Sustainability
Report 2024

Transcom

Contents

CEO comment

At Transcom, sustainability is more than a responsibility, it's a strategic priority driving innovation, resilience, and a lasting value for our employees, clients, and communities. As we unveil our 2024 sustainability report, we reaffirm our commitment to the guiding principle that shaped our sustainability strategy: we believe that people are our most important asset, and that every single person has the power to drive transformative change.

In 2024, with global temperatures surpassing 1.5°C above pre-industrial levels, the urgency of addressing climate change is clear. We are proud to join the growing community of companies taking action with our net-zero by 2050 commitment, validated by the Science-Based Targets Initiative (SBTi). We feel strong support from all our stakeholders – owners, investors, clients, and employees.

This year, AI has moved beyond hype to practical application, with generative AI, predictive analytics, and intelligent chatbots enhancing efficiency and customer satisfaction. However, this shift also raises concerns about ethical AI use, workforce adaptation, and sustainable digital transformation.

At Transcom, we embrace these technological advancements while ensuring that our approach remains people-centric. We are committed to upskilling our workforce, integrating AI solutions that complement rather than replace human expertise, and adopting energy-efficient cloud infrastructure to minimize our environmental footprint. By aligning our AI strategy with ethical guidelines, and regulatory compliance, we ensure that innovation drives not only business success but also long-term social and environmental sustainability.

We believe sustainability is about driving positive change, not just reducing negative impacts. We collaborate closely with our clients, suppliers, and partners to implement more sustainable practices throughout our value chain. By fostering collaboration and innovation, we aim to contribute to a greener, more responsible future. A great example of this was the Go Green campaign, launched by our Employee Experience Team. Over eight months, 16 countries completed 134 sustainability activities, from low-carbon commuting to enhanced recycling, reducing emissions and reinforcing the link between sustainability and employee well-being — a key focus for our future.

We are optimistic about the future. Sustainability is deeply embedded in Transcom's business strategy, guiding our support for clients, employees, and communities. Our long-term commitment is to ensure that responsible and innovative customer experience solutions remain accessible, ethical, and future-proof. This commitment will continue to shape the way we operate and evolve for years to come.

Last year, we began our journey towards compliance with the EU Corporate Sustainability Reporting Directive and its accompanying standard, ESRS. We are aiming for compliance for the FY2025 report.

I'm pleased to present our sustainability performance during 2024.

Stockholm, Brian Johnson, President & CEO

General information

Basis for preparation

This is the statutory sustainability report of Transcom Holding AB and its subsidiaries (hereafter Transcom), in accordance with the Swedish Annual Accounts Act, version in force before July 1, 2024, aligning with the scope of the financial report for 2024. The scope of our sustainability statement mirrors that of our financial statements, ensuring consistency and comprehensive coverage of our operations and activities. 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, timeframe, located in Germany, Portugal, and Greece; and Transvoice, located in Sweden, all part of the Transcom Group.

The statement covers Transcom's upstream value chain and own operations, described in more detail under _Strategy & business model_.

All datapoints in the report have been subject to a double materiality assessment (DMA), described under _Double materiality assessment_. No information corresponding to intellectual property, know-how or innovation outcomes has been omitted from the sustainability statement.

Sources of estimation and outcome uncertainty

The following metrics are subject to measurement uncertainty:
* **Employee data:** Employee data is derived from our internal HR systems, representing an average headcount from January 1 to December 31, 2024. While we aim for consistency, varying HR data cut-off dates across our international locations may cause a discrepancy of up to 1%.
* **Training data:** Training data is currently derived from a combination of our e-learning platform (Transcom University) and our Workforce Management System (WFM). This approach might not provide a comprehensive view of all training activities, particularly for SG&A employees whose activities are not logged in WFM. We are actively working to consolidate this data into a single system to improve accuracy and capture additional information, including gender disaggregation.
* **Scope 3:** Estimating Scope 3 emissions is inherently uncertain due to limitations in the availability and accuracy of primary data. These limitations can include data gaps in supplier information, reliance on industry averages, and assumptions made in spend-based calculations. Therefore, the reported Scope 3 figures should be considered estimates and not precise measurements. The table below summarizes Transcom's Scope 3 accounting methodologies. While we have yet to perform a formal uncertainty quantification using the GHG Protocol methodology, we acknowledge its importance and plan to incorporate it in future reporting.

Scope 3 accounting methodology

Scope 3 category	Accounting method
Purchased goods and services	Spend-based method using global Exiobase product/sector emission factors
Capital goods	Spend-based method using global Exiobase product/sector emission factors
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

This report includes forward-looking statements that are subject to risks, uncertainties, and other factors, many of which are beyond our control and could cause actual results to differ materially from expectations.

Changes in the preparation or presentation of sustainability information

Changes in reporting scope 2024
* **New entities:** Data from the following entities is included for the first time in the 2024 report:
  * Timeframe (acquired in 2023, previously excluded due to late integration): Located in Germany, Portugal, and Greece.
  * Transcom India (formerly Vcosmos, acquired early 2024).

Scope 3 recalculations
(affecting 2023 comparative figures)
To enhance accuracy of our GHG inventory when setting our net-zero target, we recalculated parts of Scope 3, resulting in the following adjustments to 2023 data:
* **Scope 3.1 Purchased goods and services:** A comprehensive spend-based calculation using global Exiobase sector emission factors was implemented, increasing emissions by 10,796 tCO2e.
* **Scope 3.2 Capital goods:** This category was added to the GHG inventory, using a comprehensive spend-based approach with global Exiobase product/sector emission factors, increasing emissions by 7,158 tCO2e.
* **Scope 3.3 Fuel- and energy-related activities:** Calculations for purchased heating and cooling were added, increasing emissions by 617 tCO2e.
* **Scope 3.6 Business travel:** Recalculations based on income statements using spend-based emission factors and extrapolation were performed. This increased emissions by 15 tCO2e. A prior reporting error from 2023, adding 209 tCO2e, was also corrected.
* **Total GHG emissions per net revenue:** As a consequence of the recalculation, the comparative 2023 number for GHG emissions per net revenue has been recalculated in this report.

Revised employee commuting calculations
* In 2024, we updated our methodology for calculating Scope 3.6 Employee commuting emissions. The new formula considers the number of commuting employees, the proportion using each transportation mode, average distances traveled by mode (including adjustments for carpooling), and distances covered by company-provided shuttle services. This revised approach ensures greater accuracy and consistency in our reported data.

Future Outlook:
* Transcom aims to transition to more specific supplier-based and average-based methods for Scope 3.1 and 3.2, prioritizing the largest emission categories as the methodology is refined.
* Transcom is continuing to prepare for full compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS).
* Transcom expects improved data quality due to a new EMEA travel partner agreement, complementing the existing AAPAC partner, resulting in only two data sources for all Group travel.

Reporting errors in prior periods

- **Scope 1 and 2:** During the verification of the 2024 data, several reporting errors in the data for Italy were discovered. This has an effect both on the reported energy consumption and mix, and the reported emissions. The below table shows the reported data and the corrections in the comparative figures presented in the 2024 report.

	Unit	Reported 2023	Corrected 2023	Difference
Total fossil energy consumption	MWh	45,680	21,900	-52%
Share of fossil sources in total energy consumption	%	93%	76%	-18%
Scope 1	tCO2e	2,347	1,032	-56%
Scope 2 location-based	tCO2e	9,907	7,036	-29%
Scope 2 market-based	tCO2e	11,307	8,440	-25%
Scope 3.3 Fuel and energy-related activities (not included in Scope 1 or 2)	tCO2e	2,376	2,253	-5%

- **Scope 3.6 Business travel:** During the 2023 Scope 3 data revision, a reporting error was discovered in the Scope 3.6 Business travel data. This error has been corrected in the comparative figures presented in this 2024 report, adding 209 tCO2e to the 2023 baseline.

	Unit	Reported 2023	Corrected 2023	Difference
Scope 3.6 Business travel (incl hotels)	tCO2e	1337	1485	148

- **Health and safety indicators:** A layout error in the Health and Safety Management Systems table incorrectly included reference to "Employees that participated in regular performance and career development reviews" (belonging under Training and skills development metrics), resulting in an error of the reported number and percentage of "Number of own workers who are covered by a health and safety management system". A correction has been done in the comparative numbers for 2023 in this report, accurately showing that 30,671 employees (100%) were covered by the company's health and safety management system in 2023.

Health and safety management system	Reported 2023		Corrected 2023	
	Number	%	Number	%
Employees that participated in regular performance and career development reviews, percent	30,671	100%	[removed from table]	
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)	7451	24%	30,671	100%

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

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  │Audit Committee│──│  part of annual strategy      │
  └──────────────┘  │  review                        │
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                    │Group Executive Leadership Team │
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                    ESG across corporate functions
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Facilitates ESG strategy and oversight, guides and enables category owners
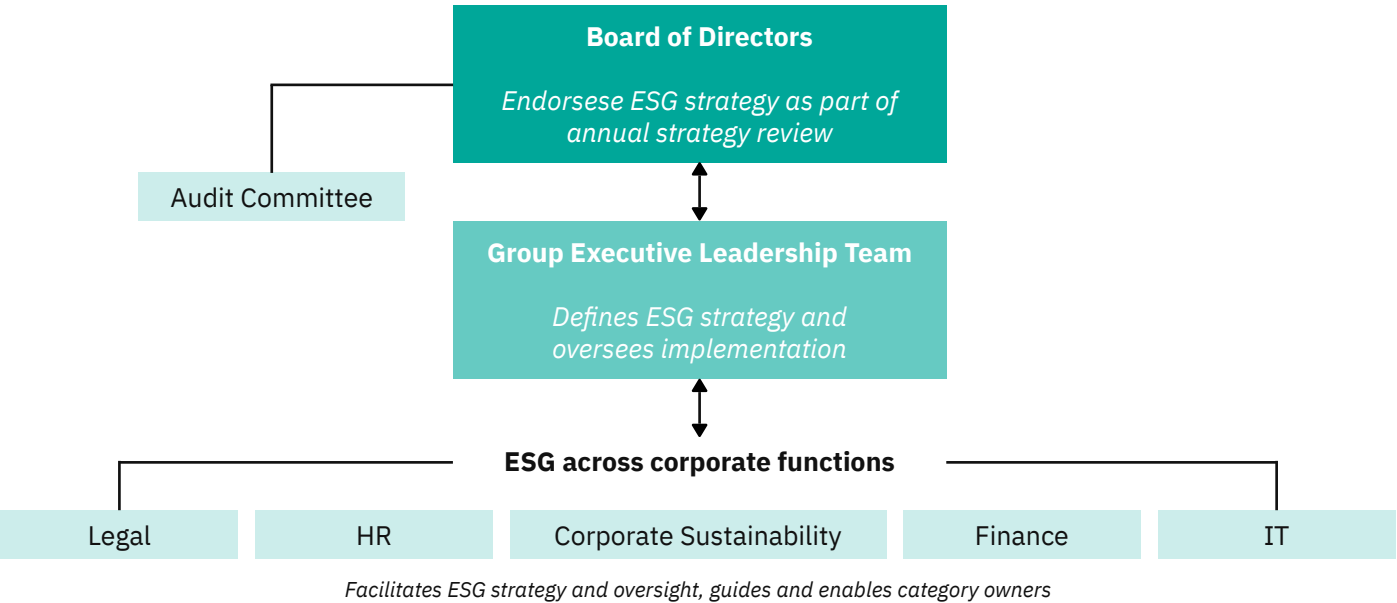
Board of Directors

- Number of executive members: 0
- Number of non-executive members: 7
- Female/male board members: 1F (14%), 6M (86%)
- Total independent board members: 3
- Total non-independent board-members: 4
- Percentage of independent board members: 43%

Transcom's Board of Directors brings extensive experience from leadership roles in large, international companies, particularly within the BPO industry. This provides in-depth expertise in contact center operations, management, and sales, directly relevant to our services and geographical reach. The Board also possesses expertise in digital customer experience (CX), AI and the digital sector. The Board's strong and diverse backgrounds provide them with significant expertise in the sustainability matters material to Transcom, such as working conditions, diversity, business conduct, and governance. While its competence in climate-related issues has not been formally assessed, the Board can readily call upon internal or external experts for guidance and training to further develop its knowledge in this area as needed.

Board appointments, including succession planning, ensure the Board's structure maintains high ethical standards and an optimal balance of knowledge, skills, and experience. Diversity and equality are always key considerations.

Oversight of material sustainability impacts, risks and opportunities

The CEO has overall sustainability responsibility delegated to the CFO, who is supported by the Head of Sustainability. The Board of Directors approves strategic plans, including sustainability initiatives.

The Board has established an Audit Committee to enhance its oversight. The Committee regularly reviews sustainability-related risks, performance data, and reporting, providing recommendations and reports to the Board to inform its decisions. These ESG-related risks are handled according to the broader risk management framework described under *Risk management* below, ensuring a consistent and integrated approach to identifying, assessing, and mitigating all significant risks to the organization.

Transcom's sustainability framework focuses on six material areas. The targets are set and monitored with the input of subject matter experts and approved by the Group Executive Leadership Team. Progress, targets, and results are reviewed annually and published in the sustainability report.

Risk management

The Board of Directors holds overall responsibility for Transcom's risk and internal control systems, including monitoring their effectiveness and overseeing the ongoing identification, evaluation, and management of critical business risks.

Transcom's risk management framework provides a structured approach for identifying, assessing, managing, and controlling risks that could impact business objectives. This framework aims to ensure compliance and reliable reporting. The CEO and Executive Leadership Team (ELT) are responsible for overseeing financial, strategic, operational, and other applicable risks, proactively monitoring the Group's risk profile.

Sustainability impacts, risks, and opportunities (IROs) are evaluated as described under *Material impacts, risks and opportunities*. The results of the risk assessment, along with mitigation plans for key risks, are regularly presented to the Audit Committee and the Board for review and follow-up. The Group's business plans, based on key market, client, economic, and financial assumptions, include an assessment of underlying risks, sensitivities, and the inherent trade-offs in balancing various sustainability goals.

Transcom continuously improves its policies governing the management and control of financial and non-financial risks. Applying these policies consistently throughout the Group ensures a unified approach to risk management at the business unit level.

Policies, results and effectiveness

The Board of Directors owns the sustainability policies described under *Policies*. The Group Executive Leadership Team ensures compliance, and the Chief Financial Officer oversees the governance. Any changes or updates, and the results of the policies, are presented to the Board of Directors for review and approval on an annual basis.

Actions, metrics, and targets

Due diligence implementation and policy effectiveness are reviewed annually along with the annual sustainability report review. Actions, metrics, and targets are detailed in the report. The Executive Leadership Team, Audit Committee, and Board of Directors review and approve the report before publication.

The Board of Directors holds at least five regular meetings annually, covering risk management, including sustainability risks. Risks can be escalated to the Board as needed, either during regular meetings or through special meetings.

The CFO, CPO, CIO, and relevant corporate functions provide quarterly updates to the Board and its committees on material impacts, risks, and opportunities to ensure ongoing oversight.

The Executive Leadership Team, Audit Committee, and the Board of Directors follow a cyclic review process for recurring sustainability topics:
- **May-April:** Annual sustainability report review and approval
- **May:** Annual revision of board-approved policy framework

Specific IROs addressed during 2024

The Executive Leadership Team and the Board of Directors reviewed and approved Transcom's climate strategy, the foundation of our net-zero by 2050 plan, detailed under *Climate change* in May; including a progress update of the implementation in December.

