



**Sustainability
Report 2020**

Responsible and secure business

The fundamental point of departure for sustainability management at Sinch is to minimize the potential negative impacts of the business and benefit from the opportunities brought by sustainable business. Sinch's business model makes it possible for enterprises, organizations and individuals all over the world to communicate swiftly and easily. That saves time and travel. Sinch creates value by generating long-term and profitable growth based on quality, economies of scale and innovations that make it easier for people and companies to meet. Sinch is committed to doing responsible and secure business, being a fair employer and taking significant responsibility in the value chain.



About our world and our business

Business model and value creation

Sinch is a world leader in the cloud communication solutions market and operates globally as a supplier to enterprises and mobile operators. Solutions from Sinch enable business critical communication worldwide via mobile messaging, voice and video services. The Group is headquartered in Stockholm, Sweden, and had a presence in more than 40 countries, about 1,800 employees and consultants in every part of the world at the end of the year. The Sinch organization is divided into three segments: Messaging, Voice and Video and Operators.

Messaging and **Voice and Video** address the enterprise market and combine programmable APIs and cloud services to, in partnership with their extensive network of mobile network operators, create opportunities for enterprise customers and developers to build global communications including messaging and voice and video services into applications and business processes. Sinch handles all traffic within Messaging on its own communications platform. Sinch Messaging makes it possible for enterprises to send and receive customized text messages, primarily SMS, to and from their customers and employees all over the world, swiftly and easily. The services enable digital communication and reduce the need to travel, which is beneficial to us and our customers from the environmental and cost perspectives.

The **Operators** segment addresses mobile operators worldwide, offering innovative, stable and scalable products for mobile messaging, real-time business systems and communications firewalls. Sinch generates value for its customers in multiple ways, including limiting the risk of fraud and reducing the installation and operating costs of business-critical systems.

Our strategy centers around two pillars that reinforce each other:

- Offering leading, global, high-quality and reliable services to businesses looking to engage with their customers through mobile messaging, voice and video.
- Offering cloud-based software-as-a-service (SaaS) to help businesses leverage the new opportunities of conversational messaging, interactivity, MMS and video.

In addition to organic development, acquired growth that adds economies of scale and profitability or technology and go-to-market is a key component of Sinch's strategy. Sinch established acquisition procedures and hired a dedicated integration process manager in 2020 to ensure that acquired entities understand and adopt Sinch's company culture and values.

About the sustainability report

This is Sinch's fourth sustainability report, which describes our sustainability management program and activities. The report refers to the 2020 financial year and covers the parent company Sinch AB (publ), company registration number 556882-8908. Acquired entities are successively included in Sinch's standard methods and processes, including the most material sustainability topics.

The sustainability report was prepared in accordance with the provisions of chapters 6 and 7 of the Annual Accounts Act. There were no material changes in the application of reporting policies during the year.

By endorsing the annual accounts and consolidated financial statements, the board of directors of Sinch has also approved the sustainability report.

Governance and division of responsibility

Values

Dream big. Win together. Keep it simple. Make it happen. Sinch's core values imbue the entire organization and are an integrated part of corporate decisionmaking.

Board of directors

The board of directors has overall responsibility for the management of Sinch, which includes sustainability topics. The board is responsible for the policies and control documents, which includes the Group Travel Policy, the Code of Conduct and the Sustainability Report. At the end of each financial year, the board of directors performs a self-assessment of its work during the year.

CEO and executive management

The CEO is responsible for executing board decisions and strategies, supported by the management team. The management team ensures that designated individuals prepare decision input and perform analyses and monitoring. Sinch's General Counsel has operational responsibility for the sustainability program. He reports to the CEO and the management team concerning ongoing activities, initiatives, monitoring and development. In addition, tasks based on the focus areas are delegated to the relevant functions in the organization.

The Code of Conduct and other internal policies

Sinch has various policies applicable to the entire Group, employees and suppliers. We have a general travel policy and local employee handbooks tailored to each country in which Sinch operates. We also have a health and safety policy and an anti-discrimination policy to help us navigate our work environment. The Code of Conduct, which was adopted in 2016 and updated in 2019, applies to all employees, consultants and directors. There has also been a Suppliers Code of Conduct in effect at Sinch for some time. Both codes are accessible on our intranet.

