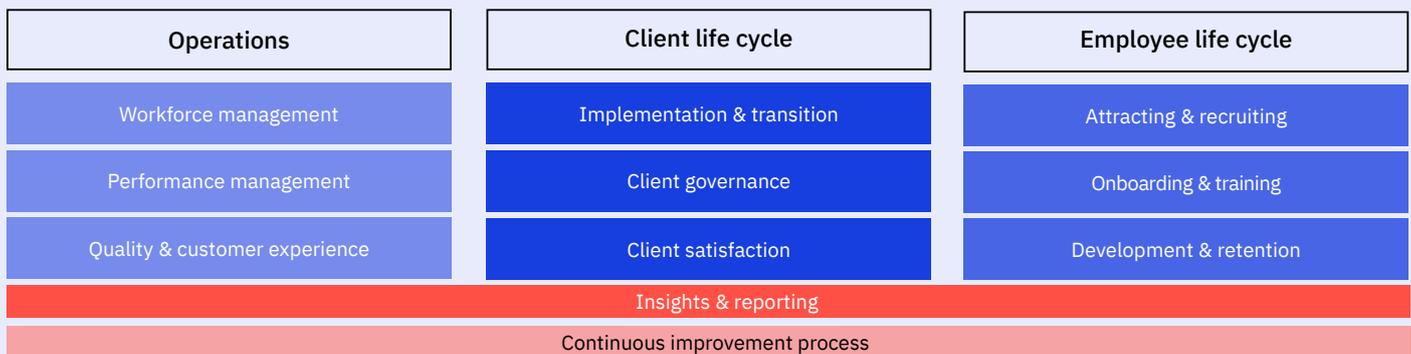
Transcom primarily serves clients in Europe and North America. We work with over 300 clients within the Ecommerce & Tech, Services & Utilities, and Cable & Telecom sectors.

Transcom’s mission is to positively impact customer loyalty and, thus, revenue through making service and support interactions as effortless and enjoyable as possible for our clients’ customers.

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

Our overall goal when it comes to sustainability is to minimize and mitigate any negative impacts that Transcom has caused or contributed to harming people and the environment, while advancing positive impacts, and managing material risks and opportunities.

Value chain and sustainability



Value chain and its connection to sustainability:



Sustainability strategy

At Transcom, sustainability is an integral part of our corporate strategy, business culture and day-to-day operations. To ensure Transcom’s sustainability framework focuses on six material areas. Actions, targets, and results are published in the annual Sustainability report.

- **People development:** Actively empower and support our people in their current role and future career - Chief People Officer
- **Inclusion & diversity:** Create an inclusive and diverse workplace - Chief People Officer
- **Community engagement:** Unlock the power of local communities by actively contributing to the overall equality, opportunity, and sustainability - Business Area CEO
- **Environment & climate:** Reduce and mitigate our negative environmental impact through the way we think, act, and procure - Chief Financial Officer
- **Business ethics:** Ensure that our actions, interactions, activities, and decisions are rooted in a core sense of ethics and responsibility - Chief Financial Officer
- **Security & privacy:** Be trusted by employees, clients, and clients’ customers to handle their data and safeguard integrity and privacy - Chief Information Officer

This framework, and the targets presented in this report, were adopted in 2020. In 2024, Transcom will set new targets for the upcoming years, aligned with the new double materiality process and in line with the requirements in the Corporate Sustainability Reporting Directive (CSRD). One of the major projects during the first half of 2024 is a new climate strategy with firm emission reduction targets



Global workforce: 33 023
 30156 employees:
 17851 in Europe,
 12305 in the Global English Region;
 2867 non-employees



44/56% M/F
 middle management*



33 languages



Est 2 million
 customer interactions
 per day



29** countries



Revenue 2023:
 737.9M€



ESRS: Professional &
 Commercial Services

*Middle management includes Team Leaders and Business Managers
 **Albania, Bosnia and Herzegovina, Canada, Colombia, Croatia, Egypt, Estonia, Germany, Greece, Hungary, India, Italy, Kosovo, Latvia, Lithuania, the Netherlands, North Macedonia, Norway, the Philippines, Poland, Portugal, Serbia, Slovenia, Spain, Sweden, Switzerland, Tunisia, the United Kingdom, USA. Not part of sustainability data: Greece, India

Interest and views of stakeholders

Transcom regularly engages with internal and external stakeholders to get their view on our most significant impacts on people and the environment, and the most significant sustainability risks and opportunities. This helps us understand, prioritize and take action. 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 through a variety of mechanisms; surveys, meetings, direct dialogue, and interviews.

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 on, and have an impact on the stakeholder in question.

Stakeholder	How we engage	Why we engage	Outcome
Transcom's Group Executive Leadership Team (ELT)	Meetings, workshops, dialogues, briefings ESG surveys	To set the strategic direction and priorities and understand what issues are most important in different geographies.	A global sustainability strategy and framework to ensure all impacts, risks, opportunities are captured.
Local leadership teams: Regional and country operational and functional leaders	Meetings, workshops, dialogues, briefings ESG surveys	To understand local relevance and prioritization of actions	The outcome is taken into account when prioritizing actions
Transcom's workforce	Quarterly Pulse surveys ESG surveys Ambassador/employee networks	To understand which sustainability topics are most important to our people	The outcome is used to prioritize actions, and inspire community and people engagement
Transcom's clients: CX professionals, corporate, sustainability, and purchasing roles	Client management and dialogue Satisfaction surveys and business reviews Sustainability audits, disclosures, assessment	To understand the challenges our clients and their industries face, and what this means for our cooperation	The engagements help us prioritize critical issues, and provides insight on emerging opportunities and trends
Owners: key contacts, members of Transcom's Board of Directors, ESG specialists	Board meetings Continuous dialogue Policies and reports ESG surveys	To understand demands and requirements, challenges and opportunities	Our owners are taking an active part in shaping our sustainability strategy, providing expertise and insights as well as tactical support in continuing to develop our strategies and actions
Investors in Transcom's listed bond	Investor meetings ESG surveys Disclosures (f ex CDP)	To understand demands and requirements, challenges and opportunities	The engagements help us prioritize critical issues, and provides insight on emerging opportunities and trends

Material impacts, risks and opportunities

Area	Topic	Sub-topic	Impact materiality	Financial materiality
Environment	Climate change	Climate change mitigation	Material	Material
		Energy	Material	Non-material
	Circular economy	Resource inflows, including resource use	Material	Non-material
		Waste	Material	Non-material
Social	Own workforce	Working conditions	Material	Non-material
		Equal treatment and opportunities for all	Material	Non-material
		Other work-related rights	Material	Non-material
	Workers in the value chain	Working conditions	Material	Non-material
	Consumers and end-users	Social inclusion of consumers and/or end-users	Material	Non-material
Governance	Business conduct	Corporate culture	Material	Non-material
		Corruption and bribery	Material	Non-material
		Cybersecurity	Material	Material

Environment

During Transcom's double materiality assessment, one material climate-related transition risk was identified, the potential financial impact of failing to transition to a lower carbon and resilient economy by not having a sound environmental strategy. Apart from not contributing to curb climate change, the risk could include loss of potential new contracts, decrease volumes in or losing existing contracts, and a decreasing interest from investors. During 2024, we are developing a new climate strategy and setting firm emission reduction targets. This might lead to adjustments and/or adaptations of our strategy and business model that will entail financial effects, mitigation actions and resources.