Statement on due diligence

The following table includes a mapping of the information provided in this Sustainability Statement regarding the due diligence process.

Core elements of due diligence	Paragraphs	Page(s)
a. Embedding due diligence in governance, strategy and business model	3.2 Own workforce/Policies	49
b. Engaging with affected stakeholders in all key steps of the due diligence	3.2 Own workforce/Policies	49
c. Identifying and assessing adverse impacts	3.2 Own workforce/Policies	49
d. Taking actions to address those adverse impacts	3.2 Own workforce 3.2 Workers in the value chain	47 60
e. Tracking the effectiveness of these efforts and communicating	3.2 Own workforce 3.2 Workers in the value chain	47 60

Internal controls over sustainability reporting

To ensure data transparency, comparability, reliability, and traceability, Transcom uses a digital ESG reporting platform to collect ESG data on an annual basis. Global HR teams provide social data; finance, facilities, and IT teams provide environmental data; and corporate functions provide governance and business conduct data. The environmental KPIs for Scope 1, 2, and 3 are automatically converted using the latest available emission factors. The data goes through extensive internal controlling and verification, ensuring an audit trail, before it is consolidated. The Group Executive Leadership Team, Audit Committee, and Board of Directors approve the final report.

EY Sweden AB has conducted 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 resulting from varying granularity and accessibility of data, inadequately designed controls and systems. Additionally, there's a strategic risk if ESG is viewed solely as a reporting process rather than a driver for a more sustainable company. Having the right processes and standards, informed by an understanding of Transcom's environmental and social impact, is key.

To mitigate data-related risks, processes and systems are being implemented to automate data collection, increasing data quality and reducing human error. This is complemented by manual quality and accuracy controls. These activities are performed while reporting data.

Recognizing the importance of accurate and reliable sustainability data, we implemented several improvements and reconciliations to our reporting processes for 2024. These changes have resulted in a considerable improvement in data quality, enabling us to provide more robust and trustworthy sustainability information.

As for the granularity and accessibility of data, we aim to refine our method of collecting data, transition to more specific supplier-based and average-based methods specifically for Scope 3.1 and 3.2, prioritizing the largest emission categories.

Findings are periodically reported to administrative and management bodies in connection with internal and external reporting.

Eco-conscious succulent planting workshop as part of the Go Green Initiative - November 2024 - Serbia and Croatia

Global workforce*

33,051

EMEA
17,964

Female
59%

AAPAC
12,572

Male
41%

Revenue 2024

€744.6M

Strategy & business model

Transcom is a digital-native company, providing customer experience (CX) services to over 300 clients in Europe and North America. In 2024, we had a revenue of €744.6M, and a workforce of 33,051 (including 30,536 employees and 2,515 non-employees), with the largest concentration of employees in the Philippines, where we have 8 sites and 9,604 employees. We transform our clients' customer experience and business processes by integrating human expertise with cutting-edge AI technologies, handling over 2 million interactions daily in 33 languages. We serve clients across the E-commerce & Tech, Services & Utilities, and Cable & Telecom sectors, using a combination of onshore (49%), nearshore (26%), and offshore (25%) delivery centers. During 2024, Transcom expanded our offshore operations to include India. Our services include CX advisory, customer care, technical support, customer retention and acquisition, cross-selling and upselling, content moderation, collections, and back-office support.

Our commitment is to drive unparalleled value for our people, clients, and investors, through responsible and sustainable practices.

Core services

Our core services include:
- **CX services:** Enhancing customer satisfaction and building relationships through data-driven, personalized interactions and efficient communication.
- **Digital solutions:** Streamlining operations and reducing environmental footprint using automation, AI, and self-service technologies for digital-first interactions.
- **Offshore call centers:** Providing cost-effective solutions with high ethical standards, responsible labor practices, and minimal environmental impact through digital communication.
- **Trust and safety outsourcing:** Safeguarding online platforms and communities with robust moderation and compliance for a secure digital environment.
- **Back-office services:** Optimizing back-office operations through process improvement and automation to reduce resource consumption and environmental impact.
- **Outsourced call centers:** Offering flexible, scalable customer support with efficient resource allocation and sustainable business practices.

Clients

Our clients are divided into three overarching categories:
- **E-Commerce & Tech:** Social media, online retail, IT/tech, fintech, logistics, consumer durables (48% of revenue 2024).
- **Services & Utilities:** Utilities, BMSI, Gov & healthcare, media, travel (29% of revenue 2024).
- **Telecommunications & Cable:** Broadband, mobile, cable television, and related services (23% of revenue 2024).

Commercial models

Transcom's business model is built on flexible and transparent commercial partnerships, designed to align client objectives with sustainable operational practices. We offer a variety of commercial models that can incorporate key performance indicators (KPIs) to drive exceptional customer experience (CX) while also fostering efficiency and responsible resource management. Our commercial models include:
- **Input-based pricing:** Pricing based on the number of employees or hours worked, providing cost predictability but not directly incentivizing productivity.
- **Output-based pricing:** Pricing based on productive minutes, calls handled, or customer satisfaction, incentivizing efficiency and quality.
- **Performance-based pricing:** Pricing linked to achieving KPIs and SLAs, with bonuses for exceeding targets and penalties for non-compliance.
- **Total Cost of Ownership (TCO):** Focuses on reducing cost per interaction and overall volumes through efficiency, automation, and self-service.
- **Gain share:** Shared savings from transformation initiatives, where benefits delivered are split between Transcom and the client.

Value chain

Our value chain is strategically structured to ensure high-quality service while promoting responsible and sustainable practices. Key components are:

- **Strategic client partnerships:** We engage with clients to understand their evolving needs and develop customized, value-driven customer experience solutions. We aim to build enduring partnerships that prioritize sustainable and ethical practices.
- **Talent acquisition and development:** Recognizing that our people are our greatest asset, we focus on recruiting skilled professionals and providing comprehensive training and development programs. These programs are designed to enhance expertise, improve communication skills, and promote industry-specific knowledge, ensuring a skilled and engaged workforce.

- **Global service delivery network:** Our service delivery model includes a combination of physical contact centers and remote work options, enabling us to provide 24/7 support to our clients worldwide. We implement robust workforce management, performance monitoring, and quality assurance processes to maintain consistent and high service standards.
- **Technology and innovation integration:** We leverage advanced technologies such as AI, automation, and data analytics to drive continuous improvement in our service delivery. These technologies optimize operational efficiency, personalize customer interactions, and provide data-driven insights for both our clients and our internal teams.

- **Sustainability and compliance framework:** We are committed to conducting business ethically and responsibly. Our operations adhere to stringent data security measures, regulatory compliance standards, and sustainable practices. We actively work to minimize our environmental impact, promote responsible sourcing, and maintain a secure and transparent working environment.

In terms of suppliers, our value chain consists primarily of upstream activities, including the procurement of IT equipment, real estate and related services for our offices, and HR services for staffing, recruitment, and payroll.

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

Client Engagement & Sales:
The company's sales strategy focuses on delivering value-driven solutions that enhance client operations and customer satisfaction.

Recruitment & Training:
Transcom prioritizes hiring skilled professionals and provides comprehensive training programs to equip employees with the necessary expertise.

Service Delivery:
We operate both physical contact centers and remote customer service teams to ensure seamless, 24/7 support for clients worldwide.
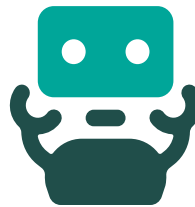
Technology & Innovation:
Transcom continuously enhances service delivery. These technologies improve operational efficiency, and optimize customer interactions.

Sustainability & Compliance:
We ensure adherence to industry regulations, promote responsible sourcing, and implement initiatives to reduce environmental impact.

Sustainability strategy

Sustainability is embedded into our corporate strategy, business culture and daily operations. This strategic integration of sustainability principles is essential to driving our long-term financial resilience and creating value for all stakeholders. Our sustainability framework, which consists of six overarching pillars, is closely aligned with our core business activities. It is also informed by our continuous analysis of megatrends, double materiality assessment, stakeholder feedback, and global sustainability frameworks, including the UN Global Compact and the UN Sustainable Development Goals. Each pillar has targets, developed with the input of subject matter experts and approved by the Group Executive Leadership Team. We track progress and publish results annually in our sustainability report.

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

This framework and targets were adopted in 2020. During 2024, some targets have been reviewed and refined to align with the changing business environment, legislatory changes, and updated double materiality assessment. For *Environment & climate* specifically, we have set science-based net-zero by 2050 target, presented in detail under *Climate change*.

Interests and views of stakeholders

Transcom regularly engages with internal and external stakeholders to understand our most significant impacts on people and the environment, and key sustainability risks and opportunities. This engagement informs our priorities and actions. The process typically involves the sustainability, finance, legal, executive management, and human resources teams. We maintain close, integrated, and ongoing dialogue through various mechanisms to ensure all stakeholder perspectives are heard. During the double materiality assessment, an analysis of the outcome of engagements is performed.

Management receives regular updates on topics raised by stakeholders and their representatives. Perspectives raised by employees in our Pulse surveys are presented to the Executive Leadership Team on a quarterly basis, and the outcome of the double materiality assessment, where input from all stakeholders has been taken into consideration, is presented yearly to the Group Executive Leadership Team and the Board in connection with the sustainability report.

Key stakeholders and how we engage with them

Stakeholder	Stakeholder expectations	How we engage	How we use the input
Own workforce	A healthy and sustainable workplace with fair treatment, wages, working conditions, development opportunity and a sense of belonging for all	• Manager interaction • Quarterly Pulse surveys • Grievance mechanisms • ESG surveys • Ambassador/employee networks • Works councils	Provides input to our people strategy and ESG programs, informs our approach on training, career development, and overall working conditions
Clients (CX professionals, corporate, sustainability, and purchasing roles)	Responsible business practices	• Client management and dialogue • Satisfaction surveys and business reviews • Sustainability audits, disclosures, assessment	Identifies opportunities for collaboration and initiative across the ESG agenda.
Owners (key contacts, members of Transcom's Board of Directors, ESG specialists)	Strategies, plans and action to mitigate risks to the business model and ensure regulatory compliance.	• Board meetings • Continuous dialogue • Policies and reports • ESG surveys	Helps us meet needs for ESG data, maintain transparent conversation and align on critical topics
Investors in Transcom's listed bond	Strategies, plans and action to mitigate risks to the business model and ensure regulatory compliance.	• Investor meetings • ESG surveys • Disclosures (f ex CDP)	Helps us meet needs of financial stakeholders for ESG data and maintain transparent communication

- **The perspective of value chain workers,** ascertained through our supplier relationships through ongoing communication, informs our approach to sustainable procurement.

- **For consumers and end-users,** our engagement is limited to client-mediated interaction. Our performance and engagement is regularly evaluated and a point of discussion and follow-up in meetings with our clients.

Material impacts, risks and opportunities

Transcom set the process for its Double Materiality Assessment (DMA) in 2023. The DMA is reviewed yearly to ensure that significant sustainability concerns are captured and assessed. The process is described below. More information about the material impacts, risks, and opportunities identified below are presented alongside the Environmental, Social, and Governance sections.

Climate change		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Climate change mitigation							
Commuting: Transcom has 30 000 employees, many of which need to commute to work. The cumulative emissions from this commuting causes Transcom's scope 3 emissions to be very high.	Actual negative impact		●		●	●	●
Business travel: Transcom employees need to travel to meet clients, investors, prospects, employees, and to visit other sites. Business travel has a negative impact on the environment.	Actual negative impact		●		●	●	●
Energy consumption in operations: Transcom has over 85 sites across the globe. Energy consumption from these operations is one of our main environmental impacts.	Actual negative impact		●		●	●	●
Environmental strategy and targets: Our key stakeholders are environmentally aware. For an increasing number of clients, having a climate conscious supply chain is a regulatory necessity. With our net-zero strategy and plan, we can be an attractive partner for both European and North-American companies.	Opportunity		●			●	●
Inability to meet emission targets (Climate strategy): Failure to meet emissions targets could lead to reputational damage, loss of investor confidence, loss of potential new contracts, decreased volumes in or loss of existing contracts, and impact our ability to attract and retain environmentally conscious employees.	Risk		●		●	●	●
Energy							
Energy consumption and mix: A concentration of operations in emerging markets and developing economies with limited possibilities to source renewable energy, leads to a dependency on fossil fuels.	Actual negative impact	●	●		●	●	●
Energy consumption and mix landlords: 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.	Actual positive impact		●		●	●	●

Resource use and circular economy		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Resource inflows							
IT equipment: Information technology plays a fundamental role in our business. This results in negative environmental impact from the acquisition and use of IT equipment.	Actual, negative impact	●	●	●	●	●	●
Waste							
E-waste: Technology plays a fundamental role in our business, making e-waste one of our negative impacts on the environment.	Actual, negative impact		●	●	●	●	●
Own workforce							
Working conditions							
Job creation in emerging markets and developing economies: Transcom's presence in emerging markets and developing economies, and our commitment to employee development contributes to job creation, increasing youth and adults with relevant skills for employment, and economic stability in these regions.	Actual positive impact		●		●	●	●
Near- and offshore strategy: To ensure financial stability, future growth, and meet client needs, Transcom has adopted a near- and offshoring strategy. This may lead to job losses in some regions, potentially impacting our reputation. A careful risk assessment for each department and role is necessary to manage this transition effectively.*	Potential negative impact		●			●	●
AI creating new types of jobs: Embracing AI and automation technologies can lead to the creation of new, higher-skilled roles and opportunities for employees to upskill.	Actual positive impact	●	●		●	●	●
AI perceived as threat to jobs: The introduction of AI and automation may lead to displacement of certain roles and require significant employee adaptation.*	Potential negative impact	●	●	●	●	●	●
Work/life balance – flexible employment: Flexible working arrangements, including work-from-home options and part-time roles, support employees in achieving a healthy work-life balance.	Actual positive impact		●		●	●	●
Work/life balance: The demand for flexible staffing to meet fluctuating workloads and client needs can lead to unpredictable schedules, high workloads, and potential for stress, sickness, and attrition.	Actual negative impact		●		●	●	●

New material impact 2024

Own workforce (cont.)

Own workforce (cont.)		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Adequate wages: Transcom strives to offer competitive wages and benefits packages that attract and retain top talent, while adhering to industry standards and local labor laws.	Actual positive impact		●		●	●	●
Mental wellbeing: Transcom promotes employee well-being through initiatives focused on mental health support, stress reduction, and a positive work environment.	Actual positive impact		●		●	●	●
Internal career mobility: The absence of clear career pathways outside of operational roles, coupled with inconsistent global guidelines for internal job postings, assessments, and transfers, creates inequities for internal candidates, fostering dissatisfaction, reducing retention, and increasing recruitment costs.*	Actual negative impact		●		●	●	●
High pressure job: The nature of the work, including potential for high-pressure situations and customer interactions, can affect employee mental well-being.*	Actual negative impact		●		●	●	●
Job security: Market fluctuations and client demands can impact business continuity and potentially lead to job insecurity.*	Potential negative impact		●		●	●	●
Equal treatment and opportunities							
Training and skills development: Transcom invests in employee growth through diverse training opportunities, clear career paths, and internal mobility, fostering a culture of continuous learning and development, equal for all employees.	Actual positive impact		●		●	●	●
Violence and harassment: Transcom is committed to maintaining a workplace free from discrimination, harassment, violence, and hostility. We take a proactive approach to ensuring a safe and inclusive environment for all employees. We encourage open communication and actively address any concerns, fostering a culture of trust and accountability.	Actual positive impact		●		●	●	●
Equal leadership opportunities: Transcom is committed to fostering diversity and inclusion in leadership positions across our global operations. We actively invest in awareness programs, training, and mentorship opportunities, particularly in regions like North Africa and the Middle East where women have been historically underrepresented in leadership roles.*	Actual positive impact		●		●	●	●

Own workforce (cont.)