Global Compact

The Code of Conduct is based on the UN Global Compact's ten principles for sustainable business and clarify the company's positions on issues related to respect for human rights, anti-corruption, diversity and equal opportunity and the importance of sound business relationships. Sinch has joined the Global Compact to actively support and work with these issues.

The UN Sustainable Development Goals

The UN Sustainable Development Goals are aimed at eradicating extreme poverty, reducing inequalities and injustices in the world, promoting peace and justice and addressing the climate crisis. Based on stakeholder engagement, the nature of the business and the business model, Sinch has chosen to perform a materiality analysis as the basis of its sustainability strategy, which takes the SDGs into account.

ISO 27001

During 2020, Sinch continued the project to certify additional parts of the business in accordance with the ISO 27001 information security management standard.

Stakeholder engagement

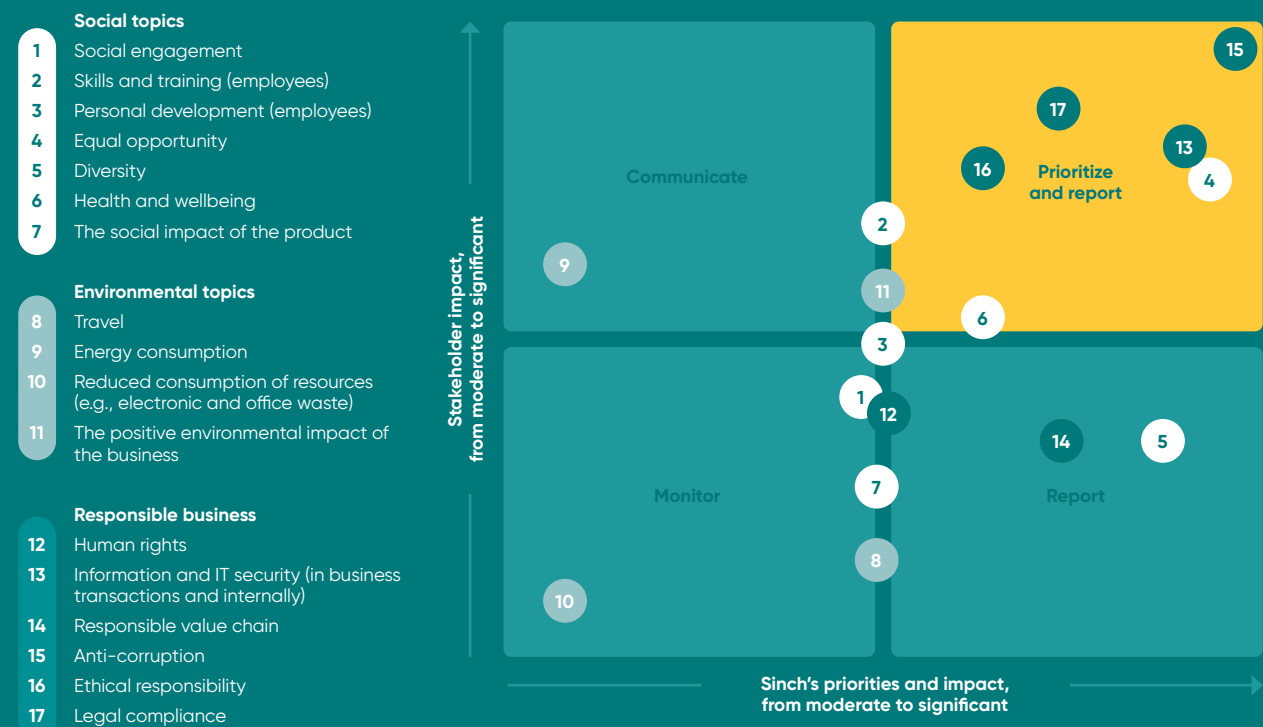
In order to devise a sustainability strategy that is relevant to our particular business, we must proceed from industry-specific conditions and the expectations of our stakeholders. We maintain constant engagement with our stakeholders to identify their opinions and assessments of the sustainability topics that are most significant, in various ways. We apply a formalized stakeholder engagement process and perform employee surveys a couple of times each year. In addition, we maintain ongoing communication with owners, directors, employees, investors, customers, suppliers and others who are interested in Sinch in various ways.