Climate change

- **Climate change mitigation**
 - Scope 3 emissions – commuting (actual, negative impact): The cumulative emissions from employee commuting causes high scope 3 emissions.
 - Scope 3 - Business travel (actual, negative impact): Emissions from business travel have a negative impact on the environment.
 - Scope 2 - Energy consumption in operations (actual, negative impact): Energy consumption in our over 90 sites is one of our main environmental impacts.
 - Climate change mitigation: Environmental strategy and targets (opportunity, possible (25-50%)): A sound environmental strategy and firm targets for

reducing our environmental impact is vital for Transcom.

- Climate change mitigation: Climate strategy (risk, possible (25-50%)): Not having a sound strategy and reduction targets is also a financial risk due to potential loss of contracts, new business or investors.
- **Energy**
 - Scope 2 - Energy consumption and mix (actual, negative impact): A large concentration of operations in emerging markets and developing economies with limited possibilities to source renewable energy, leads to a dependency on fossil fuels.
 - Scope 2 - Energy consumption and mix landlords (actual, positive impact): Influencing a shift towards renewable energy by working with landlords. Highlighting energy efficiency and environmental certifications in our list of requirements for new office locations.

Circular economy

- **Resource inflows, including resource use**
 - Goods and services - IT equipment (actual, negative impact): Information technology plays a fundamental role in our business. This leads to a negative environmental impact from the acquisition and use of IT equipment.
- **Waste**
 - E-waste (actual, negative impact): Technology plays a fundamental role in our business, making e-waste one of our negative impacts on the environment.

Social

Employees

Transcom is a big employer in many of our locations, active within a sector with high attrition rates and offering many entry-level jobs that require little to no work experience.

We have 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.

For several years, we have been focusing on expanding our offering especially through near- and offshore delivery, meaning creating job opportunities 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.

Workers in the value 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.

Transcom is highly dependent on IT equipment. Acknowledging the fact that the electronics sector is known for significant human rights and environmental challenges throughout its supply chain and product life cycle, it is of utmost importance that Transcom ensures that the companies we work with, to purchase equipment and secure proper handling at end-of-life, have a sustainable supply chain, with fair and safe working conditions for all.

We include our Supplier Code of Business Conduct, described under Policies, in all significant procurements. We try to prolong the life of our equipment as far as possible, and at the end of life, ensure that the e-waste is handled according to local legislation.

The most prominent risk in our supply chain is social risks related to temporary agencies/staffing and subcontractors, which is why we are focusing our efforts on these vendor categories, ensuring that all new vendors have signed the Code.

Consumers and/or end-users

Transcom engages with our clients' customers, acting as an extended workforce. The end-user will in most cases not know that they are engaging with a third party. Transcom needs to ensure that consumers and/or end-users are not potentially negatively impacting their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination. Failing to do so could have a big impact on the consumer, and Transcom's relationship with our client.

Own workforce

• Working conditions

- Job creation in emerging markets and developing economies (actual, positive impact): Through employment, career opportunities, training, being an equal

opportunity employer, and good working conditions, we can contribute to the economic development and growth and the overall sustainability in these markets.

- AI creating new types of jobs (actual, positive impact): AI is changing the landscape for CX, leading to new types of jobs and jobs changing. Through training and educating our employees they can keep up with the global AI trends.
- Work/life balance – flexible employment (actual, positive impact): The type of services we offer have fluctuations in workload, which requires a flexible workforce, in different time-zones and geographies. By offering employees to work from home, flexible hours, part-time jobs to combine with study or home care responsibilities, we can have a positive impact.
- Work/life balance: flexibility, high volumes, low margins (actual, negative impact): We operate in an environment with high volumes and low margins which requires a continuous focus on efficiency. If workload and resources are not correctly balanced, this may result in stress, sickness, and attrition. The client and/or Transcom might move the business to another location, which results in loss of revenue and/or jobs.
- Adequate wages (actual, positive impact): Transcom follows industry trends, respects labor law and union agreements. Adequate wages are vital to attract the right talent, and in case labor markets are challenging, Transcom may pay above industry standard.
- Mental wellbeing (actual, positive impact): In our industry and especially for home workers or content moderators, there is a risk of experiencing stress and isolation which could lead to burnouts. We ensure employee wellbeing by developing our operational leadership teams, through wellness newsletters,

psychology counseling as part of employee assistant programs, and employee engagement activities.

- **Equal treatment and opportunities for all (own workforce)**
 - Job opportunities, career pathing, training and development for all (actual, positive impact): Transcom ensures equal treatment and opportunities. Our recruiters are supported by talent assessment software to avoid human bias. We make training and development opportunities available to all, and we ensure equal pay for equal jobs.
 - Violence and harassment (actual, positive): Transcom has zero tolerance for workplace discrimination or harassment. Our Whistleblower policy ensures that anyone working for or with Transcom can report wrongdoing, including employees, agency workers, and contractors, and is protected in the process.
- **Other work-related rights (Own workforce)**
 - Community engagement (actual, positive impact): Transcom can have a positive social impact by engaging in community development initiatives, supporting local causes, and providing education and job opportunities.

Workers in the value chain

- **Working conditions**
 - Workers in the value chain - in and around the office (actual, positive impact): Many people work in Transcom's offices that may not be employed by Transcom - cleaners, janitors, doormen, drivers, pharmacists. By ensuring that they have fair and safe working conditions, Transcom contributes to a more equitable and sustainable world.

Consumers and end-users

- **Social inclusion of consumers and/or end-users**
 - Ethical conduct towards end customers (actual, positive impact): Transcom is the voice of our clients to their end customers. We safeguard non-discrimination and ethical conduct towards them through continuous training, coaching, and follow-up methods. Failing to do so might have serious consequences both for the end customer, their relationship with our client and our relationship with the same client.

Governance

Business conduct

- **Corporate culture**
 - Code of business conduct (actual, positive impact): By holding ourselves to the highest ethical standards of conduct towards our stakeholders, including clients, employees, investors, and the general society, we earn the trust and respect of everyone that comes into contact with our company. We have a high awareness of our Code of Business Conduct that sets expectations and guidance for how we conduct business.
 - Corporate culture: Company values (actual, positive): Our company values authentically define how we operate, behave, and interact. The values provide a guiding light for decision-making, a common purpose for employees, and an alignment with personal values - making the employees engaged and motivated. Transcom ensures that the values are translated into behavior, lived by all employees, every day.

- **Corruption and bribery**
 - Impacts on society (actual, negative impact): Transcom has many large clients, in some cases government agencies. If corruption or bribery occurs when a new contract is won or renewed, this might lead to negative publicity on Transcom's part but it could also erode the local society's trust in governing institutions.