Own workforce (cont.)		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Other work-related rights							
Community engagement: Transcom can have a positive social impact by engaging in community development initiatives, supporting local causes, and providing education and job opportunities. These activities also support local vendors and small scale businesses - both directly through purchases, and indirectly through supporting economic prosperity.	Actual positive impact	●	●		●	●	●
Workers in the value chain							
Working conditions							
Workers in the value chain - in and around the office: Transcom believes in fostering fair and safe working conditions for everyone within our sphere of influence. We actively engage with our suppliers to ensure that their employees working at our offices – including cleaners, janitors, doormen, drivers, and others – are treated with respect and dignity. Through open dialogue and collaboration, we uphold the highest standards of ethical business conduct, ensuring that our supply chain remains free of malpractice, we contribute to a more equitable and sustainable world.	Actual positive impact		●		●	●	●
Consumers and end-users							
Social inclusion							
Ethical conduct towards end customers: 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.	Actual positive impact		●		●	●	●
Cultural sensitivity and localization: As a global company, Transcom operates in diverse cultural contexts. Ensuring cultural sensitivity in customer interactions and adapting services to local needs can be a challenge especially if agents are from a different cultural context as the end-user.*	Actual negative impact		●		●	●	●

*New material impact 2024

Consumers and end-users (cont.)		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Information related impacts							
End users' right to privacy: Transcom often handles end user information when providing services to our clients' customers. Failing to respect the end users' right to privacy and to have their personal data protected by employee misconduct or lack of processes, procedure and tools could harm the end user, Transcom's relationship with the client, and our brand reputation.*	Risk		●		●	●	●
Business conduct							
Corporate culture							
Ethical conduct: At Transcom, ethical conduct is the foundation of our business relationships. We prioritize integrity, respect, and responsibility in all our actions, fostering trust with our clients, employees, investors, and the wider community. Guided by our Code of Business Conduct, ongoing training and communication, we ensure that every member of the Transcom team understands and embraces these principles, promoting a culture of ethical behavior that benefits all our stakeholders.	Actual positive impact		●		●	●	●
Company values: Our company values serve as a guiding light for our actions, decisions, and interactions, fostering a sense of common purpose among our employees. When these values are consistently upheld and lived by all, they contribute to a positive and engaged workforce. Our leaders play a crucial role in demonstrating these values through their actions, inspiring employees at all levels to embrace them. This alignment between individual and company values creates a motivating environment where everyone feels empowered to contribute their best.	Actual positive impact		●		●	●	●
Corruption and bribery							
Corruption and bribery - impacts on society: Transcom has many large clients, and in some cases work with government agencies. If corruption or bribery occurs, or even if there is suspicion, when a new contract is won or renewed, this might not only lead to negative publicity on Transcom's part but it could erode the local society's trust in governing institutions.	Actual negative impact	●	●		●	●	●

Business conduct (cont.)		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Cybersecurity							
Ransomware blocking the service delivery to our customers: Transcom's service delivery relies on a robust IT infrastructure comprising diverse tools and segments. A massive ransomware attack could disrupt or block these systems, potentially leading to partial or complete service interruption.	Potential negative impact		●	●	●		
Employee data leakage: Cyber incidents can cause the leakage of Transcom employees' personal and sensitive (health-related) data, which could then appear on the dark web. This leaked data could be used to launch further attacks. Such data leakage could disrupt employees' lives and negatively impact Transcom's employer brand.*	Potential negative impact		●		●	●	●
Personal or confidential data theft or leakage: Today's business environment is faced with the risk of data theft or data leakage. The challenge is to ensure that security controls and practices are sufficient to mitigate those risks. Data privacy is also subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries. This could potentially have a negative impact on Transcom through financial loss and/or reputational damage.	Risk		●		●	●	●
Ransomware attacks: Inadequate information security measures across our organization could make us vulnerable to cyberattacks, particularly ransomware attacks. These attacks can encrypt company data, disrupt operations, and cause significant financial and reputational harm. In some cases, attackers may also steal sensitive data and threaten to publish it unless a ransom is paid.	Risk		●		●	●	●
Internal threat - security: Weak information security controls across entities within the organization could increase the risk of internal threats, such as data misuse, theft, or intentional system damage. These actions could lead to data corruption or loss, causing distrust among our clients and their customers. Additionally, such breaches could cause financial consequences for Transcom.	Risk		●		●	●	●

New material impact 2024

Double materiality assessment

During 2023, Transcom implemented a double materiality assessment process based on the requirements of the ESRS to identify and objectively assess our impacts, risks and opportunities (IROs). The IROs identified in the Double Materiality Assessment (DMA) are described under *Material impacts, risks and opportunities* and respective Environmental, Social, and Governance sections.

The double materiality analysis was conducted in four steps:

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

Identification of gross list of ESG topics

An initial assessment was conducted to identify potential ESG topics that could be material for Transcom. This assessment considered our business activities, locations, sector, and value chain, resulting in a preliminary list of sustainability topics. Irrelevant sustainability topics and sub-topics were excluded from the analysis.

Process and stakeholder review

To align with existing processes and stakeholder dialogues, we conducted process and document reviews, desk research, and internal stakeholder interviews, internal information and insights from external reports and frameworks.

Human rights: For human rights IROs, we held internal dialogues with local and global HR and purchasing representatives. We paid extra attention to services such as content moderation as they may put additional strain on our agents. Additionally, we referenced engagement and satisfaction surveys, and results from grievance mechanisms.

Environment: For environmental IROs, including those related to GHG emissions, we referenced previous disclosures, reports, ongoing climate work and stakeholder dialogues. We used existing assessment methods, and UN consensus climate-scenarios. We paid extra attention to the Philippines, considering it is one of the most disaster-prone countries in the world, both with regards to seismic and volcanic risks and extreme weather events, and that we have a large concentration of employees and sites there.
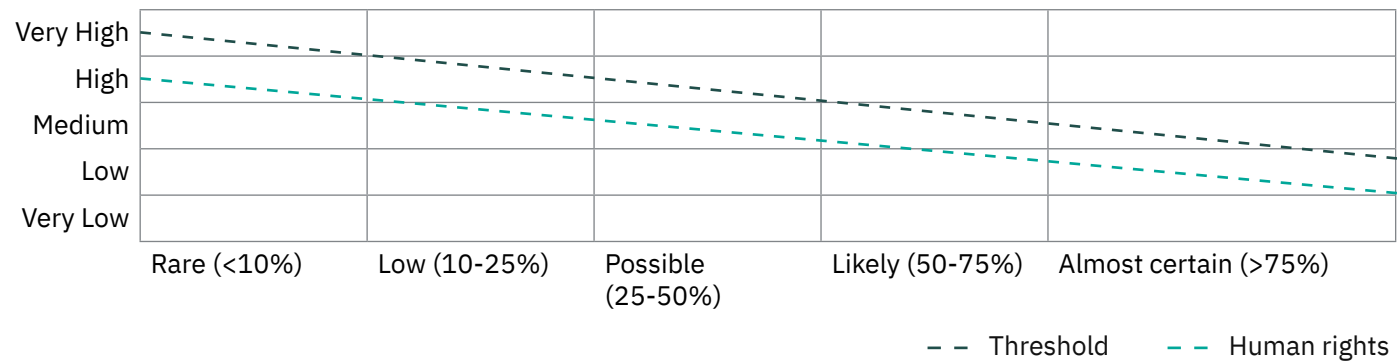
For **biodiversity, water and marine resources,** and **pollution,** the WWF Biodiversity Risk Assessment tool and publicly available reports and desk research were used.

Identified impacts, risks, and opportunities (IROs) were added to the corresponding sustainability topics. Additional IROs were identified through stakeholder dialogues, internal documentation, and desktop reviews. The mapped IROs were assessed over short-, medium-, and long-term time horizons and within the value chain. The time horizons used in the assessment were: short-term, the reporting year; medium-term covers 1-5 years; and long-term beyond 5 years. Sustainability topics were then scored based on impact and financial materiality criteria.

Impact materiality assessment

After mapping the positive and negative impacts of Transcom's operations on people and the environment, we scored and prioritized these impacts. Negative impacts were scored based on severity (scale, scope, remediability) and likelihood on 1-5 scales. Severity was prioritized over likelihood for negative impacts on human rights. Positive impacts were scored based on scale, scope, and likelihood.

All impacts were plotted on a 5x5 grid of Severity vs. Likelihood. A threshold line was established, prioritizing severity over likelihood, where impacts above the threshold were considered material. A lower threshold was applied for human rights impacts.

Severity (y-axis, top to bottom): Very High, High, Medium, Low, Very Low

Likelihood (x-axis): Rare (<10%), Low (10-25%), Possible (25-50%), Likely (50-75%), Almost certain (>75%)
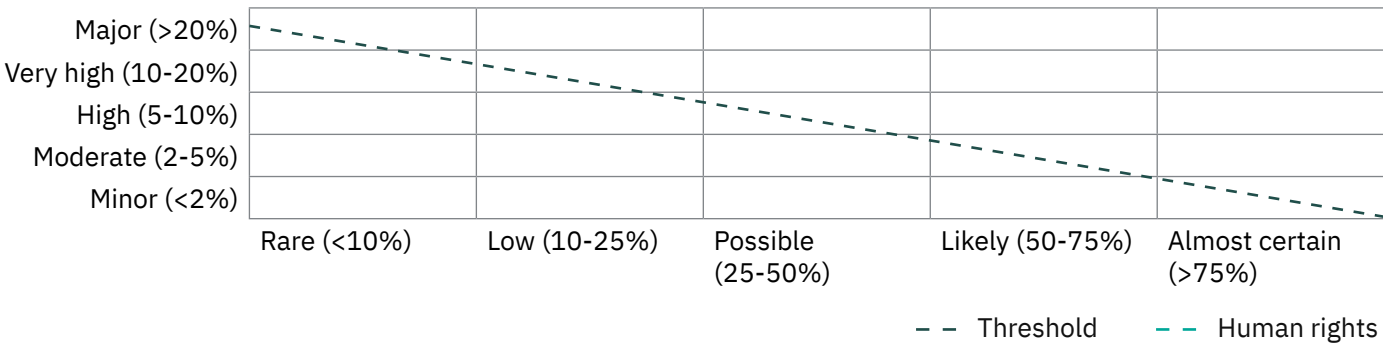
Legend: – – Threshold   – – Human rights

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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 and likelihood of the potential financial effects. Scoring was in line with existing enterprise risk management assessment.

The magnitude of the financial effect, based on likely impact on EBIT, and likelihood on a 1-5 scale, calculated the score. All risks and opportunities were plotted on a 5x5 grid of Size of financial effect vs. Likelihood. A threshold line was established, where risks and opportunities above the threshold were considered material.

Major (>20%)
Very high (10-20%)
High (5-10%)
Moderate (2-5%)
Minor (<2%)

Rare (<10%) | Low (10-25%) | Possible (25-50%) | Likely (50-75%) | Almost certain (>75%)

– – Threshold   – – Human rights

Materiality mapping and documentation

The outcome of the DMA was validated by representatives from representatives from legal, finance, HR, information security, and sustainability representatives, and final adjustments were made. The results were presented to and approved by the Group Executive Leadership Team and the Board of Directors. The double materiality assessment resulted in 6 material sustainability areas and 12 material sustainability topics. The results can be found under Material impacts, risks and opportunities.

Yearly review of DMA results - 2024

Transcom reviews the DMA results annually following the same steps to identify, assess and prioritize IROs. During 2024, 14 additional impacts were identified, of which 5 were assessed as material. 3 impacts were reassessed with regards to likelihood, resulting in 3 more material impacts, and finally 2 new risks were identified of which 1 was assessed as material. The result of the 2024 DMA review did not result in any changes to material topics, nor did it result in any change to the relevant disclosures. These added IROs are clearly marked in the tables under the respective Environmental, Social, and Governance sections.

Policies

Transcom's sustainability framework is built on a foundation of comprehensive policies, overseen by the Board of Directors and reviewed annually. The Group Executive Leadership Team ensures implementation and compliance, with the Chief Financial Officer responsible for governing all internal policies, including those related to sustainability. All policies are accessible to employees via the company intranet. Regular training and certification occurs for the Code of Business Conduct, Privacy policies, and Internet Security policy.

Code of Business Conduct (CoBC): Available in 20 languages, the CoBC sets expectations and provides guidance for ethical business conduct. It encompasses human rights, labor rights, environmental protection, and anti-corruption, ensuring integrity in all stakeholder interactions. Transcom is committed to international initiatives and sustainability standards, including the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the International Labour Organization's Fundamental Conventions, the UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. This commitment includes conducting due diligence, applying the precautionary principle, and respecting human rights, particularly for employees and workers in emerging economies and developing markets. The CoBC is Group-wide and applies to all Transcom employees, consultants, contractual partners, and board members. All employees must read and sign the CoBC during onboarding and recertify every two years. The Group Executive Leadership Team is responsible for ensuring compliance, monitored continuously in daily operations and through the whistleblower channel. Due to our onboarding and regular training programs, awareness of the CoBC is high, with a 91% training completion rate for recertified and new employees in 2024.

Whistleblower policy: Available in 20 languages, the Whistleblower policy is crucial for addressing potential wrongdoings. This is a Group-wide policy, and applies to all Transcom employees, consultants, contractual partners, and board members. We foster a culture where employees and suppliers feel safe reporting suspected non-compliance through confidential channels (email or mail). Reported malpractices undergo a confidential assessment process, offering anonymity to reporters. Investigations vary based on the concern and may involve escalating to the Chairman of the Board, an independent auditor, the police, or other law enforcement. Reporters are notified of progress and actions taken, when possible.

The policy includes whistleblower protection, shielding individuals making good-faith reports from retaliation. In 2024, 21 complaints were reported, of which 3 were substantiated. The substantiated reports concerned data privacy, neglect of duty, and leadership issues; they led to one disciplinary action and two warnings. All cases were investigated and closed.

Privacy policies: Our privacy policies ensure Transcom's full compliance with privacy laws and regulations in all operating countries. The EU/EEA privacy policy, available in 20 languages, aligns with the General Data Protection Regulation (GDPR) and applies to employees who handle data of EU/EEA residents. The Global privacy policy applies to all employees who service clients or handle customer data for clients based outside the EU/EEA. The policies explain how Transcom collects, uses, discloses, and protects the personal and sensitive personal data of employees, clients' customers, contract personnel, and third-party service providers. To ensure compliance, all employees who handle data of EU/EEA residents must read and sign the relevant privacy policy during onboarding and recertify every two years. Compliance is monitored continuously in daily operations, overseen by the Group Executive Leadership Team. In 2024, we achieved an 88% training completion rate for recertification and new employee training on the EU/EEA Privacy Policy.