We engaged with stakeholders again in 2020 to find out how our stakeholders assess our sustainability work, threats and opportunities. The process allows us to clarify the topics that are most material and should be prioritized. The stakeholders included in the analysis were employees, customers, suppliers and the Sinch executive management team. A materiality analysis in which the opinions of our customers and employees were assigned the greatest weight was prepared based on the engagement process. In addition, we held qualitative dialogues with a number of investors during the year.

The analysis for 2020 resulted in a review of our sustainability strategy and the materiality analysis in which we consider sustainability trends in the industry and ranked the areas that are assessed as having high impact and are significant to us. The earlier assessment of our most significant topics is largely unchanged. Employees in particular wanted clear communication of the chosen sustainability strategy and ongoing initiatives, and would like to Sinch to ensure the sustainable approach during this phase of rapid growth. Dialogues with several stakeholders also showed that what is most important to them is that we are a fair employer that provides opportunities for development and that runs an ethical business with a strong anti-corruption program. In so doing, we will ensure that we are doing the right business and making the right acquisitions while attracting the right employees. The goal is to follow up the stakeholder engagement process and communicate how we are working with these topics in 2021.

The results of the materiality analysis are shown in the focus areas, topics and outcome indicators presented in this report and on the chart below.

Materiality analysis



Risks

Material sustainability-related risks and risk management

Our most material sustainability risks are presented below.

Environmental topics

Carbon emissions

In recognition of the threat of climate change, there is consensus that global carbon emissions must be drastically reduced. It is extremely likely that we are going to see political initiatives and regulations that, in various ways, force companies to reduce their use of fossil fuels. We see a risk that, if and when this happens, we will need to bring in additional skills to respond to and manage these standards. Although our environmental impact is not currently significant, we do have an impact through the energy that data centers use to manage our data and through air travel and the resulting carbon emissions.

Description of risk management

We monitor political developments and potential new legislation in the countries in which we operate. All employees must comply with the travel policy. The focus of the policy is that our employees should prioritize the use of transport modes that have minor climate impact and that video conferencing should be used to the greatest possible extent to reduce emissions. Our business model is generally aimed at increasing virtual communication, for example by offering cloud services. In so doing, we are also helping to reduce the need for travel - for ourselves and our customers. The plans to limit our energy consumption have been postponed due to the pandemic and will instead be initiated in 2021.

Social conditions including human resources topics

Loss or lack of qualified employees

The risk of losing key skills within the company or being unable to attract key skills to the company is considered a major risk to our business and continued development going forward.

Description of risk management

We apply a recruitment model that is always used in recruitment to ensure that our collective skills and expertise maintain a high standard. We maintained our internal training program the year, which is under constant development and improvement, in order to achieve the desired level of skill in the company. The program improves our capacity to ensure that the right people are given the right training and enables relevant individual skills development. We measure employee engagement through employee surveys to get feedback on how employees perceive their work and us as an employer.

Equal opportunity for all

We are aware that we operate in a traditionally male-dominated industry. Even though we have an explicit policy of non-tolerance of discrimination and striving for an equal opportunity workplace, there are historical structures and behaviors embedded in our culture that can take time to change. Discriminating against people on the basis of gender, age, national origin, religion, sexual orientation, etc., is illegal and shortcomings in this respect can result in damaged reputation, a poorer workplace environment with impaired productivity as a result, difficulty recruiting and retaining employees and liability for damages.

Description of risk management

We have zero tolerance for discrimination on any grounds and strive for a culture characterized by diversity and equal opportunity. This is clearly expressed in our Code of Conduct, which is communicated to all employees. HR applies a carefully designed recruitment process to attract and hire the right talents. We further improved the operational recruitment process in 2020 to ensure more structured, data-driven and unbiased assessments. The purpose of the recruitment process is to ensure that no one is excluded on the basis of gender, sexual orientation or ethnicity.

Health and wellbeing

Our employees are our greatest and most important asset. Sinch is a high-growth company that is growing both organically and through business combinations and we operate in an industry that is constantly changing. Consequently, there is risk of impact on employee health and wellbeing and that we will be unable to maintain a healthy work environment.