- **Cybersecurity**
 - Ransomware blocking the service delivery to our clients (potential, negative impact): Transcom provides its services via a robust IT infrastructure. The services may be blocked if we were subject to a ransomware attack. This could have a negative impact on our clients and their customers.
 - Personal or confidential data theft or leakage (risk, possible (25-50%)): Today's business environment is faced with the risk of data theft or data leakage (company, client, customer, and employee data). This could potentially have a negative impact on Transcom through financial loss and/or reputational damage.
 - Ransomware attacks (risk, likely (50-75%)): Weak information security controls across entities expose the company to cyber-attacks, whereof the most common and dangerous is a ransomware attack. Such an attack could encrypt and/or steal data from the company, and cause interruption and financial and reputational damage for Transcom.
 - Internal threat – security (risk, possible (25-50%)): Weak information security controls across entities expose the company to adverse internal behavior and data corruption / loss by misuse of access, stealing data or misconfiguration to cause damage. Data leakage causes distrust amongst our clients and their customers, and could have a financial impact.

Impacts, risk and opportunity management

During the Q3-Q4 2023, Transcom conducted a materiality assessment in order to determine our material impacts, risks and opportunities. The assessment was conducted with the help of an independent consultancy. The assessment followed the principle of double materiality, comprising of impact and financial materiality, where a sustainability matter is deemed material out of one or both of the following perspectives:

- Impact materiality: Transcom's impact on people and/or the environment; and/or
- Financial materiality: sustainability matters that trigger effects on the Transcom's cash flows, development, performance, position, cost of capital or access to finance.

The double materiality analysis was conducted in five steps:

1. Identification of gross list of ESG topics
2. Process and stakeholder review
3. Impact materiality assessment
4. Financial materiality assessment
5. Materiality mapping and documentation

Identification of gross list of ESG topics

Based on a gross list of sustainability matters and topics, that could be material for Transcom, an initial assessment of each topic in relation to Transcom was conducted including Transcom's business activities, locations, sector and value chain. The initial assessment produced a preliminary list of 73 sustainability topics spanning across Transcom's value chain and time-horizons.

Process and stakeholder review

In order to ensure that the assessment was aligned with existing processes and stakeholder dialogues, process and document

reviews, desk research, and interviews with internal stakeholders were performed.

In particular, impacts related to human rights included internal dialogues with local and global HR representatives, as well as purchasing department representatives. Environmental impacts, such as those related to GHG emissions and other climate change related risks, pollution and water, were mapped against previous disclosures and reports from Transcom's site locations and business activities, as well as ongoing climate work and stakeholder dialogues. Environmental impacts were mapped using the aforementioned processes and methodologies as well as through an analysis using the WWF Biodiversity Risk Assessment tool. Environmental impacts from resource use and circular economy, climate-related physical and transition risks, and other environmental risks and opportunities were mapped through previous disclosures and reports regarding Transcom's locations business activities as well as ongoing stakeholder dialogues.

Identified impacts, risks and opportunities were added to the correlating sustainability topic in the gross list. Additional impacts, risks and opportunities were mapped based on results from Transcom's existing stakeholder dialogues, additional internal documentation and desktop review.

The existing assessment methods were used in the impact and financial materiality assessments. The mapped impacts, risks and opportunities were identified over the short-, medium- and long-term time horizons as well as to where in the value chain the impact, risk and/or opportunity is concentrated. The sustainability topics and identified impacts, risks and opportunities in each were then scored based on criteria for impact and financial materiality.

Impact materiality assessment

After mapping the positive and negative, actual and potential impacts Transcom has on people and the environment within sustainability matters, the impacts were scored and prioritized. Negative impacts were scored based on severity, a combination of scale, scope and remediability, and likelihood. Severity was prioritized over likelihood for negative impacts on human rights was prioritized and scoring was based on the assessments conducted in the ongoing human rights due diligence project.

Positive impacts were scored based on their scale, scope and likelihood.

Scale, scope, remediability and likelihood were determined based on the following criteria:

Scale:

1. Minimal consequence on people/environment
2. Low consequences on people/environment that are easily managed or mitigated
3. Medium consequence that is manageable within reasonable means
4. High consequence that can cause substantial disruption and requires immediate attentions
5. Absolute: Major disruption with long-term consequences

Scope (dependent on the most affected stakeholder group):

1. Few individuals / Very low – Isolated location
2. Groups / Minority of customers / Low – Multiple locations
3. Departments / Large groups / Roughly half of customers / Medium – Several large areas
4. Business divisions / Majority / Entire region
5. Global / Entire populations / All customers/end-users

Remediability:

1. Easily reversible
2. Low
3. Reversible with material effort/cost
4. High
5. Permanent

Likelihood:

1. Rare (<10%)
2. Low (10-25%)
3. Possible (25-50%)
4. Likely (50-75%)
5. Almost certain (>75%)
6. Actual (100%)

The scoring and threshold methodology for impact materiality included:

- Each impact was assessed by positive/negative and actual/potential
 - Assessment of the severity of the impact was then plotted against the likelihood of it occurring
 - The product of both is the Impact score
 - * Impact score = Likelihood x Severity
 - ◇ Severity of negative impacts = (Scale+Scope+Irremediability)
 - ◇ Severity of positive impacts = (Scale+Scope)
 - All impacts related to that sustainability matter were plotted on a 5x5 grid of Severity vs. Likelihood. The threshold for impact is set as a sloping line, dependent on the combination of severity and likelihood. A threshold line was established which gave precedence to severity over likelihood (i.e. all impacts with severity scores > 4 were considered material irrespective of likelihood, while also taking into account less severe risks that were more likely. If any impacts for a given sustainability matter were above the threshold, then the sustainability matter

itself would be deemed to be material. A lower threshold was applied for impacts related to human rights.

Appropriate thresholds were established based on the quantitative assessment as well as existing processes and internal dialogues.

Financial materiality assessment

After mapping the risks and opportunities for Transcom triggered by a sustainability matter, the respective financial effects were assessed based on the size of the potential financial effects and their likelihood of occurring. The scoring was aligned with the existing enterprise risk management assessment. Appropriate thresholds were established based on the quantitative assessment as well as existing processes and internal dialogues.

Magnitude of the financial effect and likelihood were determined using the following criteria:

Magnitude of financial effect (based on likely impact on EBIT):

1. Minor: 0 - 1 m€
2. Moderate: 1 - 3 m€
3. High: 3 - 5 m€
4. Very High: 5 - 7 m€
5. Major: 7 - 100 m€

Likelihood:

1. Rare (<10%)
2. Low (10-25%)
3. Possible (25-50%)
4. Likely (50-75%)
5. Almost certain (>75%)

The scoring and threshold methodology for financial materiality included:

- Each ESG topic categorized into risk and/or opportunity
 - Each risk and opportunity approximated in

its magnitude and likelihood

- The product of both is the Financial score
 - * Financial score = Likelihood x Magnitude
- All risks and opportunities related to that sustainability matter were plotted on a 5x5 grid of Size of financial effect vs. Likelihood. The threshold for financial materiality is set as a sloping line, dependent on the combination of size of financial effect and likelihood. An approximate materiality threshold line had been established which captured all the highest tiers of financial effects and less affecting risks that were more likely. This means that for each risk/opportunity where the product of Size of financial effect and Likelihood score is above the threshold, it is considered to be material.