Travel policy: This policy aims to minimize the environmental impact of business travel for all employees, contractors, consultants, and temporary staff Group-wide. It prioritizes digital communication methods, especially for internal meetings, to reduce travel, saving time, costs, and environmental impact. Travel booking approvals adhere to established guidelines. Compliance is actively monitored in the approval process, business travel emissions are tracked annually and included in our Scope 3 emissions reporting.

Environmental policy: This policy provides guidance for integrating environmental considerations into all aspects of our operations, minimizing negative impacts across our value chain. It focuses on energy and resource consumption and mitigating climate impact. The policy mandates compliance with all applicable national laws and regulations and adherence to the precautionary principle in cases of potential environmental or public health risks. This policy is Group-wide and applies to all Transcom managers, employees, workers, contractors, affiliates, and contractual partners. Non-compliance is

monitored through confidential whistleblower channels. No complaints related to the Environmental policy were reported through these channels in 2024.

Equality and diversity policy for the Board of Directors: This policy applies specifically to Board members and reflects our commitment to fostering equality and diversity by promoting an inclusive culture that values different cultures, perspectives, and experiences. It emphasizes all Board members' responsibility to observe and report all forms of discrimination, including harassment, offensive treatment, and victimization. The policy is based on the UN Global Compact, Swedish and EU legislation. Transcom strives for a 50/50 gender balance at all levels, with all operations and governance bodies promoting gender balance in various roles, worker categories, and management positions through training, skills development, and other appropriate measures. The policy's results are reported under *Diversity metrics*.

Global information security policy: Safeguards Transcom's data and ensures legal compliance. Applying to all staff, contractors, and third parties, it covers all company-owned or used IT and telecommunications systems. Its efficacy is monitored through reviews, risk assessments, audits, certifications, incident reporting, and performance evaluations. The policy encompasses security governance, organizational security, human resources security, security operations, and security in connected procedures. The policy is not part of the board approved framework, but is owned and annually updated by the global Security Governance department. Transcom's leadership team is responsible for ensuring that the information security policy and objectives align with the organization's strategic objectives, and for integrating information security management into organizational processes and evaluating the results for continuous improvement. To ensure high awareness of the policy, all new employees must read and sign the policy during onboarding, and are trained and recertified every year thereafter. In 2024, we achieved a 74% completion rate for recertification and new hire training.

Supplier Code of Business Conduct (SCoBC): The SCoBC establishes expected standards for all vendors and suppliers globally, including their employees, consultants, and subcontractors with regards to human rights, labor rights, environmental protection, and anti-corruption practices. All suppliers with relationships lasting a year or more, or receiving orders exceeding €5,000 annually are required to sign the SCoBC (unless they have an equivalent or more comprehensive code). The SCoBC is primarily based on the UN Global Compact's ten principles. Compliance is monitored by the local organizations and via the whistleblower channel. No complaints related to the SCoBC were reported through our whistleblower channels in 2024.

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Environment

Performance 2023-2024

Bar chart 2023: 46,120 total (Scope 1: 1,032; Scope 2: 8,440; Scope 3: 36,648)
Bar chart 2024: 43,492 total (Scope 1: 1,574; Scope 2: 7,460; Scope 3: 34,458)

Transition plan towards 2033

Waterfall chart: 2023: 16,850; Renewable electricity: 4,250; Energy efficiency measures: 75; Electric vehicles: 800; Low carbon heating & cooling: 700; Shuttle buses: 75; Remote work: 800; Reduced Flying: 750; Reduced car commuting: 200; 2033: 9,200

Science-based targets

2033

Scope 1&2 -55%
Scope 3 -32.5% in Scope 3.6 and 3.7

2050

Scope 1 -90%
Scope 2 -90%
Scope 3 -90%

2050 bar: Scope 1: 103; Scope 2: 704; Scope 3: 3,665

Legend: Scope 1, Scope 2, Scope 3

Climate change

Climate change is a critical challenge, demanding immediate and decisive action. Transcom supports the Paris Agreement's goal of limiting global warming to 1.5°C, aiming for well below 2°C above pre-industrial levels. Our strategy focuses on reducing our environmental footprint within our operations and value chain, actively engaging with suppliers, to achieve net-zero emissions by 2050.

As a global services company, our primary environmental impacts stem from energy consumption in offices, business travel and employee commuting, and procured products/services. Our efforts will focus on these.

Transition plan

Transcom's transition plan aligns with the Paris Agreement and our commitment to net-zero by 2050. In February, 2025, the Science Based Targets initiative (SBTi) validated our targets, including near-term targets for 2033 and our long-term targets to reach net-zero GHG emissions across the value chain by 2050. This validation confirms that Transcom's targets are aligned with the 1.5°C trajectory recommended by the latest climate science. Near- and long-term Scope 1, 2, and 3 CO2e emission reduction targets are detailed in section *Metrics and targets*.

To meet these targets, our roadmap includes the following decarbonization strategies (detailed in section *Actions and resources*:

- Transitioning to renewable energy
- Converting company cars to hybrid/electric vehicles
- Implementing energy efficiency measures
- Adopting low-carbon heating/cooling solutions
- Reducing business air travel and promoting lower-carbon alternatives
- Promoting lower-carbon alternatives for commuting and continuing to increase remote work when possible

The plan is integrated into our business strategy and annual financial planning. The Executive Leadership Team and Board approved the plan, targets, and funding in H1 2024. Targets were submitted to SBTi in H2 2024, and global implementation is underway.

Transition plan alignment with Taxonomy and EU benchmarks

Economic activities undertaken by Transcom are not covered to any significant extent by the delegated regulation on climate change mitigation and adaptation under the EU Taxonomy for sustainable activities. Therefore, there are currently no material investments planned for alignment to the taxonomy's criteria as relates to these two environmental objectives. Transcom is not excluded from the EU Paris-aligned benchmarks.

1. Impacts, risks and opportunities

Climate change		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Climate change mitigation							
Commuting	Actual negative impact		●		●	●	●
Business travel	Actual negative impact		●		●	●	●
Energy consumption in operations	Actual negative impact		●		●	●	●
Environmental strategy and targets	Opportunity		●			●	●
Inability to meet emission targets (Climate strategy)	Risk		●		●	●	●
Energy							
Energy consumption and mix	Actual negative impact	●	●		●	●	●
Energy consumption and mix landlords	Actual positive impact		●		●	●	●

Climate change impacts

Energy consumption and mix in operations

Energy use across Transcom's 85 sites is a primary environmental impact. To mitigate this, Transcom has set a target of a 55% reduction in Scope 1 and 2 emissions by 2033 (from a 2023 baseline), primarily through renewable energy sourcing and energy efficiency improvements. A phased carbon neutrality approach will prioritize high-impact regions, particularly emerging markets and developing economies where renewable energy sourcing is limited and a reliance on fossil fuels exists. Transcom will collaborate with suppliers and landlords, especially in offshore locations, to facilitate a shift towards renewable energy. Furthermore, new office selections will prioritize energy efficiency and environmental certifications.

Business travel and commuting

Business travel and employee commuting both have negative environmental impacts. Transcom aims for a 32.5% emission reduction in scope 3.6 and 3.7 by 2033 (from a 2023 baseline).

For business travel, we aim to achieve the target via stricter travel policies and promoting lower-carbon transport.

For employee commuting, we aim to achieve the target with location-specific solutions: in Europe and North America, we are increasing the share of hybrid/remote work. In locations where remote work is not feasible, we aim to increase the provided shuttle bus and other collective commuting services to our employees.

Climate change risks and opportunities

Transcom's commitment to a robust environmental strategy with clear targets presents a significant medium- to long-term opportunity, as a climate-conscious supply chain is increasingly a regulatory and client requirement. Our net-zero strategy, plan, and targets position us as an attractive partner. Conversely, the inability to meet these emission targets poses a transition risk, potentially leading to reputational damage, investor and client loss, and difficulty in attracting and retaining talent. To mitigate this risk, Transcom is actively implementing its strategy, monitoring progress, and communicating transparently with stakeholders.

While the Double Materiality Assessment (DMA) did not identify material physical risks, Transcom recognizes that extreme weather events, increasingly frequent due to climate change, pose a potential risk, particularly to our significant operations in the Philippines. These events could impact our sites, personnel, and service continuity, leading to potential legal risks and reduced profitability. However, after 18 years of operation in the Philippines, we have established a robust risk mitigation framework. This includes strategic site selection, local policies, crisis preparedness plans, employee communication systems with 'mark as safe' features, security drills, and comprehensive insurance coverage. Consequently, the risk did not meet the materiality threshold.

2. Impact, risk and opportunity management

Policies

- **Environmental Policy**
- **Group Travel Policy**

Transcom's Environmental policy, described under *Policies*, addresses climate change mitigation, energy efficiency, and renewable energy, committing us to minimizing direct/indirect greenhouse gas emissions and energy consumption. It emphasizes sustainable procurement (recycled content, energy efficiency, and sustainable sourcing).

The policy instructs to invest in energy-efficient technologies, prioritize renewable energy, promote responsible energy use, and prioritize environmentally certified buildings.

Our Travel policy, described under *Policies*, details how business travel should be minimized, lower-impact transport should be favored (where feasible), and digital meetings should be preferred.

Employee commuting is not covered by our policies.

Actions and resources

Transcom is committed to reducing Scope 1 and 2 CO2 emissions by 55%, and Scope 3.6 Business travel and Scope 3.7 Employee commuting by 32.5% by 2033 from a 2023 baseline.

Recognizing regional abatement variations, and taking into account the urgency in emission reduction to combat climate change, we prioritize initiatives with the greatest and fastest impact. Key actions include:

- **Transitioning to renewable energy:** A current status/transition possibilities assessment for all offices was completed in 2024. Transcom will actively engage with landlords and/or energy suppliers to ensure that renewable energy is preferred, and will complement with Renewable Energy Certificates to achieve a majority share of renewable energy by 2033. In 2024, Transcom prioritized securing certificates and contractual agreements to verify our renewable energy consumption, resulting in a demonstrable increase in the proportion of renewable energy used.

- **Reduction of office space:** During 2023-2024, we reduced the number of sites but also the size of our offices. This was done to account for an increase in remote work from 25% to 37% of employees, but also due to client loss in certain locations. We will continue to ensure efficient use of office space to ensure reductions in related emissions. While this led to energy consumption reductions, these were partially offset by our expansion into new regions, including India, Greece, and additional sites in Germany and Portugal.

- **Energy efficiency:** An assessment and inventory in progress, analyzing potential impact of suggested measures. An implementation roadmap will be created in 2025.

- **Transitioning car fleet to EV/Hybrid:** An assessment of local car policies and contract renewals was performed in 2024, evaluating financial implications of a global EV/hybrid mandate. All new cars from 2025 onwards will be EV/hybrid, with the exception of renewals where the cost and sustainability aspect will be considered on a case by case basis.

- **Business travel:** In 2024, we procured a contract with a new EMEA travel partner (complementing our AAPAC partner). Key criteria included robust emissions measurement/reporting, sustainable travel options, and policy enforcement supporting our ESG targets. The new travel partner solution will be implemented in the first half of 2025.

- **Employee commuting:** In 2024, we increased the percentage of remote workers from 25 to 37%, contributing to lowering emissions for commuting. In regions where remote work is impossible, we provide shuttle buses and other collective commuting services to our employees. We have enhanced our global commuting survey and formula to calculate emissions to be more accurate, this has led to slightly higher commuting emissions than expected for 2024. We will use this formula going forward to ensure consistency.

- **Supply chain decarbonization:** We aim for 80% of suppliers (by spend) to have science-based targets by FY2029. In 2025, we will implement a program involving supplier communication, support, assessment, and reporting. An assessment of suppliers in 2023 indicated that 18% had an active commitment.

We track and report on GHG emission reductions to monitor initiative effectiveness. As detailed under *Internal controls over sustainability reporting*, significant enhancements to our reporting processes during 2024 have improved data quality, ensuring more robust and reliable sustainability information.

Apart from these direct actions to reduce emissions, actions are also ongoing to foster a climate-conscious culture. This is done to increase employee awareness and understanding of our climate targets, create greater engagement and participation in sustainability initiatives, and have a stronger alignment of policies and practices with our climate strategy. One concrete example from 2024 was the **Go Green** campaign, run by the Employee Experience EMEA Team. The project combined a commitment to action, concrete examples of daily sustainable actions and connected sustainability to wellbeing. During eight months, 16 countries participated, and carried out 134 activities, including selecting low carbon commuting options, selecting more environmentally friendly products, increasing recycling, and learning more about sustainability.

Resource allocation and implementation dependency

Implementation depends on resource availability/ allocation (financial investments, technology, partnerships). We are committed to transparent resource management to maximize our impact.
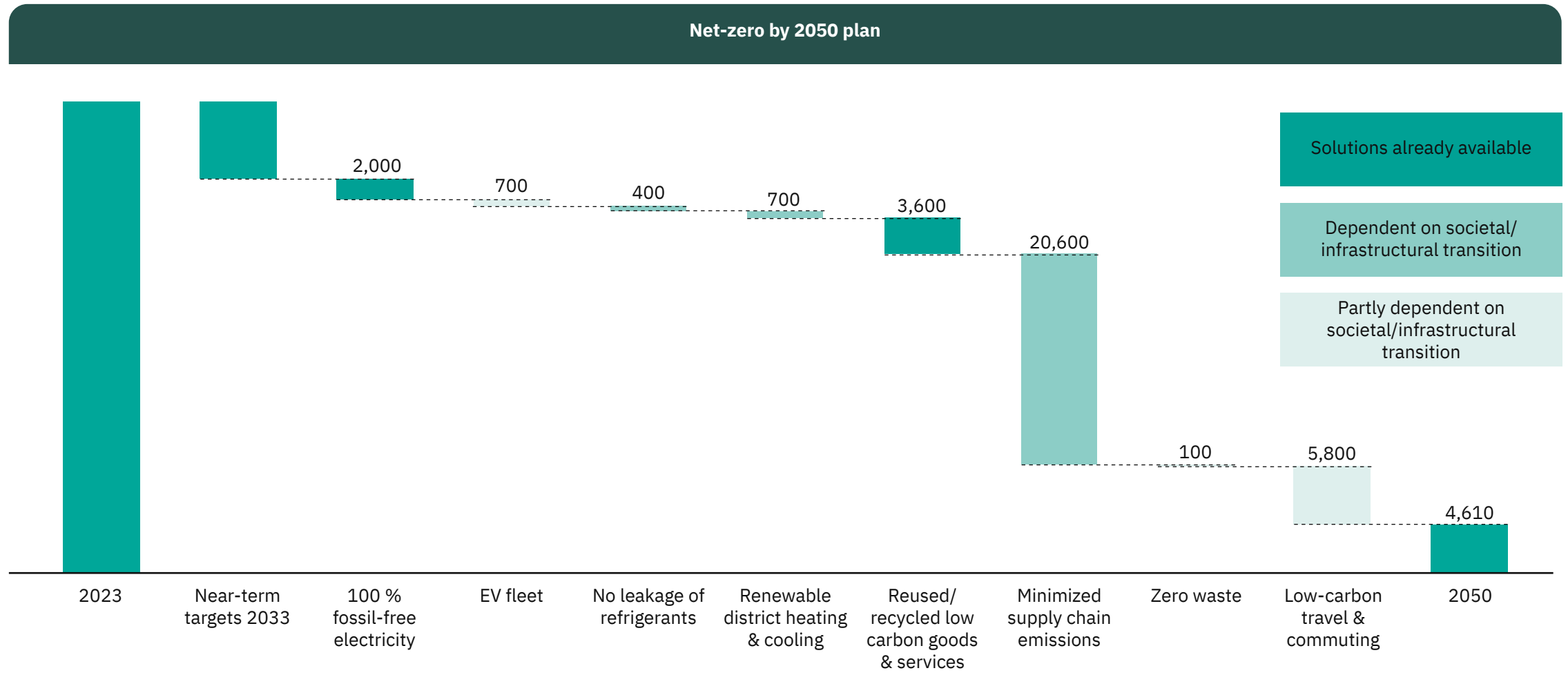
3. Metrics and targets

To align our climate ambition with the latest science, we have adopted a science-based method. In February, 2025 our net-zero targets by 2050 were validated by Science Based Targets initiative (SBTi). This includes both our near-term targets for 2033 and our long-term targets to reach net-zero GHG emissions across the value chain by 2050 outlined below. This validation confirms that Transcom's targets are aligned with the 1.5°C trajectory recommended by the latest climate science.