Description of risk management

We promote a healthy work/life balance and work continuously with employees on these issues. Through close dialogue between employees and managers, indications that an employee may be struggling are picked up in time and we work with an external party that can offer supportive counseling to the individual. The goal is to identify signs of burnout, for example, at an early stage and in so doing prevent long-term absenteeism. We also evaluate the results of our employee surveys and performance reviews to determine how we can further improve the work environment and employee wellbeing.

Compliance with the Code of Conduct

Upholding high ethical standards is a top priority for us and our business. As we operate in more than 40 countries, however, there is risk of non-compliance with our ethical values and guidelines, particularly due to lack of knowledge.

Description of risk management

All employees must read and understand our Code of Conduct, which is available on our intranet. We also engage in constant dialogue about how we do business and we evaluate the risk of breaches of our Code of Conduct in the companies we acquire. We have a Suppliers Code of Conduct and, where applicable, assess our suppliers' own codes of conduct and their capacity to comply.

Respect for human rights

At present, we have employees, customers and suppliers in some countries identified as high-risk countries for violations of human rights. This can generally constitute a risk for our business. We have, however, determined that there is relatively low risk of violation of human rights in our type of business.

Description of risk management

Our Code of Conduct is based on the 10 principles adopted by the UN, which include human rights. All employees are required to comply. We also have a Suppliers Code of Conduct that covers matters including human rights. During the year, we continued working with a process for handling requests from authorities for disclosure of data, so that legal assessment can be made of the legality of the request. Prior to each acquisition of a new company and in connection with particularly risky contracts and partnerships, we obtain integrity due diligence analyses that are aimed at detecting actions and conduct that can be considered violations of human rights.

Corruption and bribery

We have zero tolerance for bribery and corruption, as clearly expressed in our Code of Conduct. We estimate the risk of corrupt conduct as relatively low, but recognize that the risk may increase as we establish operations in new geographical markets.

Description of risk management

The Code of Conduct contains guidelines on bribery, corruption and conflicts of interest. It has been communicated to all employees and the importance of compliance has also been emphasized in connection with the presentation of the company's business strategy. Anti-corruption work has been adopted as a priority sustainability topic and we will be working to further reduce these risks in future years. Prior to each acquisition of a new company and in connection with particularly risky contracts and partnerships, we obtain integrity due diligence analyses that are aimed at detecting concerns including the incidence of corrupt conduct.

IT security

Generally speaking, cyber attacks are occurring worldwide and there is thus high risk of inadequate IT security in most businesses. This is also an increasing trend. Sinch is a company whose business is to transmit information digitally. Accordingly, awareness and management of IT security risks is vital.

Description of risk management

Sinch has stepped up its efforts related to IT security risks due to the accelerating global trend. For this reason, we have also opted to certify the business under ISO 27001 in order to improve risk assessment and management of these issues at the same time. This project continued during 2020. We have defined activities that are important to work with and to test our IT environment.

Our sustainability management program in 2020

The main topics discussed at the executive management level during the year were the work involved with our focus areas, the stakeholder analysis and the strategy project begun in 2019. Our work with data protection is a key topic in our sector from the legal risk perspective and because it is an aspect that is important to many of our customers. We are growing steadily and acquiring companies in various parts of the world. It is therefore imperative to continue ensuring an ethical platform for our business and zero tolerance of corruption. We will maintain our clear position that there is business benefit in being perceived as an ethical company by our customers, partners, employees and other stakeholders.

IT security was another prioritized topic and the process of certification of to the information security management system under the ISO 27001 standard was completed during 2020 for large parts of the organization.

The Covid-19 pandemic

Employee health and safety was the main focus in 2020 and during the pandemic. It is vital that everyone feels they have a good work environment and can do their jobs without risking their health. We have taken action to make this possible and have given our employees the option to work from home to the greatest possible extent and in consultation with their line managers.

Our sustainability strategy

Vision

Sinch's vision is "Simplifying life by bringing all people and businesses together."

Sustainability ambition

Sinch's sustainability ambition is to create value, ensure regulatory compliance and promote sustainable business.