Materiality mapping and documentation

The preliminary results were validated by representatives from Transcom's legal, HR, finance, IT, security, sustainability and communications teams, and final adjustments were made. The results were presented to, and approved by, the Group Executive Leadership Team and the Board of Directors. The materiality assessment resulted in 6 sustainability areas being deemed material and 12 material sustainability topics. The results of the materiality analysis can be found under Material impacts, risks and opportunities.

Material topics

Area	Material	Comment
Climate change	Yes	
Pollution	No	Through our operations and offices, we have a potential negative indirect impact through pollution of air, water, soil, substances of concern, very high concern, and microplastics, however the scale and scope of the impact makes the topic non-material.
Water and Marine resources	No	Through our operations and offices, we have a potential negative impact through water usage, however the scale and scope of the impact makes the topic non-material.
Biodiversity	No	Through our operations and offices, we have a potential negative indirect impact through pollution of air, water, soil, substances of concern, very high concern, and microplastics, however the scale and scope of the impact makes the topic non-material.
Resource use and Circular economy	Yes	
Own workforce	Yes	
Workers in the value chain	Yes	
Affected communities	No	Transcom's strong focus on our company values and global Code of Business Conduct can have a positive influence on our employees and beyond our company's borders in countries with transitional or hybrid regimes, however the scale and scope of the impact makes the topic non-material.
Consumers and end-users	Yes	
Business Conduct	Yes	

Policies

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 Environmental policy is a guide to warrant environmental considerations in all parts of our business to ensure a low negative environmental impact throughout our entire value chain. The policy has a special focus on energy consumption, climate impact, and resource consumption. It obliges compliance with all applicable national laws and regulations, and to apply the precautionary principle in situations where risk or uncertainty of the safety of a product, substance or compound prevails, with regards to the environment and public health. Non-compliance with the policy is monitored through the whistleblower channels. The policy applies to all managers, employees, workers, contracted workers, affiliates, and other contractual partners associated with or representing the Transcom Group. During 2023, there were no complaints related to our Environmental policy reported via the whistleblower channels.

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. The Group Travel policy addresses Transcom's material topic climate change mitigation.

Transcom's emissions due to business travel is followed up on an annual basis and presented in our scope 3 emissions.

Transcom's Supplier Code of Business Conduct (SCoBC) 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 in place. The SCoBC is primarily based on the ten principles of the UN Global Compact. The Supplier Code of Business Conduct addresses Transcom's material topics resource inflows including resource use, workers in the value chain, and corruption and bribery. During 2023, there were no complaints related to the SCoBC reported via the whistleblower channels.

Transcom's Code of Business Conduct (CoBC) is available in 20 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 during their onboarding, and are recertified every second year. The Group management is responsible for ensuring compliance with the CoBC, followed up continuously within the day-to-day operations. The CoBC addresses Transcom's material topics: working conditions, equal treatment and opportunities for all, other work-related rights, social inclusion of consumers and/or end-users, corporate culture, corruption and bribery, and cybersecurity. Owing to our onboarding and regular training program, the awareness of our CoBC is high. The Code of Business Conduct training completion rate in 2023 was 92% for recertified and new employees during 2023.

Transcom's Whistleblower policy is available in 20 languages. It is an essential part of our vow to take appropriate action against wrongdoings. We promote a culture where anyone feels safe to act and report wrongdoings related to our operations, and encourage employees and suppliers to report any suspected non-compliance via the whistleblower channels. 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 Directors, 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. An essential part of the policy is whistleblower protection. Any individual making a disclosure or raising a concern will be protected if the information is disclosed in good faith, believed to be substantially true, and is not a malicious act or false accusation or an attempt to seek

personal or financial gain. During 2023, 51 cases were reported. The reports concerned discrimination, harassment, violations against GDPR, labor laws, and the CoBC. Of the 49 resolved cases, 21 had findings of varying severity, 26 were deemed without substance and 1 was unable to be fully investigated due to a lack of engagement. 1 was unable to be investigated as it related to private matters outside of employment. 2 are currently open and under investigation.

Transcom's equality and diversity policy for the Board of Directors applies to the members of Transcom's Board of Directors, and sets out their 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 equality and diversity policy for the Board of Directors applies to the material topics Equal treatment and opportunities for all. The results of the policy are reported in this report under Diversity metrics.

2. Environmental information

2.1 Climate change mitigation and adaptation

Transition plan for climate change mitigation

For the past years, Transcom has set firm emission reduction targets, through doing a GHG inventory and improving the data quality related to measuring our emissions. Early 2024, we started working on a climate strategy that will allow us to develop near-term and long-term targets for emission reductions.

Policies

Transcom's Environmental policy, described under *Policies*, addresses climate change mitigation, energy efficiency and renewable energy deployment. It states that Transcom should continuously work to minimize the direct and indirect greenhouse gas emissions and energy consumption for our business activities.

With regards to scope 2, energy consumption in our operations, and energy consumption and mix, by investing in energy efficient technologies, prioritizing renewable energy sources, and using energy responsibly. Whenever new office locations are selected, environmentally certified buildings shall be preferred.

With regards to scope 3, Transcom shall minimize business travels and inefficient logistics, and choose transportation methods with the least negative climate impact if reasonable and possible from a time and cost perspective. This is further stated in Transcom's **Group Travel policy**, described under *Policies*.

Actions and resources

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 select environmentally certified buildings when possible, and we work with our landlords to influence the energy mix to include more renewable energy sources. During 2023, 10 new sites were opened, of which 1 had an environmental certification. At our offices, sound environmental practices such as waste recycling is in place.

Reduce 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. Our Scope 3.6 Business Travel data is reported yearly in our sustainability report.

Tracking effectiveness

Transcom measures and reports on our emissions yearly in our sustainability report.

Targets

Transcom has not yet set GHG emission reduction targets to manage material climate-related impacts, risks and opportunities.

We are in the process of developing a climate strategy and will be setting firm emission reduction targets during the first half of 2024.

Tracking effectiveness

We are reporting on our environmental performance yearly in our sustainability report. Non-compliance with the environmental policy should be reported via the whistleblower channels.

Metrics

Energy consumption and mix

(MWh)	2023	2022
Fuel consumption from coal and coal products	0	-
Fuel consumption from crude oil and petroleum products	6,235	3,362
Fuel consumption from natural gas	0	-
Fuel consumption from other fossil source	0	0
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	39,625	22,896
A. Total fossil energy consumption	45,860	26,259
<i>Share of fossil sources in total energy consumption (%)</i>	<i>93%</i>	<i>86%</i>
Consumption from nuclear sources	952	-
B. Total nuclear energy consumption	952	-
<i>Share of consumption from nuclear sources in total energy consumption (%)</i>	<i>2%</i>	<i>-</i>
Fuel consumption for renewable sources	0	-
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,540	4,297
The consumption of self-generated non-fuel renewable energy	0	0
C. Total renewable energy consumption	2,540	4,297
<i>Share of renewable sources in total energy consumption (%)</i>	<i>5%</i>	<i>14%</i>
D. Total energy consumption	49,353	30,555

Greenhouse gas emissions

Scope 1 GHG emissions	2023	2022
Gross Scope 1 GHG emissions (tCO ₂ eq)	2,347	2,602
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	9,907	10,174
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	11,307	10,615
Significant scope 3 emissions		
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	18,669	16,939
1 Purchased goods and services	8,667	6,245
1.1 Cloud services	159	-
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	2,376	2,303
5 Waste generated in operations	121	30
6 Business travel	1,337	915
7 Employee commuting & remote work	6,009	7,446
Total GHG emissions		
Total GHG emissions (location-based) (tCO ₂ eq)	30,923	29,715
Total GHG emissions (market-based) (tCO ₂ eq)	32,323	30,156
GHG intensity per net revenue	2023	2022
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit)	41.9	44.3
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit)	43.8	44.9

GHG accounting methodology

Emissions are reported according to the GHG Protocol using financial control as the basis for consolidation. Emissions are reported in CO₂e. Measurement period is January 1, 2023-December 31, 2023.