Overall Net-Zero Target: Transcom Holding AB commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

- **Near-Term Targets:** Transcom Holding AB commits to reduce absolute scope 1 and 2 GHG emissions 54.6% by 2033 from a 2023 base year. Transcom Holding AB also commits to reduce absolute scope 3 GHG emissions from business travel and employee commuting 32.5% within the same timeframe. Transcom Holding AB further commits that 80% of its suppliers by spend covering purchased goods and services and capital goods, will have science-based targets by 2029.
- **Long-Term Targets:** Transcom Holding AB commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2023 base year. Transcom Holding AB also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.

After actively reducing our carbon footprint to at least 90% compared to 2023 levels, Transcom plans to offset the remaining 10% of emissions. This will be achieved through direct offset projects, including the consideration of potential investments in carbon capture technologies and nature-based solutions like afforestation and reforestation, to enhance carbon sequestration and promote biodiversity. These investments have yet to be detailed. Our goal is to reach net-zero emissions by 2050.

GHG emissions targets and decarbonisation levers

Net-zero by 2050 plan

Waterfall chart values: 2023; Near-term targets 2033; 100 % fossil-free electricity: 2,000; EV fleet: 700; No leakage of refrigerants: 400; Renewable district heating & cooling: 700; Reused/recycled low carbon goods & services: 3,600; Minimized supply chain emissions: 20,600; Zero waste: 100; Low-carbon travel & commuting: 5,800; 2050: 4,610

Legend:
- Solutions already available
- Dependent on societal/infrastructural transition
- Partly dependent on societal/infrastructural transition

SBTi targets	Unit	Baseline		Target	
		Base year 2023	2029	2033	2050
Net zero GHG emissions across scope 1, 2	tCO2eq				0
Net zero GHG emissions across the value chain, covering scope 3	tCO2eq				0
Scope 1+2 market based emissions	tCO2eq	9,472		-55%	-90%
Scope 3.6 Business travel*	tCO2eq	1,355		-32.5%	-90%
Scope 3.7 Employee commuting*	tCO2eq	6,009		-32.5%	-90%
Supply chain engagement: 80% (by spend) committed to Science-Based Targets	%	18%	80%		

*emissions from hotels excluded from SBTi targets

		Base year (2023)	2033 target	2050 target
	GHG emissions (tCO2eq)	**46,120**	**38,517**	**4,612**
Scope 1	Mobile combustion: electrifying company car fleet	-	-800	-700
	Fugitive emissions: no leakage	-	-	-400
Scope 2	Renewable energy	-	-4,250	-2,000
	Energy efficiency measures in facilities	-	-75	
	Low carbon heating and cooling	-	-700	-700
Scope 3	Reused/recycled low carbon goods & services	-	-	-3,600
	Supply chain decarbonization (scope 3.1 and 3.2)	-	-	-20,600
	Zero waste	-	-	-100

Energy consumption and mix	2023	2024
Total fossil energy consumption (MWh)	21,900	19,178
Share of fossil sources in total energy consumption (%)	*76%*	*69%*
Consumption from nuclear sources (MWh)	950.9	1,059
Share of consumption from nuclear sources in total energy consumption (MWh)	*3%*	*4%*
Total renewable energy consumption (MWh)	5,802	7,611
Share of renewable sources in total energy consumption (%)	*20%*	*27%*
Total energy consumption (MWh)	28,652	27,848

	Retrospective		
	Base year (2023)	2024	% N / N-1
Scope 1 GHG emissions			
Gross Scope 1 GHG emission (tCO2eq)	1,032	1,574	52.5%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emission (tCO2eq)	7,036	7,279	3.5%
Gross market-based Scope 2 GHG emissions (tCO2eq)	8,440	7,460	-11.6%
Significant Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	36,648	34,458	-6.0%
1. Purchased goods and services	19,622	18,558	-5.4%
2. Capital goods	7,158	5,765	-19.5%
3. Fuel and energy-related Activities (not included in Scope 1 or 2)	2,253	2,342	4.0%
5. Waste generated in operations	121	182	50.2%
6. Business travel	1,355	1,239	-8.6%
Hotel nights	130	422	224.6%
7. Employee commuting	6,009	5,951	-1.0%
Total GHG emissions			
Total GHG emissions (location-based) (tCO2eq)	44,717	43,796	-2.1%
Total GHG emissions (market-based) (tCO2eq)	46,120	43,977	-4.6%

Gross Scopes 1, 2, 3 and Total GHG emissions

GHG intensity per net revenue (tCO2eq/Monetary unit)	2023	2024	% N / N-1
Total GHG emissions (location-based) per net revenue	0.0000670	0.0000588	-13.9%
Total GHG emissions (market-based) per net revenue	0.0000690	0.0000591	-16.8%

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, 2024.

- **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:**
  - 3.1 Purchased goods and services and 3.2 Capital goods: a spend-based approach with global Exiobase products/sector emission factors (Exiobase 3,9 (2019) based on the majority of purchases in the account have been used.
  - 3.3 Fuel- and energy-related activities and 3.5 Waste generated in operations: activity based approaches have been used where the relevant activity metrics have been multiplied with emission factors to derive yearly emissions.
  - 3.6 Business travel: the majority of emissions in the category are based on emission data reported by travel agencies. Remaining emissions are calculated using a distance-based method.
  - 3.7 Employee commuting emissions 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 February-March, 2025.
  - 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 CO2e/kWh**	**IEA/DEFRA/AIB**
Electricity from nuclear sources	0.00	tonnes CO2e/kWh	IEA
Electricity from renewable sources	0.00	tonnes CO2e/kWh	IEA
District cooling	0.0000-0.0002	tonnes CO2e/kWh	Energiföretagen/DEFRA
District heating	0.0002	tonnes CO2e/kWh	DEFRA
Fuels and refrigerants			
Diesel	0.0025	tonnes CO2e/liter	DEFRA
Gasoline	0.0026	tonnes CO2e/liter	DEFRA
Refrigerants	3-1924	tonnes CO2e/tonne	DEFRA
Business travel			
Air	0.0001	tonnes CO2e/p.km	NTM
Rail	0.0000-0.00003	tonnes CO2e/p.km	NTM
Hotel	0.0388	tonnes CO2e /room/night	DEFRA

Visit to Holy Infant Nursery Foundation - October 2024 - Philippines

Resource use and circular economy

Transcom is committed to using resources responsibly, within the limits of planetary boundaries, and actively contributing to a circular economy. We continuously and proactively work to reduce waste generation, with a particular focus on the responsible handling of e-waste. At all our company facilities, each employee is empowered and expected to minimize waste and ensure accurate recycling. We view all generated waste as a potential resource that should be directed towards recycling and reuse. We prioritize materials and products that are recycled, can be recycled, reused, or upcycled. This chapter details our approach to resource management and our progress towards a more circular economy.

1. Impacts, risks and opportunities

EResource use and circular economy		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Resource inflows							
IT equipment	Actual, negative impact	●	●	●	●	●	●
Waste							
E-waste	Actual, negative impact		●	●	●	●	●

Transcom recognizes that acquiring, using and disposing of IT equipment, which is fundamental to our business, has a negative environmental impact. Acknowledging the fact that the electronics sector is known for significant human rights and environmental challenges through its supply chain and product life cycle, it is of utmost importance that we ensure that the suppliers of IT equipment as well as end-of-life treatment have sustainable supply chains, 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.

No material risks or opportunities were identified during the double materiality assessment (DMA).

2. Impact, risk and opportunity management

Policies

- **Environmental Policy**
- **Supplier Code of Business Conduct (SCoBC)**

Transcom's environmental policy, detailed under _Policies_, states that Transcom shall use resources responsibly within planetary boundaries and contribute to a circular economy. We will continuously and proactively reduce waste generation, with a focus on responsible e-waste handling. We empower each employee at our facilities to minimize waste generation and recycle accurately. Recyclable, reusable, and upcycled materials and products are our priority.

Transcom's Supplier Code of Business Conduct (SCoBC), also detailed under _Policies_, is based on the UN Global Compact's ten principles, ensures human rights and environmental protection throughout our supply chain, and should be included in all significant procurement processes.

Actions and resources

To minimize e-waste and participate in a circular economy, we are committed to extending the lifecycle of our hardware. We acknowledge the significance of the Waste Electrical and Electronic Equipment Directive (WEEE Directive) and local waste regulations in our operating regions, and therefore aim to limit our negative environmental footprint through the following measures:

- Prioritize buying refurbished equipment when possible.
- Selecting retailers with robust environmental certifications.
- Incorporating our Supplier Code of Business Conduct into all significant procurements.

Where feasible, we sell or donate internally redundant IT equipment to local refurbishment organizations. Equipment requiring disposal is managed by local facilities or third-party providers specializing in sustainable end-of-life solutions. These actions align our waste management practices with the waste hierarchy by emphasizing reduction, reuse, and responsible recycling.

Actions taken during the reporting year

Purchasing refurbished PCs
In 2024, Transcom procured approximately 500 refurbished PCs worldwide, accounting for 11% of all new PC acquisitions. By prioritizing reused hardware, we significantly reduced demand for newly manufactured equipment, thereby conserving valuable resources and minimizing the substantial environmental impact associated with production. This initiative directly supports our commitment to resource responsibility and a circular economy, effectively extending the lifespan of technological products. This is an ongoing initiative that will continue in the foreseeable future.

Extending the hardware lifecycle
Following a review of our hardware asset management policies and operational requirements, we successfully extended the standard lifecycle of used desktops and laptops to seven years, exceeding the industry norm of five years. This extension potentially prevented approximately 2,000 devices from entering the e-waste stream in 2024 and reduced the demand for new purchases, leading to higher levels of resource efficiency. We project that an additional 4,000 devices will remain in use in 2025, further mitigating e-waste and minimizing the need for new hardware acquisition. This is an ongoing initiative that will continue in the foreseeable future.

Supplier engagement
To promote responsible e-waste management, we have implemented a policy to prioritize disposal companies specializing in recycling and refurbishment. This is an ongoing initiative that will continue in the foreseeable future.

During 2024, we finalized our climate strategy, aiming to reach net-zero emissions by 2050. By actively engaging suppliers to adopt science-based targets, with a goal of 80% supplier commitment by FY2029, we can drive meaningful decarbonization across our value chain. IT suppliers are one of our main categories, and engaging with them even further will be a clear focus for us in the coming years. This supplier engagement plan will be detailed and rolled out under 2025.

3. Metrics and 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.

With regards to resource inflows, given our reliance on IT equipment and the electronics sector's human rights and environmental challenges, we prioritize working with companies that demonstrate a commitment to sustainability throughout their supply chain, ensuring fair and safe working conditions for all workers involved. Transcom has not yet mapped the most significant inflows.

As for resource outflows, our main outflows are waste generated from our own operations, including e-waste. These metrics are in the table below.

	Hazardous		Non-hazardous	
	Weight (tonnes)	tonnes CO₂e	Weight (tonnes)	tonnes CO₂e
Recycling	35.3	0.8	280.6	6
Combustion	1.1	0	630.3	13.4
Landfilling	0.5	0	261.9	161.6
Total	*36.9*	*0.8*	*1172.9*	*181*
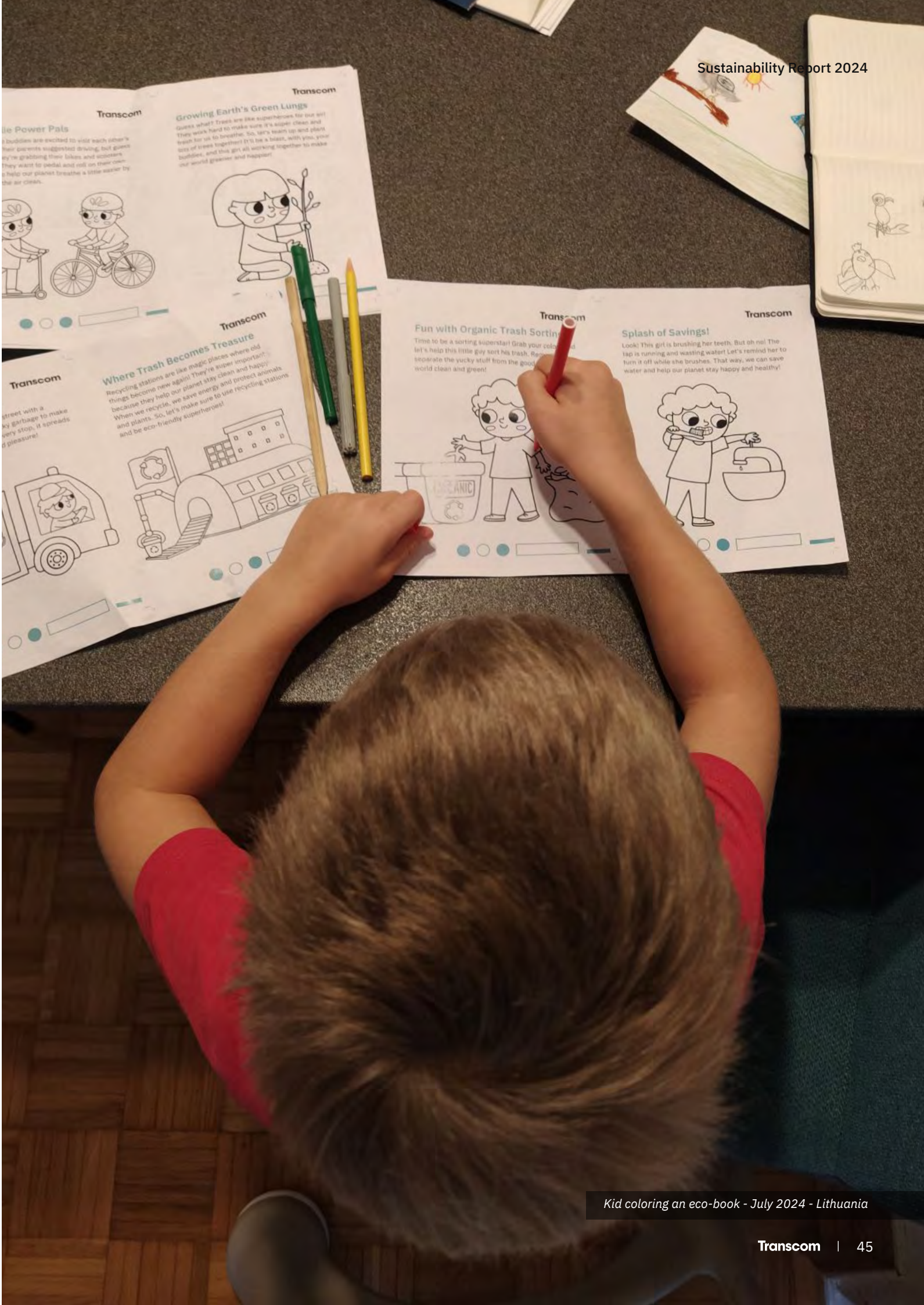
Kid coloring an eco-book - July 2024 - Lithuania

Social

Own workforce

1. Impacts, risks and opportunities

Transcom is a people business. Our success as an organization is dependent upon our ability to attract, support, and retain a talented and engaged workforce. Ultimately, we seek to build a strong and fair organization founded on our core values, where our people develop and grow, and our work to ensure their fair treatment. Labor rights are central to this.