Main objective

Sinch's main objective is to become the international market leader by combining strong organic growth and strategic acquisitions. We create value by generating long-term and profitable growth built on quality, economies of scale and innovation.

Sinch's focus areas

Regulatory responsibility

We do business responsibly and securely

- Anti-corruption
- Data protection and information security
- Ethics and legal compliance

Social responsibility

We are a fair employer

- Equal opportunity for all
- Diversity
- Health and wellbeing

Responsible value chain

We are taking greater responsibility

- Sustainable supply chain

Our focus areas

We do business responsibly and securely

Regulatory responsibility

- Anti-corruption
- Data protection and information security
- Ethics and legal compliance

Anti-corruption

As we work all over the world, including in high-risk countries, preventing corruption is an increasingly important topic for us. We have a Code of Conduct applicable to all employees, which is appended to new employment contracts, and an equivalent Code of Conduct for our suppliers. We have clearly emphasized and communicated during the year that all types of corruption, such as bribes or deals on non-market-based terms, are prohibited within our organization. As an aspect of reinforcing anti-corruption efforts, we have begun to carry out integrity due diligence before entering into partnerships of a riskier nature. This entails critical examination of all acquisitions and partnerships in regions where corruption is rife. The idea is that such a process will evaluate the reputation of the potential acquisition and integrity risks, which are aspects not covered in legal and financial due diligence. We initiated a project during the year to prepare a more comprehensive anti-corruption program. No crimes of corruption were reported during the year.

Data protection and information security

Information and IT security are critically important to our business and these topics remained a matter of intense focus in 2019. We have an IT management team that meets monthly to discuss IT security, current issues and areas of potential improvement. The general IT security policy is subject to the approval of the Group CTO.

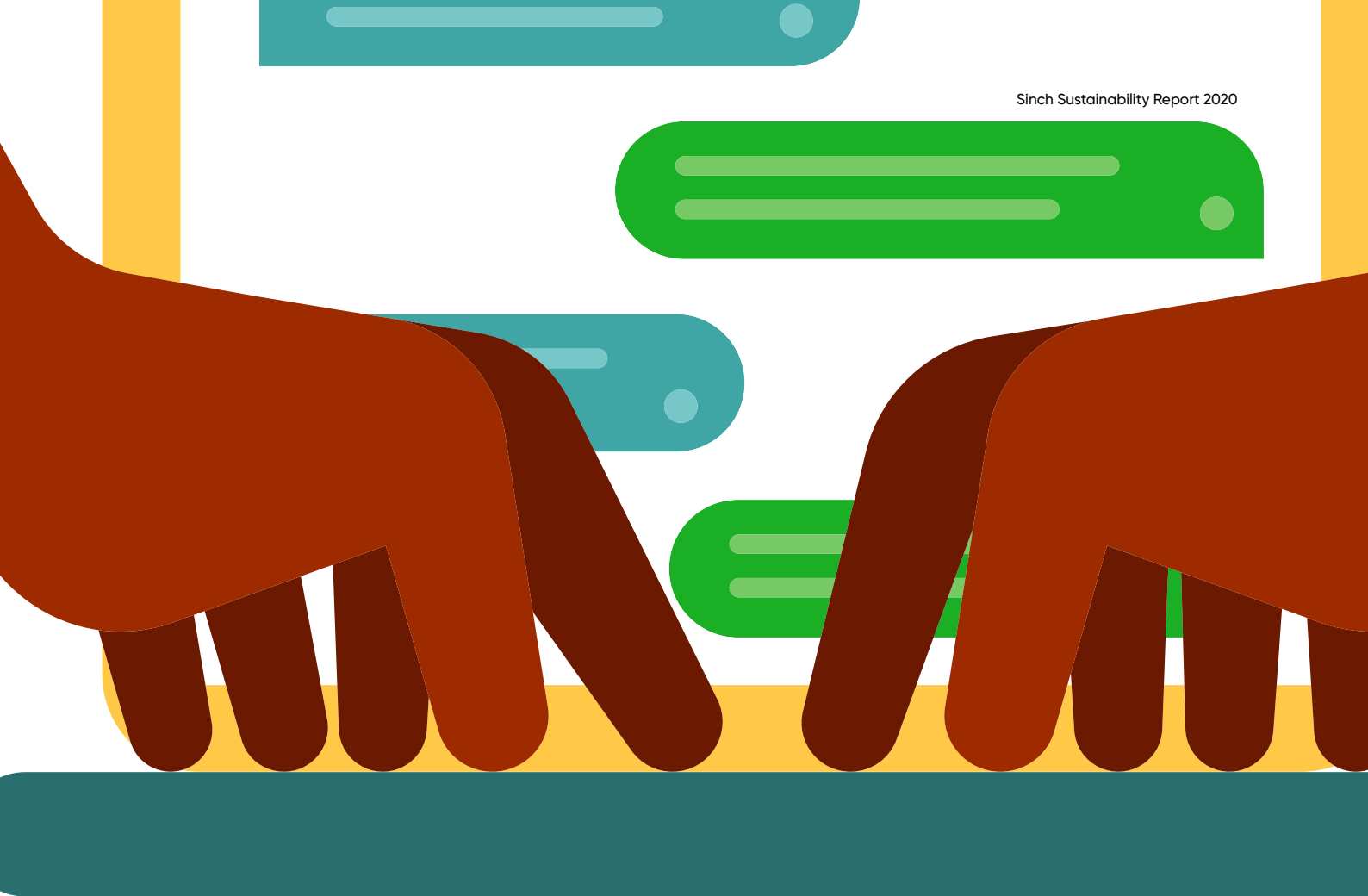
All new hires must undergo basic training in information security, IT security and data privacy. Completion of training is monitored. Some of the areas included in the IT security training are how we process personal data, how and what we post on social media and the importance of secure passwords and secure data processing. As many employees worked from home during the pandemic, we have increased IT security communications and made sure that our IT security system is full-coverage, regardless of where our employees are physically located. The system performs ongoing checks of irregular behavior and immediately detects any nonconformances.