Scope 1: Consumed volumes of fuels and refrigerants are multiplied by applicable emission factors to derive emissions.

Scope 2: Purchased energy volumes are multiplied by applicable emission for location-based emissions. For market-based emissions, the energy mix and purchased renewable energy instruments are the source of the emission factors used in the calculations.

Scope 3: Emission factors used to calculate emissions in the categories Purchased goods and services, Fuel- and energy-related activities, Waste generated in operations, multiplied with relevant activity metrics to derive yearly emissions.

The majority of emissions in the category Business travel are based on data reported by travel agencies. Emissions in category Employee commuting are estimated based on the percentage of employees working from site and an assumption of commuting alternative and distance per day, based on an employee survey performed by Transcom during January, 2024.

Emissions in the remaining Scope 3 categories have been assessed as not material and are therefore not reported on.

Emission factors used in consolidation

Electricity from fossil sources	0.00-0.0010	tonnes CO ₂ e/kWh	IEA/DEFRA/AIB
Electricity from nuclear sources	0.00	tonnes CO ₂ e/kWh	IEA
Electricity from renewable sources	0.00	tonnes CO ₂ e/kWh	IEA
District cooling	0.0000-0.0002	tonnes CO ₂ e/kWh	Energiföretagen/DEFRA
District heating	0.0002	tonnes CO ₂ e/kWh	DEFRA
Fuels and refrigerants			
Diesel	0.0025	tonnes CO ₂ e/liter	DEFRA
Gasoline	0.0026	tonnes CO ₂ e/liter	DEFRA
Refrigerants	3-1924	tonnes CO ₂ e/tonne	DEFRA
Business travel			
Air	0.0001	tonnes CO ₂ e/p.km	NTM
Rail	0.0000-0.00003	tonnes CO ₂ e/p.km	NTM
Hotel	0.0388	tonnes CO ₂ e /room/night	DEFRA

GHG removals and GHG mitigation projects financed through carbon credits

There has been no GHG removals and storage from Transcom's own operations and its upstream and downstream value chain, nor have there been any reversals. Transcom does not have any carbon credits outside the company's value chain. Transcom has not made any public claims of GHG neutrality. Transcom has yet to set net-zero targets.

Internal carbon pricing

Transcom does not apply internal carbon pricing schemes.

Anticipated financial effects

During 2024, we are developing a new climate strategy and setting firm emission reduction targets. This might lead to adjustments and/or adaptations of our strategy and business model that will entail financial effects, mitigation actions and resources, however at this point they are still unknown.

2.2 Resource use and circular economy

Policies

Transcom’s Environmental policy, described under Policies, states that Transcom shall use resources responsibly, within the limits of the planetary boundaries and contribute to a circular economy. We shall work continuously and proactively to reduce the generation of waste, with a focus on the responsible handling of e-waste. At our company facilities we assign each employee the responsibility for minimizing the generation of waste and the accurate recycling of any waste generated. Materials and products that are recycled, can be recycled and/or reused and upcycled, shall be prioritized.

Actions and resources

Proper handling of e-waste

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 minimize our negative environmental footprint.

Metrics

Resource outflows

	Hazardous		Non-hazardous	
	Weight (tonnes)	tonnes CO ₂ e	Weight (tonnes)	tonnes CO ₂ e
Recycling	73.4	1.6	206.3	4.3
Combustion	0	0	587.2	12.5
Landfilling	0.4	0.0	174.1	103.0
Total	73.8	1.6	967.6	119.8

This includes purchasing refurbished equipment if possible, procuring equipment from retailers with a high standard of environmental certifications, and including our Supplier Code of Business Conduct, described under Policies, in all substantial procurements. If possible, we sell or donate IT-equipment we can no longer make use of internally to local refurbishment companies. When IT 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.

These actions cover the optimization of waste management in line with the waste hierarchy through reduction of purchased items, reusing already existing equipment, and properly recycling equipment at end-of-life.

Targets

Transcom has not set measurable outcome-oriented and time-bound targets for resource use and circular economy. Transcom’s main impacts related to resource use and circular economy relates to the acquisition, use, and end-of-life treatment of IT-equipment. We follow up and publish our environmental performance and emissions on a yearly basis in our sustainability report.

3. Social information

3.1 Own workforce

Policies

Transcom's Code of Business Conduct (CoBC), Supplier Code of Business Conduct (SCoBC), and Transcom's equality and diversity policy for the Board of Directors, described under Policies, form the backbone of our work with human rights and labor rights. We expect and require all employees and representatives to act consistently with their provisions, additional local laws and relevant company rules or policies. Any violations will be taken seriously and may result in disciplinary action up to and including termination of employment or termination of partnership.

To meet our responsibility to respect the human rights of our employees, workers in the value chain, and consumers and end-users, we regularly assess our own operations in the light of our sector and operating context, size, and locations, to identify, prevent and if needed mitigate any impacts on human rights. The process includes workshops, interviews, focus groups, employee surveys, and results from the Whistleblower Policy, described under Policies.

According to our double materiality assessment, the most important areas for Transcom with regards to respecting human and labor rights within our workforce: equal treatment and opportunities for all, and working conditions, including working time, adequate wages, and mental wellbeing.

Processes for engaging about impacts

Transcom believes in having an open and continuous dialogue with our employees, and engaging to ensure that we are aligned on ma-

terial topics, remedies to negative impacts, and enhancements to positive. We perform quarterly Pulse surveys focusing on leadership and engagement, organization and working conditions, personal satisfaction and communication, and bi-annual ESG surveys to get employee and worker input on our material topics and actions. We arrange local workshops and global meetings, and perform exit surveys with leaving employees. To ensure that we include all employees, we provide our surveys in 20 languages so that our workforce can participate on equal terms. Our European Works Council ensures an open and transparent dialogue, promoting the rights and interests of our employees.

The operational responsibility for the employee engagement activities lies with the HR function, however analyzing and implementing changes lies with the local and global management teams. The results of our quarterly engagement surveys are presented to, and analyzed by, the Group Executive Leadership Team on a quarterly basis.

We include our entire workforce, employees and non-employees, in these activities.

Processes to remediate negative impacts and channels to raise concerns

Our quarterly employee satisfaction survey, Pulse, gives us a chance to improve the overall quality of our workplace through employee feedback.