The listed Impacts, Risks and Opportunities (IROs) include our entire workforce, employees and non-employees.

Our double materiality assessment identified material impacts, risks and opportunities:

Working conditions

Near- and offshoring strategy

While Transcom's near- and offshoring strategy creates jobs in emerging markets and developing economies, ensures financial stability, and fueled by our commitment to employee development, increases youth and adults with relevant skills for employment, it may also lead to job losses in other regions and negatively impact our reputation, requiring careful risk assessment and management for each department and role. The impact occurs in the short, medium and long term.

Influence of AI on workforce

The rapid adoption of AI and automation presents both challenges and opportunities for the workforce. While job displacement and the need for employee reskilling and adaptation can create a negative impact, the emergence of new, higher-skilled roles and upskilling opportunities can lead to a positive impact in the short, medium and long term.

Work/life balance and mental wellbeing

Flexible working arrangements, including work-from-home options and part-time roles, can support employees in achieving a healthy work-life balance, creating an actual positive impact. However, the demand for flexible staffing to meet fluctuating workloads and client needs can lead to unpredictable schedules and high workloads, potentially increasing stress, sickness, and attrition.

Transcom recognizes the dual nature of its work environment regarding employee mental well-being. While we actively promote mental health support, stress reduction, and a positive work environment through various initiatives, acknowledging the positive impact on our employees, the inherent nature of our high-pressure jobs, with potential for stressful situations and challenging customer interactions, can negatively impact their mental well-being. This demands root cause analysis and may mean additional support for employees in high-pressure roles, for example content moderation.

These impacts are tightly connected to our service offering and commercial model, and occur in the short, medium and long term.

Compensation and job security

Transcom aims to provide adequate wages through competitive compensation and benefits packages, adhering to industry standards and local labor laws. This promotes a positive impact on our operations by attracting and retaining talent. However, Transcom also acknowledges that market fluctuations and client demands can impact business continuity, potentially leading to job insecurity, a potential negative impact also identified in the 2024 DMA review.

Internal career mobility

Transcom is proud to be a breeding ground for future leaders, and recruit or promote a majority of leaders from within. However, the absence of clear career pathways outside of operational roles, coupled with inconsistent global guidelines for job postings, assessments, and transfers, creates inequities for internal candidates, fostering dissatisfaction which may lead to reduced retention, and increased recruitment costs. This matter could be addressed with global guidelines and policies.

Own workforce		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Working conditions							
Job creation in emerging markets and developing economies	Actual positive impact		•		•	•	•
Near- and offshore strategy*	Potential negative impact		•			•	•
AI creating new types of jobs	Actual positive impact	•	•			•	•
AI perceived as threat to jobs*	Potential negative impact	•	•	•	•		•
Work/life balance – flexible employment	Actual positive impact		•			•	•
Work/life balance	Actual negative impact		•			•	•
Adequate wages	Actual positive impact		•		•	•	•
Mental wellbeing	Actual positive impact		•			•	
Internal career mobility*	Actual negative impact		•			•	•
High pressure job*	Actual negative impact		•			•	•
Job security*	Potential negative impact		•		•	•	•
Equal treatment and opportunities							
Training and skills development	Actual positive impact		•		•	•	•
Violence and harassment	Actual positive impact		•		•	•	
Equal leadership opportunities*	Actual positive impact		•		•	•	•
Other work-related rights							
Community engagement	Actual positive impact	•	•		•	•	•

*New material impact 2024

Equal treatment and opportunities

Transcom is deeply committed to fostering equal treatment and opportunities for all employees. We invest in employee growth through diverse training opportunities, clear career paths, and internal mobility, cultivating a culture of continuous learning and development accessible to everyone. We are also steadfast in maintaining a workplace free from discrimination, harassment, violence, and hostility. By taking a proactive approach to ensure a safe and inclusive environment, encouraging open communication, and actively addressing concerns, we foster a culture of trust and accountability.

Furthermore, Transcom actively promotes diversity and inclusion in leadership positions across our global operations. We invest in awareness programs, training, and mentorship opportunities, particularly in regions like North Africa and the Middle East, where women have been historically underrepresented in leadership. All of these initiatives contribute to a positive impact within our operations across short, medium, and long-term time horizons. Equal leadership opportunities was identified as a new material impact in the 2024 DMA review.

Other work-related rights

Community engagement

Transcom has always had a strong focus on community engagement, driven by our passionate employees. The actions contribute to a better society at large, and increase employee wellbeing and commitment. Transcom can also have a positive social impact by engaging in community development initiatives, supporting local causes, and providing education and job opportunities. These activities also support local vendors and small scale businesses - both directly through purchases, and indirectly through supporting economic prosperity.

Material risks and opportunities

No material risks or opportunities affecting our workforce were identified in the materiality assessment process.

2. Impact, risk and opportunity management

Policies

- **Code of Business Conduct (CoBC)**
- **Equality and Diversity Policy for the Board of Directors**
- **Whistleblower Policy**
- **EU/EEA Privacy Policy (and Global Privacy Policy)**

These policies, described under *Policies*, form the backbone of our work with human and labor rights in our workforce. They take an active stance against trafficking, forced labor and child labor. All employees and representatives are expected and required to follow the provisions, and with additional local laws. To meet our responsibility to respect the human rights of our employees, workers in the value chain, and consumers, and monitor compliance with monitor the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, we regularly assess our operations, considering our sector, operating context, size, and locations. This is done to identify, prevent and mitigate adverse human rights impacts. The assessment process includes workshops, interviews, focus groups, employee surveys, and results from the Whistleblower policy, described under *Policies*.

In addition to the aforementioned policies and specifically the CoBC, Transcom has local health and safety policies to ensure a safe and productive work environment, tailored to the specific needs of the location.

According to our double materiality assessment, the most important areas for Transcom with regards to respecting human and labor rights within our workforce are working conditions, including working hours, fair wages, mental well-being, and equal treatment and opportunities for all.

Processes for engaging about impacts

At Transcom, we believe that open and continuous dialogue with our workforce is essential for understanding and meeting their needs. This collaborative approach allows us to create a positive, inclusive, and supportive workplace.

We conduct quarterly Pulse employee engagement surveys to measure sentiment and progress in four key areas: leadership and engagement, organization and working conditions, personal satisfaction, and communication. To ensure we capture all voices, the Pulse survey is conducted in 20 languages. These surveys serve as a roadmap to change, ensuring that employee perspectives are considered in our decision-making, policy development, and actions. The results are analyzed and shared with the Group Executive Leadership Team to give a global view of employee sentiment and key areas of improvement, and then further broken down, analyzed and discussed locally. Every Transcom manager is responsible for discussing results with their teams and tracking any resulting actions, which is deemed to be so important that we track and report on the survey being discussed and actions taken.

In 2024, the survey response rate was 71%, and we achieved our employee satisfaction target of 75%. Notably, 77% of respondents discussed Pulse results and actions with their manager. We consistently follow up on agreed-upon actions to monitor implementation and outcomes. Additionally, we share local success stories to inspire other teams globally. The top three areas of focus globally were manager feedback for skills development, a positive team atmosphere, and managers showing interest in employees as individuals.

To capture diverse perspectives comprehensively, we employ various engagement methods, including global ESG surveys, local workshops, global and local townhalls including Q&A sessions, and exit surveys. Our European Works Council, and local engagement with unions and union representatives, further promotes open dialogue and protects employee rights and interests.

While the HR function is operationally responsible for employee engagement, we view internal communication and workforce engagement as strategic leadership responsibilities. Therefore, every manager is expected to actively engage in dialogue with their team members.

These activities include our entire workforce, employees and non-employees.

Remediating negative impacts and channels to raise concerns

Many of our potential negative impacts are directly related to our operational demands. Our performance-driven business model requires a lean and efficient organization. Therefore, it is crucial to provide our employees with the necessary tools, training, and support, especially considering that 43% of our workforce is under 30 years old. Our quarterly employee satisfaction survey, Pulse, serves as a vital management tool in this regard. We actively analyze employee feedback to implement changes that improve the overall work experience. The granular, though anonymous, nature of the Pulse survey allows us to make both company-wide and local adjustments to remediate or mitigate negative impacts. The specific actions taken depend on the nature and scope of the feedback. As an example, negative feedback regarding internal career mobility led to a new process to publish all vacancies to our global intranet, making them visible to all internal candidates. To assess the effectiveness of these remedies, we track global and local metrics in subsequent surveys. For localized actions, the responsible manager directly follows up with their team.

Transcom's Whistleblower policy, detailed under *Policies*, promotes a safe and ethical environment where employees can confidently report concerns or suspected policy violations. We encourage the use of this channel to report any wrongdoing and protect whistleblowers who act in good faith. All reports are thoroughly, fairly, and swiftly investigated, maintaining confidentiality where possible. The investigation's length and scope vary by concern. Reports are submitted to the Chairman of the Audit Committee, who delegates the matter to the appropriate individual, typically the Chief People Officer (CPO) initially. Receipt of the concern is confirmed as soon as practically possible. The investigator, selected for their competence and objectivity, may escalate the issue to the Chairman of the Board or the Audit Committee, an independent auditor, the police, or other law enforcement agencies, if necessary. To protect all parties involved, an initial inquiry determines if a detailed investigation is warranted and, if so, its form. Urgent action may be taken before a full investigation. Employees are informed of the actions taken, unless circumstances prevent it, and are expected to maintain strict confidentiality. Whistleblowing reports can be submitted via mail, email, or a manager who will escalate the issue. Transcom protects any whistleblower acting in good faith from retaliation. In 2024, a communication campaign raised awareness of the Whistleblower channel, its purpose,

and reporting procedures. Whistleblowing is an integral part of our Code of Business Conduct, which employees are trained on during onboarding and every two years thereafter, ensuring high awareness of the policy and procedure. Both the Code of Business Conduct and the Whistleblower Policy are available in 20 languages for comprehensive understanding.

Concerns regarding management issues, inefficient systems, or operational feedback should be addressed directly to the employee's manager or the local HR department, who will manage the issue accordingly. Beyond these formal channels, managers hold regular one-on-one meetings with their direct reports to facilitate open dialogue. Transcom also conducts global, regional, and local town hall meetings and town halls where employees can engage in Q&A sessions with management.

Our management team regularly reviews all complaints and grievances to identify trends, address systemic issues, and monitor the effectiveness of our reporting and resolution processes.

Go Green competition initiative - July 2024 - Serbia

Actions and resources

As a people-centric company, Transcom recognizes the close relationship between material risks and opportunities. By enhancing positive impacts and mitigating negative ones, we can effectively attract, develop, and retain talent, which, in a high-attrition industry such as ours, directly impacts our client support and financial stability.

To ensure a safe and ethical workplace, we track and report the number of misconduct cases reported through our whistleblower channel, investigation processes, and resulting actions annually in our sustainability report.

Recruitment

Our digital recruitment practices use a validated screening assessment and human oversight to minimize bias and pinpoint candidates with the right skills and competencies. We partner with suppliers and internal teams to ensure AI and robotics practices are ethical and minimize bias. During 2024, we rolled out a new applicant tracking and assessment tool globally, to enhance the experience for both candidates and recruiters, offering candidates a secure pre-employment portal and streamlining the hiring process for a smoother journey. This action addresses impacts regarding equal leadership opportunities, and equal treatment and opportunities in general, in the short and medium term.

From onboarding to career development

Onboarding requires certifications in our Code of Business Conduct and data privacy policies, plus client-specific training. Diverse teaching methods like gamification, virtual reality, and peer-to-peer learning cater to different learning styles. Our e-learning platform Transcom University, available to all employees on any platform, offers courses and learning paths for continuous development. During 2024, our focus on AI continued, focusing both on raising awareness and fostering a curiosity to learn more, and developing a workforce proficient in digital tools, ethics, and methodologies to fully capture the operational advantages that AI brings.

Transcom drives career development through a defined process, the Transcom Discover program, and a global talent management framework. Clear targets, regular performance reviews, internal job postings, and leadership development programs cultivate growth and advancement for employees. During 2024, a new global annual performance review process for non-operational staff was created to ensure a structured process to

support career growth and that goals and activities are aligned with business goals. The rollout started in January, 2025. These actions address the positive and negative impacts of AI, training and skills development, and internal career mobility, in the short, medium and long term.

Improved working conditions

To address the dynamic nature of our industry, including workload fluctuations and evolving technology, Transcom introduced a new operating model in 2023. This model provides a structured framework for frontline leaders to organize, support, and evaluate frontline staff performance. Following successful pilots, the model was implemented globally in 2024.

Under the umbrella term "elevating the human experience", we aimed to enhance efficiency, scalability and employee satisfaction, through streamlining HR processes, creating central hubs for administrative tasks, and through launching a new intranet as a single source for communication and self-service.

These actions address work/life balance, but also the impact of a high pressure job, in the short and medium term.

Mental wellbeing

Content moderators are at higher risk of mental health implications due to the nature of their work. Our wellness framework specifically developed for content moderators supports employee mental health throughout the employment lifecycle. This includes candidate profiling during recruitment, resilience training and mental health first aid during onboarding, and ongoing support through debriefings, psychoeducation, and access to mental health resources. Post-employment support is also provided.

Employee engagement, training and communication initiatives were rolled out in our operations during 2024 to increase awareness, complemented by local tools and initiatives for early detection and support for managers.

These actions address the impact of mental wellbeing in the short and medium term.

Inclusive work environment

Transcom upholds a merit-based culture with zero tolerance for discrimination. We provide equal opportunities, pay equity, and foster a respectful and inclusive environment. To increase focus on this important topic and further promote inclusivity, we have included specific training on unconscious bias in our leadership development program and in online courses available to all employees via Transcom University. These actions address the overall topic of equal treatment and opportunities in the short, medium, and long term.

Job creation in emerging markets and developing countries

We recognize our role in contributing to economic development by creating jobs, providing training, and fostering good working conditions in emerging markets and developing countries.[2] During 2024, we created 849 new job opportunities, primarily due to our entrance into India. These actions address the positive impact of job creation in emerging markets and developing economies.

Tracking effectiveness

We track the effectiveness of our initiatives through our quarterly employee Pulse satisfaction survey, which measures leadership, engagement, working conditions, personal satisfaction, and communication. Additionally, we gather feedback through global ESG surveys, local workshops, global meetings, and exit surveys.