A comprehensive process to certify large parts of the organization according to ISO 27001, the information security management standard, was carried out in 2020. The certification covers all Sinch services and the Operations, Legal, Security, HR and Support departments. In addition, four offices have been certified and we intend to certify an additional twelve offices and our development department in upcoming years. The Sinch security team was also significantly reinforced during the year and is maintaining its focus on improving information security actions. A Security Operations Center has been established, which analyzes security nonconformances around the clock. A new system has also been implemented that performs weekly security scans of internal and external assets. The results of the scan reveal any weaknesses in the system, which are assessed in our internal forums so that effective measures can be taken to minimize risk. Quarterly information security analyses are also performed jointly with stakeholders, which measure internal compliance with Sinch Information Security Policies. The focus of the information security team in 2021 will be on ensuring that all acquired companies are included in the security program and prepared to be included in the ISO 27001 certification. Ongoing development is also in progress, with focus on automation.

We maintained our internal training program the year, which is under constant development and improvement, in order to achieve the desired level of skill in the companies. The program improves our capacity to ensure that the right people are given the right training and that key skills are kept up to date. We reached our target for the proportion of completed trainings within the specified timeframe in 2020.

Data protection is still a prioritized area of sustainability in our business strategy. We evaluate our IT systems to ensure that they uphold a high standard of quality and process data in a secure manner. As part of the evaluation of the IT systems, we are implementing continuous measures and reconfiguring our IT systems to ensure they are adapted to current requirements. Sinch has a data protection representative and considerable effort was devoted during the year to further developing the maturity of our data protection systems, including all new companies in the program in forthcoming years. We improved our existing processes and work related to GDPR in 2020 and drafted policies that apply to the processing of customer and employee data. For example, we made changes in how incidents related to personal data are handled and updated the supplier assessment process and our own product development.

In order to determine whether our systems leak information or do not securely process customer data, we have an internal system in which employees can report any nonconformances they



have identified. As in 2019, there were no confirmed cases of loss of customer data in 2020. The partnership we began last year with a security firm has been fully implemented. As our growth continues, we will establish new partnerships with leading security firms so that we can more rapidly detect non-compliant security behaviors in our IT environments and ensure that we are running our business under the highest possible security protection.

Ethics and legal compliance

It is important to us that business is conducted in a due and proper manner. We aim to be trustworthy and we must perform the services our customers expect to receive. An ethical compass is part of our company culture and we promote fair competition.