Transcom's Whistleblower policy, described under *Policies*, promotes a culture where anyone feels safe to act and report any wrong-

doings related to our operations. We encourage our employees and suppliers to raise concern and report any suspected non-compliance with our policy framework.

Actions and resources

Being a people company, the material risks and opportunities are tightly linked. By strengthening the positive impacts, we can attract, support, develop and retain employees, while mitigating negative impacts and risks. In an industry prone to attrition, not being able to attract and retain staff could mean not being able to support our clients, which could lead to financial loss.

Every year, we follow up the number of cases reported, investigation process, and actions taken. The results are presented in our annual sustainability report.

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.

Onboarding and training

During the onboarding process, we give our employees a solid base for working on Transcom through the mandatory certifications in our Code of Business Conduct and our GDPR or Global Privacy Policy, depending on where the employee and the customers they will be serving are based, as well as client specific training. We use different teaching methods to fit the learner and task, such as gamification,

virtual reality, external or peer-to-peer learning, mentoring and coaching. Our e-learning platform Transcom University is accessible to all employees, and includes courses and learning paths for the entire employee journey. During 2023, a clear focus for our teams was AI, supporting our employees to understand more about the general area, Transcom's solutions, and fostering a curiosity to learn more about how AI can improve both the work and personal life.

Job opportunities and career pathing

Transcom has 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 bench. We have a global talent management and succession planning framework to ensure support for local teams and talents. We set clear targets for our employees and recognize the importance of employees receiving regular performance reviews to be able to grow and progress. Our vacancies are always published internally to be available to internal candidates. We have a firm focus on leadership development to ensure that our frontline leaders have a solid basis for their work and can develop their leadership skills.

Operating model to improve working conditions

In a dynamic industry with fluctuations in workload, a rapidly evolving digital toolbox in combination with a constant cost pressure, it is of utmost importance to have a solid framework for frontline leaders when it comes to organizing, supporting, and evaluating the work of our frontline staff. During 2023, one of the key actions was to initiate the rollout of a new operating model. Supported by a process and a system, the operating model has been piloted in several markets for final adjustments and will, during 2024, be rolled out globally.

Mental wellbeing

To ensure the mental wellbeing of employees working with content moderation, Transcom has developed a wellness framework, following the employee lifecycle, from recruitment, where candidate profiling assessments ensure that we hire the best candidates for the job; onboarding and training, where we provide resilience training for staff and mental health first aid for people leaders; to on the job support, where teams have debriefings on sensitive content and psycho-education sessions to build capabilities. To ensure our teams get proactive support, we work with wellness journals, a wellness app, coaching, group counseling/debriefing, self-care management through “BestMe” program, 24/7 chat support, access to mental health professionals, nutrition and fitness experts, and financial advisors. Finally, we provide post employment care with psych-consultations for six months from the date of separation.

Creating an inclusive work environment

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. Our leadership development program includes education in and discussions about unconscious bias, and we offer online courses in the topic to all employees.

Physical workspaces

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.

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. Given the fact that we are the first employer for many of our employees, we can help set a positive standard for our employees.

Tracking effectiveness

To track and assess the effectiveness of these programs, we analyze the results of our quarterly employee Pulse satisfaction survey, covering leadership and engagement, organization and working conditions, personal satisfaction and communication.

Targets

The below targets were defined and set in 2020. We have measured and reported on these targets every year in our annual sustainability report. In 2024, we will evaluate the results and engage with affected stakeholders to set new sustainability targets.

Attracting, supporting and retaining a talented and engaged workforce is key for Transcom. We have set three overarching targets to ensure that we are progressing our work with mitigating negative impacts, advancing positive impacts, and managing material risks and opportunities. To measure, we are using our quarterly employee Pulse survey, that covers

leadership and engagement, organization and working conditions, and personal satisfaction and communication. The results are followed up on a global and local level, used to improve the overall quality of our workplace. Our target is to achieve a global score of 75% on all three areas, meaning scoring 4 or higher on a scale of 1-5, with a participation rate of 70% as a yearly average.

Measuring and constantly aiming to improve employee satisfaction scores. By measuring and following up satisfaction score indicators on a global and local basis, we can initiate targeted actions to increase personal satisfaction and wellbeing at work, as well as identify areas of concern.

Measuring and constantly aiming to improve employee perception of career development opportunities. We support every employee's opportunity to grow and progress. Following up on this target ensures talents are retained.

Measuring and constantly improving global employee manager feedback for skills development. From initial onboarding, to soft skills training, Transcom provides opportunities throughout the employee journey. Following up on this target ensures that we provide the right skills development for the future.

Results (own workforce)

Pulse survey	2023	2022	2021	2020
Participation rate	72%	67%	65%	42%
Global employee satisfaction scores	75%	75%	76%	72%
Global employee perception of career development opportunities	65%	64%	65%	57%
Global employee manager feedback for skills development	85%	85%	85%	83%

Metrics

Characteristics of employees

The employee data comes from Transcom's internal HR systems and is calculated in headcount, as an average across the reporting period. Comparable numbers in the Annual Report come from financial systems and might differ. We are currently not able to track non-binary employees in our HR systems, but are working to include this possibility in the near future.

Total number of employees, headcounts	Male	Female	Total
Europe	6,788	11,063	17,851
Global English Region	5,133	7,172	12,305
Total	11,921	18,235	30,156
Total number of employees by contract type, headcount			
Europe			
Permanent	5,556	9,138	14,694
Temporary	1,167	1,866	3,033
Non-guaranteed hours	190	242	432
Global English Region			
Permanent	5,110	7,163	12,273
Temporary	23	37	60
Non-guaranteed hours	0	0	0
Total number of employees who left during the reporting period, headcount			
Europe	6,769	6,170	12,939
Global English Region	4,799	7,246	12,045
Total	11,568	13,416	24,984

Characteristics of non-employee workers in the workforce

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. They have the same roles and responsibilities as Transcom employees. To ensure the well-being 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.

The number is reported as an average across the reporting period, in headcount.

Total number of non-employees in the workforce	2,867
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Collective bargaining coverage and social 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, 24% of employees are covered by collective bargaining agreements. The percentage represents employees from Italy, the Netherlands, Norway, Spain, Sweden, North Macedonia and Tunisia.

We use the number of employees in each country to calculate their number of representatives in our European Works Council (EWC), ensuring fair representation for all countries. It currently consists of members from Croatia, Estonia, Germany, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Spain, and Sweden (NB one subsidiary is left out of the calculation, lowering the coverage). Hungary, Portugal, and Slovenia have been offered to send representatives, but have declined.