By actively managing risks, fostering opportunities, and continuously tracking our performance, we are committed to creating a positive and sustainable work environment for our employees.

[2] As defined by the International Monetary Fund, including Albania, Bosnia and Herzegovina, Egypt, Hungary, India, Kosovo, North Macedonia, Philippines, Poland, Serbia, and Tunisia.

3. Metrics and targets

Our social targets, established in 2020 and reported annually in our sustainability report, were evaluated in 2024, and remain unchanged.

Employee satisfaction

To assess our progress in attracting, supporting, and retaining engaged talent, we utilize a quarterly employee Pulse survey. This survey measures three key areas: overall job satisfaction, employee perception of career development opportunities, and manager feedback on skills development. The Pulse survey covers leadership and engagement, organizational and working conditions, and personal satisfaction and communication. Survey results are analyzed globally and locally to identify areas for workplace improvement. Our target is to achieve a global score of 75% (4 or higher on a 1-5 scale) in each of the three areas, with a minimum yearly average participation rate of 70%.

We are specifically measuring and reporting on the following:
- **Employee satisfaction:** By monitoring satisfaction scores globally and locally, we can implement targeted actions to enhance well-being and address concerns.
- **Career development perception:** We support employee growth and progression, and tracking this metric helps ensure talent retention.
- **Skills development feedback:** Measuring manager feedback on skills development ensures we provide appropriate training throughout the employee journey, from onboarding to advanced programs.

	2023	2024
Participation rate	72%	71%
Employee satisfaction rate	75%	75%
Employee perception of career development opportunities	65%	64%
Manager feedback for skills development	85%	85%

Gender balance

We continue to strive towards a 50/50 gender balance in all managerial positions. The results of this target can be found under *Diversity metrics*.

Mangrove Planting - September 2024 - Philippines

Our workforce in numbers

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. Employees are reported in headcounts, as an average across the reporting period.

	2023	2024
Employee turnover rate	74.50%	73%
Number of employees who left	22,448	22,317

	2023
Total employees	30,158
Male	11,921
Female	18,237

Total employees in 2024

30,536

Male	Female
12,450	**18,086**

	Number of employees (headcount)	
	2023	**2024**
Albania	1,054	1,053
Bosnia and Herzegovina	415	414
Canada	446	572
Colombia	500	571
Croatia	1,850	1,530
Egypt	271	770
Estonia	126	125
Germany	1,714	1,779
Greece	-	162
Hungary	280	274
India	-	893
Italy	680	640
Kosovo	41	49
Latvia	481	402
Lithuania	700	626
Netherlands	425	347
North Macedonia	225	227
Norway	277	292
Philippines	10,164	9,604
Poland	1,106	935
Portugal	309	651
Serbia	799	861
Slovenia	113	58
Spain	3,440	2,950
Sweden	1,607	1,727
Switzerland	7	-
Tunisia	1,932	2,056
United Kingdom	39	36
USA		932

	2023			2024		
	Female	**Male**	**Total**	**Female**	**Male**	**Total**
Employees	18,237	11,921	30,158	18,086	12,450	30,536
Permanent employees	9,138	5,556	14,694	16,080	10,981	27,061
Temporary employees	1,866	1,167	3,033	2,006	1,469	3,475
Non-guaranteed hours employees	242	190	432	0	0	0
Full-time employees	14,011	10,216	24,227	14,151	10,807	24,958
Part-time employees	4,226	1,705	5,931	3,936	1,642	5,578

	2023			2024		
	AAPAC	**EMEA**	**Total**	**AAPAC**	**EMEA**	**Total**
Employees	12,267	18,198	30,158	12,572	17,964	30,536
Permanent employees	12,210	14,730	26,940	12,414	14,647	27,061
Temporary employees	57	3,036	3,093	158	3,317	3,475
Non-guaranteed hours employees	0	432	432	0	0	0
Full-time employees (head count)	12,253	11,974	24,227	12,570	12,388	24,958
Part-time employees (head count)	14	5,917	5,931	2	5,576	5,578

Non-employees in own workforce

Transcom provides customer service solutions to leading global brands. Many clients experience seasonal fluctuations in demand, requiring temporary staffing increases to support product launches, sales events, and peak periods. This explains the significant number of temporary workers in our workforce. These customer support representatives, primarily sourced through staffing agencies, perform the same roles and responsibilities as Transcom employees. All staffing agencies are required to adhere to Transcom's Supplier Code of Business Conduct, which incorporates the ten principles of the UN Global Compact, ensuring the well-being of all workers.

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

	2023	2024
Total number of non-employees	2,867	2,515

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, 27% 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. Hungary, Portugal, and Slovenia have been offered to send representatives, but have declined.

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 employees representing >10% total employees)	Employees – Non-EEA (estimate for regions with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Sweden, Netherlands, Norway, Spain		Croatia, Estonia, Germany, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Spain, and Sweden

	2023	2024
Employees covered by collective bargaining agreements	24%	27%
Employees covered by workers representatives	24%	37%

Diversity metrics

Gender diversity	2023				2024			
	Male	%	Female	%	Male	%	Female	%
Board of Directors	6	86%	1	14%	6	86%	1	14%
Executive Leadership Team	5.5	65%	3	35%	3.5	50%	3.5	50%
Distribution of employees by age group								
Under 30 years old		41%				43%		
Between 30-50 years old		49%				48%		
Over 50 years old		10%				10%		

Numbers are given as headcount, an average across the period. On January 1, 2024, the Group Executive Leadership Team (ELT) consisted of 7 individuals, of which 4 men and 3 women. On December 31, 2024, the ELT consisted of 7 individuals, of which 3 men and 4 women.

Adequate wages

All our employees are paid an adequate wage in line with Directive (EU) 2022/2041.

Social protection

Almost all (96%) of Transcom's employees worldwide have social protection that helps if they lose income due to major life events. However, 4% of employees are not fully covered for unemployment. This includes all employees in Poland, and some employees in Kosovo and Albania. In Kosovo and Albania, employees who haven't paid enough social contributions or whose family income is not below the minimum poverty threshold may not be eligible for social assistance. In Poland, individuals who lose their jobs have social security coverage for up to 30 days after contract termination. However, receiving unemployment allowance has specific requirements set by the Polish Labor Fund

Persons with disabilities

In 2024, people with disabilities comprised 1.1% of our total workforce.

	2023	2024
Persons with disabilities	1.10%	1.10%

Training and skills development metrics

67% of employees participated in regular performance and career development reviews in the year. Of this, 41% were men and 59% were women.

	2023	2024
% Participation in performance reviews	-	67%
Of which % were men	-	41%
Of which % were women	-	59%
Total performance reviews	-	20,405

On average, all company employees completed 168.4 training hours in the year. Female employees completed 187.7 training hours on average, and male employees completed 140.2 training hours. The training hours consist of mandatory training, skills development, and client specific training.

Average recorded training hours per employee*	2023	2024
Men		140.2
Women		187.7
All employees	85	168.4

Employee training data at Transcom is tracked across both Transcom University and our Workforce Management System. Gender-disaggregated training data was not available in 2023.

Health & safety metrics

100% of our workforce is covered by our Health & Safety Management System. During 2024, there were no fatalities due to work-related injuries and work-related ill health.

There were 84 recordable work-related accidents, 10 cases of work related ill health, and the rate of accidents was 1.9. In 2024, 1,283 days were lost to work related injuries, work related ill-health and fatalities from ill health.

	2023	2024
% workforce covered by H&S management system	100%	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0	0
Number of recordable work-related accidents (excluding fatalities)	83	84
Total recordable incident rate ('TRIR')	1.56	1.9
Cases of work-related ill health Employees	11	10
Days lost to work-related injuries, ill-heath, accidents and fatalities Employees	1,656	1,283

All data is provided on a headcount basis.

Work-life balance metrics

All Transcom's own workers are entitled to family-related leaves through social policy and/or collective bargaining agreements. For 2023, we were unable to report on the percentages of employees that took leave, why the comparative numbers are missing for 2023. In 2024, 20% of employees took family leave, of which 37% were men and 63% were women.

	2023	2024
Employees entitled to family leave	100%	100%
Entitled employees who took family leave	-	20%
Of which % were men	-	37%
Of which % were women	-	63%

Remuneration metrics

	2023	2024
Gender pay gap	3.60%	8%
Remuneration ratio of the highest paid individual*	44.5%	57%

*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 2024, Total annual compensation; 501,635 KEUR minus the total annual compensation of the highest-paid individual 933 KEUR divided by average number of employees minus the highest paid: 30,535

Incidents, complaints and severe human rights impacts

In 2024, a total of 21 complaints were filed. Of these cases, 3 were substantiated, regarding data privacy, neglect of duty, and leadership issues. These led to one disciplinary action and two warnings.

There were no cases related to discrimination and harassment during 2024.

There were no severe human rights incidents in the period, and therefore no fines, penalties and compensation were paid to remedy this.

	2023	2024
Severe human rights incidents connected to workforce	0	0
Total amount paid in fines, penalties and compensation for damages	0	0
Incidents of discrimination & harassment	30	0
Complaints filed through grievance / complaints mechanisms	21	21
Total amount paid in fines, penalties and compensation for damages	0	0

World Coastal cleanup day - September 2024 - Philippines

Poznań senior care house - September 2024 - Poland

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.

1. Impacts, risks and opportunities

The materiality assessment identified the below material impacts, risks and opportunities related to workers in Transcom's value chain relating to working conditions, equal treatment and opportunities for all, and other work-related rights.

Workers in the value chain		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Working conditions							
Workers in the value chain - in and around the office	Actual positive impact		•		•	•	•

2. Impact, risk and opportunity management

Policies

- **Supplier Code of Business Conduct (SCoBC)**
- **Transcom's slavery and human trafficking statement**

Strong supplier relationships grounded in ethical business practices are critical to our success. Our Supplier Code of Business Conduct (SCoBC), described under Policies, outlines these expectations, which include respecting human rights and upholding labor standards; including addressing child labor, modern slavery and forced labor, equality, diversity and non-discrimination, freedom of association, contracts, wages and benefits, working hours, and workplace health and safety. We require all significant suppliers to sign the SCoBC and encourage them to conduct periodic evaluations to monitor compliance. Any violations can be reported through Transcom's whistleblower channels and may result in corrective action, up to and including contract termination.

As an extra precaution, we are particularly attentive to ensuring that all new vendors within the temporary agencies, staffing, and subcontractor categories sign the SCoBC.
Given our reliance on IT equipment and the electronics sector's human rights and environmental challenges, we prioritize working with companies that demonstrate a commitment to sustainability throughout their supply chain, ensuring fair and safe working conditions for all workers involved.

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

Transcom 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 value chain workers.

Processes for engaging about impacts

Transcom does not have a process for engaging directly with value chain workers about impacts. We are currently exploring public grievance channels to enable reporting from value chain workers, consumers, end-users, and other stakeholders.

Remediating negative impacts and channels to raise concerns

Transcom's Code of Business Conduct (CoBC) and Supplier Code of Business Conduct (SCoBC) form the foundation of our commitment to human rights and labor rights. All employees and representatives are required to follow these codes, and local laws and company policies. Violations may result in disciplinary action, up to and including termination of employment.

We encourage reporting any suspected non-compliance through our confidential whistleblower channels, described under *Policies*. We are currently exploring expanding these channels to our global websites to enable reporting from value chain workers, consumers, end-users, and other stakeholders.

Actions and resources

Transcom is committed to protecting and promoting human and labor rights throughout our value chain. We implement this commitment primarily through our Supplier Code of Business Conduct (SCoBC), which outlines clear expectations for our suppliers regarding human rights, labor rights, environmental protection, and anti-corruption practices. We actively communicate these expectations and monitor supplier compliance. Furthermore, human rights considerations are integrated into our supplier selection and evaluation processes. In the event of any issues arising, our approach is to engage with the supplier to address and resolve them collaboratively. Local Transcom teams are instrumental in monitoring supplier adherence and managing any issues, reinforcing our dedication to ethical and responsible business practices.

3. Metrics and 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.

Consumers and end-users

Transcom's strategy and business model are centered around providing high-quality customer interactions on behalf of our clients. Our clients entrust us with their customers, recognizing that positive customer experiences are crucial to their success. We are committed to delivering excellent service that is efficient, enjoyable, and valuable, reflecting our core values of responsiveness, honesty, and clear communication.

1. Impacts, risks and opportunities

Consumers and end-users		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Social inclusion							
Ethical conduct towards end customers	Actual positive impact		●		●	●	●
Cultural sensitivity and localization*	Actual negative impact		●		●	●	●
Information related impacts							
End users' right to privacy*	Risk		●		●	●	●

New material impact 2024

We are the voice of our clients to their end customers, and we recognize the importance of ethical conduct and cultural sensitivity when serving them. We maintain a strong positive impact by safeguarding non-discrimination and ethical conduct through continuous training, coaching, and follow-up methods. This is crucial as failing to do so could have severe consequences for end customers, their relationship with our clients, and our partnerships with those clients.

However, as a global company operating in diverse cultural contexts, ensuring cultural sensitivity and adapting services to local needs can be challenging, particularly when agents are from a different cultural background than the consumer. This potential for negative impact, which was newly identified in the 2024 Double Materiality Assessment review, requires ongoing attention through awareness training and localization efforts to ensure that our services are culturally appropriate and meet the diverse needs of our clients' customers.

Material risks and opportunities

End users' right to privacy

Data privacy of end-users is a critical concern for Transcom. We frequently handle sensitive information while providing services to our clients' customers. Any failure to uphold end-user privacy rights, whether due to employee misconduct or inadequate processes, procedures, and tools, could cause significant harm to the end-user, damage to our client relationships, and a decline in our brand reputation. This risk was identified during the 2024 Double Materiality Assessment (DMA) review.

2. Impact, risk and opportunity management

Policies

- **Code of Business Conduct (CoBC)**
- **EU/EEA Privacy Policy/Global Privacy Policy**
- **Global Information Security Policy**

Transcom's employees engage with consumers and end-users when providing customer care, customer support, technical support, or similar services on our clients' behalf. Transcom's CoBC sets expectations for how we act, preventing any form of discrimination or harassment in any form, and behavior that may be described as disrespectful, hostile, violent, intimidating or threatening. This specifically addresses impacts regarding social inclusion, discrimination and harassment. Our CoBC, data privacy policies and GDPR policy framework, that outlines the and our global Information Security policy addresses information related impacts through providing our workforce with the right tools to keep data confidential and secure. The policies are described in detail under _Policies_.

Processes for engaging about impacts

While we do not directly engage with our clients' customers around IROs, our clients are their legitimate representatives and engagement happens through them. We maintain a close relationship with our clients, and our performance is regularly evaluated through KPIs such as Net Promoter Score and Customer Satisfaction Scores, which serve as valuable proxies for end-user sentiment. Additionally, our clients have established follow-up procedures to measure our teams' performance. These results are discussed in regular client meetings. This collaborative approach ensures that we are consistently meeting the needs of both our clients and their customers.

Remediating negative impacts and channels to raise concerns

Transcom does not have any channels for consumers and end-users to raise concern, specifically due to the nature of the relationship. In our contact with consumers and end-users, we act on behalf of, and in many cases as, our clients. As the primary owner of the customer relationship, any concerns would be raised directly through the channels of our clients, and they would take the lead in addressing any negative impacts through their existing processes. In this, Transcom would actively support and assist in the identification, investigation, and remedy process as needed.