Bargaining agreements		Workers' representation	
Percentage of total employees covered by collective bargaining agreements	24%	Global percentage of employees covered by workers' representatives (total and per EEA country)	39%
Overall percentage of employees in EEA countries covered by collective bargaining agreements	18%		
Croatia	-	Croatia	100%
Estonia	-	Estonia	100%
Germany	-	Germany	100%
Hungary	-	Hungary	-
Italy	100%	Italy	100%
Latvia	-	Latvia	100%
Lithuania	-	Lithuania	100%
The Netherlands	60%	The Netherlands	100%
Norway	2%	Norway	100%
Poland	-	Poland	100%
Portugal	-	Portugal	-
Slovenia	-	Slovenia	-
Spain	100%	Spain	100%
Sweden	100%	Sweden	100%
Overall percentage of employees outside EEA covered by collective bargaining agreements - EMEA	7%		

Diversity metrics

Board of Directors	Male	%	Female	%		
Directors of the Board	6	86%	1	14%		
Gender distribution of employees						
Top management (Group Executive Leadership Team)	5.5	65%	3	35%		
Middle management (Team Leaders and Business Managers)	731	44%	931	56%		
Employees (Customer Service Representatives)	8461	38%	14015	62%		
	<30		30-50		50+	
Distribution of employees by age	12,370	41%	14,721	49%	3,068	10%

Adequate wages

Throughout Transcom's operations, there is only one report of employees not being paid an adequate wage in line with applicable benchmarks during 2023. This concerned a part of the Customer Service Representatives in Albania, who were below the applicable benchmark. The number of employees represents 1% of Transcom's employees, and 43% of the employees in Albania. This will be corrected during 2024.

Social protection

100% of Transcom's global employees are covered by social protection against loss of income due to major life events.

Persons with disabilities

Employees with disabilities, %	Male	Female	Total
Global employees	0.4%	0.6%	1.1%

Training and Skills Development metrics

Training and skills development	Total
Average number of training hours per employee	85

**Transcom does not have a system to track training for employees. The number is a combination of data from our e-learning platform Transcom University, and our Workforce Management System. We are working on improving data quality and adding information on gender. Transcom currently does not track performance and career development reviews. We are working on adding this information to our systems.*

Health and safety indicators

Health and safety management system	Number	%
Employees that participated in regular performance and career development reviews, percent	30,671	100%
Number of own workers who are covered by a health and safety management system which is based on legal requirements and/or recognized standards or guidelines and which has been internally audited and/or audited or certified by an external party (employees)	7,451	24%
Number of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognized standards or guidelines, non-employees (non-employees)	2,673	93%
Work-related ill health		
Number of work-related ill health cases		11
Accident rate		
Number of work-related accidents		83
Total hours worked		53,074,255
Accident rate		1.56
Fatalities		
Number of fatalities as result of work-related injuries and work-related ill health for own employees		0
Number of fatalities as result of work-related injuries and work-related ill health for non-employees		0
Fatalities of other workers on undertaking's sites		0
Days lost		
Number of days lost to work-related injuries, work-related ill health and fatalities		1,656

**Note that the number of employees is given per December 31, in headcount, rather than an average across the period as the other employee data.*

Work-life balance indicators

All Transcom's own workers are entitled to family-related leaves through social policy and/or collective bargaining agreements but 7 that are based in Switzerland. We are unable to disclose the percentage of entitled employees that took family-related leave by gender in this year's report, but will include the disclosure going forward.

Remuneration metrics

Gender pay gap	
Top management (Group Executive Leadership Team)	35%
Middle management (Team Leaders and Business Managers)	3.5%
Employees (Customer Service Representatives)	3.8%
Remuneration ratio	
The average annual total compensation for all employees (EUR)*	16,212
The annual total compensation of the highest-paid individual (EUR)	721, 000
Remuneration ratio	44.5%

**Transcom has different salary systems in each country so we are giving the average annual total compensation rather than the median. The calculation is based on information provided in Note 6 in the Annual report 2023, Total annual compensation; 489,621 KEUR minus the total annual compensation of the highest-paid individual 721 KEUR divided by average number of employees: 30,156*

Incidents, complaints and severe human rights impacts and incidents

There were 51 cases reported through Transcom's whistleblower channels during 2023. The reports concerned harassment, discrimination, work environment, labor law violation, and violation of GDPR. Of the 49 resolved cases, 21 had findings of varying severity, 26 were deemed without substance and 2 were unable to be fully investigated. 2 are currently open and under investigation.

There have not been any cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises during the reporting period.

Incidents, complaints and severe human rights impacts and incidents	
Total number of incidents of discrimination, including harassment reported in the reporting period	30
Number of complaints filed through grievance mechanisms in the workforce during the reporting period (excluding incidents reported above)	21
Total amount of fines, penalties and compensation for damages as a result of incidents and complaints disclosed above	0
Number of severe human rights incidents in the workforce in the reporting period	0
Total amount of fines, penalties and compensation for damages as a result of incidents and complaints disclosed above	-

3.2 Workers in the value chain

Policies

Transcom's core policy related to value chain workers is our Supplier Code of Business Conduct (SCoBC), described under Policies. The SCoBC addresses labor rights, trafficking, forced or compulsory labor, child labor, and the safety of workers. Transcom's Supplier Code of Business Conduct includes a commitment to respect human rights, and to also ensure that equal demands as stipulated in the code are placed on and met by sub-suppliers. Any violations can be reported via Transcom's whistleblower channels. The supplier shall perform periodic evaluations of its facilities and operations, and the facilities and operations of its subcontractors and next-tier suppliers to ensure compliance with this code. Our local teams shall work with their suppliers to ensure that eventual human right impacts are identified, prevented and mitigated.

If Transcom becomes aware of any actions or conditions not in compliance with this Supplier Code of Business Conduct, Transcom reserves the right to demand corrective measures. In case a supplier fails to remedy the identified breaches, Transcom may terminate the contract with the supplier. Any violations to the Code may jeopardize the supplier's business relationship with Transcom, up to and including termination of the relationship.

Transcom has not received any reports of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises that involve upstream or downstream value chain workers.

Processes for engaging about impacts

Transcom does not have a process for engaging with value chain workers about impacts.

Processes to remediate negative impacts and channels to raise concerns

Transcom's Code of Business Conduct (CoBC) and Supplier Code of Business Conduct (SCoBC), described under Policies, form the backbone of Transcom's work with human rights and labor rights. In order to guarantee a high standard of business conduct across our organization, we require all employees and representatives to act consistently with their provisions and all additional local laws and relevant company rules or policies. Any violations will be taken seriously and may result in disciplinary action up to and including termination of employment. 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.

We encourage our employees and suppliers to report any suspected non-compliance through email, mail, or via a form on our intranet. Transcom assesses and reports on the number of complaints through our whistleblower channels on a yearly basis in our sustainability report.

There are no channels for value chain workers to raise concerns or needs directly with Transcom. We are currently discussing adding our whistleblower channels to our global websites to facilitate reports from value chain workers, consumers and end-users, and other affected stakeholders.

Actions and resources

Our main action for material impacts on value chain workers is our Supplier Code of Business Conduct, described under Policies. The code covers human rights, labor rights, environmental protection, and anti-corruption practices.

Tracking effectiveness

The responsibility to follow up compliance with the code lies with local organizations.

Targets

Transcom has not set any measurable outcome-oriented and time-bound targets for workers in the value chain. There is currently no plan to set such targets.

3.3 Consumers and end-users

Policies

Transcom does not have specific policies related to consumers and end-users as our engagement is limited to our clients' customers when we are providing customer care, customer support, technical support, or similar services. Consumers and end-users are, however, indirectly affected by our Code of Business Conduct, regarding discrimination and harassment and data protection, and our Data Privacy policies), described under Policies. Transcom does not, at this point, intend to adopt specific policies regarding consumers and end-users.

Processes for engaging about impacts

Whereas we do not have a process to engage directly with our clients' customers, our performance is regularly evaluated in KPIs such as Net Promoter Score, Customer Satisfaction Scores. Our teams' performance is also measured through our clients' follow-up procedures, and discussed in regular meetings.

Processes to remediate negative impacts and channels to raise concerns

Transcom's process to remediate negative impacts for consumers is indirect. Should a situation occur where consumers or end-users have been negatively impacted, this will be handled together with the client, who is the primary owner of the relationship with the consumers and/or end-users, who will, in turn, involve Transcom.

Action and resources

Transcom's material impact when it comes to consumers and end-users is regarding non-discrimination and ethical conduct, where we enforce our Code of Business Conduct, described

under Policies. We have a zero tolerance for workplace discrimination or harassment in any form, whether sexual, verbal or emotional in nature. We treat each other with respect and do not accept behavior which may be described as disrespectful, hostile, violent, intimidating or threatening. This is part of our Code of Business Conduct which applies to all Transcom employees, consultants, contractual partners, and board members. Failure to follow the Code can have serious consequences, and may result in disciplinary action, including termination of employment. We train all new employees during the onboarding, and recertify them every second year thereafter, and to ensure adherence with the policy, we encourage anyone to report breaches through our whistleblower channels.

Tracking effectiveness

We track and report on the training completion rates of our CoBC yearly in our sustainability report, as well as the results of our Whistleblower policy.

Targets

To ensure that our employees have the highest ethical standards towards all stakeholders, we have a continuous focus on our Code of Business Conduct (CoBC), described under Policies. All employees receive mandatory training in, and sign, the CoBC during their onboarding, and are recertified every second year.

Our target is to achieve a 100% completion rate of the Code of Business Conduct training for new hires and employees with more than two years of service. The training completion rate in 2023 was 92% for recertified and new employees during 2023.

4. Governance

4.1 Business conduct and corporate culture

Business conduct policies and corporate culture

Transcom's Code of Business Conduct, Supplier Code of Business Conduct, and Whistleblower policy are described under Policies. 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.

Anyone working for or with Transcom can report wrongdoing, including employees, agency workers, and contractors. Transcom's Whistleblower policy provides protection to any individual making a report of potential misconduct. It is a group-wide policy and applies to all Transcom employees, consultants, contractual partners, and board members within the Transcom Holding AB Group.

Prevention and detection of corruption or bribery

Transcom's risk management and internal control framework is designed to support the identification, assessment, monitoring, management and control of risks that are significant to the achievement of business objectives, ensure compliance and to provide reliable financial information. Transcom's general risk management is described under Governance. Transcom does not tolerate any form of corruption, whether direct or indirect, by employees or business partners who act on our behalf. We abide by local and international laws, treaties, and regulations that prevent corruption and do not offer, attempt to offer, authorize, give, ask

for or receive, bribes or other improper value transfer. This prohibition applies to any form of bribes, facilitation payments or "trade of influence". We proactively work against all forms of corrupt practices 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. 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, described under *Policies*. We collaborate with our clients continuously to identify and address fraud risks in a structured manner, and have secured insurance against such misconduct. 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 channels, in line with our Whistleblower policy, described under *Policies*.

Confirmed incidents of corruption or bribery

During 2023, there were no confirmed incidents of corruption or bribery, no convictions for violations of anti-corruption and anti-bribery laws, nor any fines for violation of anti-corruption and anti-bribery laws or breaches in procedures and standards of anti-corruption and anti-bribery.

Payment practices

Transcom uses ERP Transactional reports and vendor contracted payment terms to follow up on the payment of supplier invoices. The average time to pay an invoice from the date when the contractual or statutory term of payment starts is 30 days. There are currently no legal proceedings outstanding for late payments. The standard payment terms for our main categories of suppliers can be found below.

Payment practices

Supplier category	No of days	% of payments aligned
Professional services	30	50%
IT services and hardware	30	35%
Facilities cost, including rentals	30	24%
Personnel related costs, including pensions and insurance	30	24%
All other	30	35%

4.2 Cybersecurity

Policies

Transcom has developed and implemented a framework of policies, procedures and guidelines to support our compliance efforts and provide guidance for all employees to handle our IT environment in a secure manner. The policies are shared on the company intranet. The framework includes the Global Privacy Policy, with mandatory training and acknowledgement sign-off for employees who service clients outside the EU/EEA or handle clients' customer data where customers are based outside the EU/EEA; the EU/EEA Privacy Policy, with mandatory signing and training for employees who service clients based in the EU/EEA or handle clients' customer data where customers are based in the EU/EEA, and the Global Information Security Policy, with mandatory signing and training for all employees, and where employees in a PCI environment go through mandatory annual training. The training completion rates of these policies are reported annually in our sustainability report.

Actions and resources

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.

Data privacy

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 data privacy related policies are available to employees via the intranet. All employees go through mandatory digital data privacy trainings during the onboarding process and every second year thereafter, those located within the EU, or those who handle clients based in the EU, undergo a GDPR training; employees who service clients outside the EU/EEA or handle clients' customer data where customers are based outside of the EU/EEA got through a data privacy training

Information and cybersecurity

To establish and reinforce the knowledge about security and data protection, we have regular training programs for all employees. 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. With the increasing threat of phishing threats, we are running internal phishing tests where we simulate real-world scenarios to assess our readiness to combat cyber-attacks. With these tests, we're building the skill to recognize and avoid phishing attempts with our employees.

Targets

Results	2023	2022	2021	2020
100% of active employees within the EU and/or working with European clients are GDPR compliant, and equivalent regulations if/where applicable	88%	95%	94%	96%
100% of active employees trained in basic security awareness and behavior upon hire and every year thereafter	74%*	80%	-	-

**Completion rate for all active employees per December 31, 2023, that have received security awareness and behavior training within the past 12 months. For PCI compliant projects, the completion rate is 89%.*

5. Principal Adverse Impact indicators

PAI indicator		2023	2022
GHG emissions (Scope 1, 2, 3 and total)	Scope 1	2,347	2,602
	Scope 2	11,228	10,615
	Scope 3	18,669	18,995
	Total	32,323	32,211
GHG intensity (ton CO ₂ e per MEUR, market-based)		43.8	44.9
Exposure to companies active in the fossil fuel sector		No	No
Share of non-renewable energy consumption and production		93%	86%
Energy consumption intensity (MWh per MEUR)		66.9	40.2
Activities negatively affecting biodiversity sensitive areas		No	No
Emissions to water		N/A	N/A
Hazardous waste ratio		0	0
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		0	0
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		No	No
Unadjusted gender pay gap		3.6%	2.4%
Board gender diversity		86/14% (M/F)	86/14% (M/F)

6. 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 2023 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

Stockholm

The Board of Directors in Transcom Holding AB (publ)

Fredrik Cappelen
Chairman of the Board

Mattias Holmström
Member of the Board

Donald Hicks
Member of the Board

Alfred von Platen
Member of the Board

Brent J. Welch
Member of the Board

Christine Timmins Barry
Member of the Board

Herman Korsgaard
Member of the Board

Brian Johnson
President & CEO