Actions and resources

Regarding non-discrimination and ethical conduct, 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. We train all new employees in our Code during the onboarding, and recertify them every second year thereafter. To ensure adherence with the policy, we encourage anyone to report breaches through our whistleblower channels.

Regarding data privacy, in addition to our Code of Business Conduct, Transcom has a solid Data Privacy framework, including data privacy policies, and a GDPR (General Data Protection Regulation) policy framework that harmonizes data protection for natural persons in Europe. We also have a Global Information Security Policy, with mandatory signing upon hire, and yearly training for all employees.

We track and report on the training completion rates of our CoBC, Data Privacy, and Information Security policies yearly in our sustainability report, and the results of our Whistleblower policy.

3. Metrics and targets

For impacts related to social inclusion, we believe in having a sound company culture, safeguarding non-discrimination and ethical conduct through policies, training, coaching, and follow-up. Our Code of Business Conduct includes information on human rights, labor rights, environmental issues, anti-corruption, global citizenship and appreciation of cultural diversity. All employees are trained and certified in the CoBC during onboarding and every second year thereafter.

For impacts and risks related to end users' right to privacy, we maintain a robust data protection framework. This framework includes policies, guidelines, and processes governing the collection, use, storage, and sharing of personal information to protect individual privacy. This ensures Transcom adheres to privacy laws, safeguards individual rights, and enhances data security.

	Code of Business Conduct completion rate	Privacy policy training and recertification completion rate
Metric	Percentage of active new employees completing the onboarding certification and existing employees completing bi-yearly follow-up training and recertification on our CoBC.	Percentage of active new employees within the EU and/or working with European clients completing onboarding and existing employees completing the bi-yearly follow-up training and recertification on our privacy policy.
Calculation	(Number of employees completing training / Total number of employees required to complete training) * 100%	(Number of employees completing training / Total number of employees required to complete training) * 100%
Baseline (2024)	91% completion rate	88% completion rate
Target (2025)	100% completion rate	100% completion rate
Assumption	Completion of training ensures high awareness of and compliance with our CoBC	Completion of training ensures GDPR compliance and data protection awareness
Limitation	Completion does not guarantee full understanding or adherence to the policy in all situations	Completion does not guarantee full understanding or adherence to the policy in all situations
Validation	Internal tracking and reporting	Internal tracking and reporting
Reporting period	Annually, since 2020	Annually, since 2020

	2023	2024
CoBC training	92%	91%
EU/EEA Privacy Policy training	88%	88%

Woman in Avicena Race - March 2024 - North Macedonia

Governance

Business Conduct

We are committed to conducting our business with integrity and ensuring compliance with all applicable laws and regulations. We seek to embed a strong compliance culture through regular training and awareness raising.

1. Material impacts, risks and opportunities

The materiality assessment identified the following impacts and risks relating to business conduct to be material:

Business conduct		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Corporate culture							
Ethical conduct	Actual positive impact		●		●	●	●
Company values	Actual positive impact		●		●	●	●
Corruption and bribery							
Corruption and bribery - impacts on society.	Actual negative impact	●	●		●	●	●

Company culture

At Transcom, ethical conduct and strong company values are fundamental to our business relationships and internal culture. We prioritize integrity, respect, and responsibility in all actions, guided by our comprehensive Code of Business Conduct. Through continuous training and open communication, we ensure that every Transcom team member understands and embodies these principles, fostering a culture of ethical behavior that builds trust with our clients, employees, investors, and the wider community. This commitment to ethical conduct has a demonstrably positive impact on our organization.

Similarly, our company values serve as a guiding force for our decisions and interactions, promoting a sense of shared purpose among employees. When these values are consistently upheld and exemplified by our leaders, they contribute to a positive, engaged, and motivated workforce. This alignment between individual and company values creates an empowering environment

where everyone feels equipped and encouraged to perform at their best, further reinforcing our strong ethical foundation and delivering positive results for all stakeholders. Acknowledging the fact that it's not about what we say but how we act, we're now making sure that all our employees understand our values and the entailing behaviors through training and discussions.

Conversely, a lapse in ethical conduct, such as corruption or bribery, could have significant negative repercussions. Transcom works with numerous large clients, including government agencies in some cases. If corruption or bribery occurs, or even if there is suspicion surrounding new contracts, this could not only lead to negative publicity for Transcom but also erode the local society's trust in governing institutions. Therefore, we ensure that ethical conduct is embedded in all our work, as the foundation of our business relationships and internal culture.

No risks or opportunities were identified during the DMA process.

2. Impact, risk and opportunity management

Business conduct policies and corporate culture

- **Code of Business Conduct**
- **Supplier Code of Business Conduct**
- **Whistleblower policy**

Our approach to business conduct is anchored in our Governance Framework, which sets standards for our operations and outlines expectations for suppliers and business partners. Transcom's Code of Business Conduct, Supplier Code of Business Conduct, and Whistleblower policy, all described under *Policies*, steer the organization. To foster a culture of integrity and transparency, we encourage employees and suppliers to report any suspected non-compliance through our whistleblower channels. Transcom's Whistleblower policy, described under *Policies*, protects anyone reporting potential misconduct, including employees, agency workers, and contractors; this is a group-wide policy applicable to all Transcom employees, consultants, contractual partners, and board members.

Training and awareness activities are essential for fostering a culture of integrity and creating a common understanding of expected employee behavior. We train and certify all new employees on our Code of Business Conduct, EU/EEA privacy policy, and Internet security policy as part of their onboarding process. Training and recertification are repeated every two years for the CoBC and Privacy policy, yearly for the Internet security policy.

Sponsoring a beehive - September 2024 - Spain

Prevention and detection of corruption and bribery

Transcom's risk management and internal control framework identifies, assesses, monitors, and controls risks that could impact business objectives, compliance, and financial reporting. Our general risk management approach is detailed in the _Governance_ section.

We have zero tolerance for corruption, direct or indirect, by employees or business partners. We follow all anti-corruption laws, treaties, and regulations, prohibiting bribes, facilitation payments, and any improper transfer of value.

Our robust anti-corruption governance system includes policies, risk assessments, training, and internal routines, ensuring compliance with legislation such as the FCPA and UK Bribery Act. We reinforce our zero-tolerance stance through clear policies and guidance, reducing corruption risks in daily operations. Anti-corruption measures are embedded in our Code of Business Conduct and Supplier Code of Business Conduct (see _Policies_).

We proactively collaborate with clients to identify and address fraud risks and have secured insurance against misconduct. Using Transparency International's Corruption Perception Index, we conduct risk assessments to guide anti-corruption efforts. Each country's risk register includes corruption risks, assessed through internal audits and, when needed, business development risk assessments. We encourage reporting potential misconduct through our whistleblower channels, as outlined in our Whistleblower policy, described under _Policies_.

Transcom is committed to fully and fairly investigating all reported malpractices. The Chairman of the Audit Committee oversees the process, delegating investigations and ensuring competent and objective investigators. The scope of each investigation is determined by the concern's nature and severity. Escalation to the Board, external auditors, or law enforcement is possible. Initial inquiries determine the need for a full investigation, and urgent action can be taken pre-investigation. Employees are informed of the outcome when possible and must maintain confidentiality

The Audit Committee and the Board of Directors receive regular updates from the Chief People Officer on the number of whistleblower cases received, the investigation process, and outcomes.

Transcom's policy framework is available to all employees through the company intranet. The Code of Business Conduct and Whistleblower policy are available in 20 languages. The policy framework also includes the Supplier Code of Business Conduct, in English.

Transcom has mandatory training in its Code of Business Conduct, during the onboarding process and every second year thereafter, including a test to ensure understanding of the policy.

3. Metrics and targets

Incidents of corruption or bribery

During 2024, 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.

Cybersecurity

With data theft and leakage being significant risks in today's business environment, protecting data and ensuring privacy is a top priority. Technology alone is not enough; strong processes, safety and security measures, along with the latest technology and human insights, are essential. This is why we focus heavily on training and awareness.

1. Impacts, risks and opportunities

Cybersecurity		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short	Medium	Long
Cybersecurity							
Ransomware blocking the service delivery to our customers	Potential negative impact		●		●	●	
Employee data leakage*	Potential negative impact		●		●	●	●
Personal or confidential data theft or leakage	Risk		●		●	●	●
Ransomware attacks	Risk		●		●	●	●
Internal threat - security	Risk		●		●	●	●

*New material impact 2024

Transcom faces potential negative impacts from cybersecurity threats, specifically ransomware attacks and employee data leakage. A significant ransomware attack could disrupt our robust IT infrastructure, which is crucial for service delivery to our customers, potentially leading to partial or complete service interruption. Additionally, cyber incidents pose a risk of leaking Transcom employees' personal and sensitive data, which could then surface on the dark web and be used for further attacks. Such data leakage could disrupt employees' lives and significantly damage Transcom's employer brand. This risk of employee data leakage was reassessed and deemed material in the 2024 Double Materiality Assessment (DMA) review.

Material risks

Transcom faces several significant cybersecurity risks, including data theft or leakage, ransomware attacks, and internal security threats. The risk of personal or confidential data theft or leakage is ever-present in today's business environment. Ensuring robust security controls is crucial, especially given the complexities

of varying global data privacy regulations. Any breach could lead to financial loss and reputational damage for Transcom. Furthermore, ransomware attacks pose a serious threat, potentially encrypting company data, disrupting operations, and resulting in substantial financial and reputational harm. Attackers may also steal sensitive data and demand a ransom. Finally, internal security threats, such as data misuse or intentional system damage, can arise from weak information security controls within our organization. Such incidents can corrupt or destroy data, erode client and customer trust, and result in financial losses.

To mitigate these cybersecurity impacts and risks, Transcom prioritizes reinforcing its information security posture. This includes regular security audits, employee training on data protection, implementing advanced threat detection systems, data encryption, access controls, incident response plans, and employee training. By continually enhancing our security measures and staying abreast of evolving threats and regulations, Transcom aims to protect its data, maintain client trust, and safeguard its reputation.

2. Impact, risk and opportunity management

Policies

- **Global Information Security**
- **Code of Business Conduct**
- **EU/EEA Privacy Policy / Global Privacy Policy**

Transcom's Global Information Security, Code of Business Conduct and EU/EEA Privacy Policy (and Global Privacy Policy), described under *Policies*, are all relevant for the prevention of cybersecurity incidents.

Actions and resources

To mitigate evolving risks, we continually invest in secure technologies, conduct regular risk assessments, and update our privacy policies. Mandatory employee training programs on data privacy and cybersecurity are conducted during onboarding and every year thereafter.

Data Privacy Governance

Our robust governance structure ensures compliance with data protection laws. A steering committee, including key global officers, actively monitors compliance.

Information and cybersecurity strategy

To counter emerging threats, we employ layered security frameworks and a risk-based approach. This includes continuous monitoring of security alerts and events, enabling rapid incident response. To reinforce security awareness and equip employees with the skills to recognize and avoid cyberattacks, we conduct regular communication, training, and gamified phishing tests.

Key actions in 2024

Enhanced communication and training

To combat increasingly sophisticated cyberattacks, we increased our monthly phishing simulations for all employees during 2024. We also intensified security communication on our intranet and via email to improve threat detection skills. This is an ongoing short to medium term action.

System and software updates

We updated our hardware and software environment to enhance security, addressing vulnerabilities in legacy systems and ensuring support for the latest security

protocols and encryption standards. We investigated several risk governance and compliance tools, and our incident response procedures.

Organizational reinforcement

A new global Operational Risk Management Team was established to complement our IT Security Governance team. This enhances our holistic risk management, resource allocation, governance, compliance, incident response, and proactive risk mitigation strategies, strengthening both digital and physical security.

Enhanced Security: Multi-Factor Authentication (MFA)

Recognizing the limitations of password-only based security, we deployed Multi-Factor Authentication (MFA) for remote workers in 2024. This significantly strengthens our security posture, and we plan to expand MFA to all users during 2025.

3. Metrics and targets

For impacts and risks related to ransomware and cyberattacks, our main mission, alongside maintaining a strong cyber defense, is to enhance employee cybersecurity awareness and preparedness. This involves educating employees on identifying potential threats and responding appropriately. We achieve this through continuous training to foster a security-conscious culture and ensure employees are familiar with the latest threats and adopt safe cybersecurity behaviors.

For impacts and risks related to data leakage and theft, we maintain a robust data protection framework. This framework includes policies, guidelines, and processes governing the collection, use, storage, and sharing of personal information to protect individual privacy. This ensures Transcom adheres to privacy laws, safeguards individual rights, and enhances data security.

	Security awareness & behavior training completion rate	Phishing training click-through rate	Privacy policy training & recertification completion rate
Metric	Percentage of new employees completing the onboarding and existing employees completing the annual mandatory security awareness and behavior training.	Percentage of employees clicking on simulated phishing links.	Percentage of active new employees within the EU and/or working with European clients completing onboarding and existing employees completing the bi-yearly follow-up training and recertification on our privacy policy.
Calculation	(Employees completing training / Total employees required) * 100%	(Employees clicking phishing links / Total employees receiving emails) * 100%	(Employees completing training / Total required employees) * 100%
Baseline (2024)	74%	7%	88%
Target (2025)	100% of employees trained upon hiring and annually thereafter. Assumption: Completion of training translates to increased awareness and better security practices.	Maintain a rate lower than the industry average of 12%.	100% compliance for active employees in the EU and/or working with European clients.
Assumption		A lower click-through rate indicates improved ability to identify phishing attempts.	Completion of training ensures GDPR compliance and data protection awareness.
Limitation	Completion does not guarantee knowledge retention or behavior change.	Training simulations may not fully replicate real-world phishing attacks.	Completion does not guarantee full understanding or adherence to the policy in all situations.
Validation	Internal tracking and reporting.	Internal tracking and reporting.	Internal tracking and reporting.
Reporting period	Annually, since 2020.	Annually, starting this year.	Annually, since 2020

	2023	2024
100% of active employees within the EU and/or working with European clients are GDPR compliant, and equivalent regulations if/where applicable	88%	88%
100% of active employees trained in basic security awareness and behavior upon hire and every year thereafter	74%	74%
Phishing training click-through rate lower than industry average of 12%	-	7%

Principal Adverse Impact indicators

PAI indicator		2023	2024
GHG emissions (scope 1, 2,3 and total)	Scope 1	1,032	1,574
	Scope 2	8,440	7,460
	Scope 3	36,648	34,458
	Total	46,120	43,977
GHG intensity (ton CO2e per MEUR, market-based)		69.0	59.1
Exposure to companies active in the fossil fuel sector		No	No
Share of non-renewable energy consumption and production		76%	69%
Activities negatively affecting biodiversity sensitive areas		No	No
Emissions to water		N/	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%	8%
Board gender diversity		86/14% (M/F)	86/14% (M/F)

Harmony House Activity for educating children from humble and underserved background - April 2024 -India

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

Julius Höh
Member of the Board

Brian Johnson
President & CEO

EY
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Auditor's report on the statutory sustainability statement
To the general meeting of the shareholders in Transcom Holding AB, corporate identity number 556962-4108

This is a translation of the Swedish original.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability statement for the year 2024 and that it has been prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

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 and Young AB

Johan Holmberg

Authorized Public Accountant

Transcom

Sustainability
Report 2024