There is no question that we must work in compliance with the laws and regulations that apply in every country in which we operate. We have legal advisers who cover all countries where we do business and an internal legal affairs department at the head office in Sweden that assesses legal risks and monitors compliance. We implemented the Sinch Integrity Reporting Line in 2019, a dedicated channel employees can use to report breaches of our Code of Conduct. All reported cases are dealt with confidentially and all cases will be analyzed so that appropriate actions can be taken to investigate and close the matter brought to attention through the report. Further work is being done to increase awareness of the Integrity Reporting Line and its purpose. We have generally increased focus on regulatory compliance within Sinch.

Human rights in business transactions

Protecting human rights in business transactions is important to us. In some of the countries where we do business, there can be risk of human rights abuses by the suppliers and customers we work with. It is difficult to maintain control over every aspect of this, but we seek to manage it by carefully evaluating our customers, suppliers and partners. Our Code of Conduct clearly expresses that Sinch must not participate in activities that constitute violations of human rights.

Sinch is a member of the UN Global Compact, whose principles include respect for human rights. We continued working with a system during the year that handles requests to disclose information to public authorities. We also established a separate communications channel, which is handled by our legal team, as well as guidelines that apply across the group. The team carries out a test of legitimacy and necessity before the information is disclosed to public authorities. There were no confirmed violations of human rights during the year.

We are a fair employer

Social responsibility

- Equal opportunity for all
- Diversity
- Health and wellbeing

Equal opportunity for all

Sinch is committed to providing everyone with equal opportunities to develop. We operate in a male-dominated industry and are working hard in a goal-oriented manner to bring more women into the business. We aim to have even gender distribution on the candidate short-list in our recruitment processes. Forty percent of new hires at Sinch in 2020 were women, which is a clear improvement over 2019, when the share was 28 percent.

We further improved the operational recruitment process in 2020 to ensure more a structured, data-driven and unbiased assessment process. This is improving quality and contributing to recruitment that is both fair and professionally executed.

To us, sustainable recruitment means facilitating career opportunities for our employees while challenging and developing our own skills. This means, for instance, that we advertise all vacant positions both internally and externally.

A comprehensive values project was carried out during the year in which all employees were invited to participate in the process in various forms of cross-functional workshops. More than 40 Culture Jams were held globally with the aim of generating commitment and engagement in the work to draft a credible formulation of the Group's values.

Diversity

Diversity and equal opportunity are key factors for us and our success is the product of our various skills and experiences. We are endeavoring to achieve equal opportunity based on skills and our steadfast objective is to bring the best skills on board regardless of gender, sexual orientation, ethnicity or disability. The structured, data-driven recruitment process that we have implemented allows us to more actively ensure that our recruitments are aligned with Sinch's diversity ambitions. Recruitment processes are faster and our recruiting managers have to spend less time on administration thanks to the support of talent teams and data-driven tools.

We are a multicultural workplace with employees in more than 40 countries, and together we speak more than 70 languages at the native speaker or professional level. This means we can often talk to our customers in their own language, which is an advantage in our work and adds value to our customer relationships.



English is our corporate language and employees are not generally required to be able to speak Swedish.

We carried out several different trainings during the year and switched over to more and shorter development initiatives in the form of digital meetings called "Sinch Boosts." These varied in content and scope and covered topics including health, diversity, inclusion and belonging.

The average number of employees (full-time equivalents, excluding consultants) was 858 (457), including 222 (103) women. The board was composed of five directors, two women and three men. There were eleven other senior management personnel in group management at the end of the year, including two women.

Health and wellbeing

There is no question that the wellbeing of our employees is critically important to the individual and to Sinch. We promote a good work/life balance because we believe happy employees help us progress and develop. We arrange health-promoting activities of various kinds, as in Sweden where we arrange group runs or walks for everyone as well as the opportunity to exercise during working hours. Beyond this, to the extent possible and in consultation with line managers, we also give our employees the option of working from home, as well as flexible hours and control over their working days. This became a high-priority matter in

8.5

Employee Satisfaction Index/ESI (8.3)

1,778

Number of employees including consultants (full-time equivalents/FTE) as of 31 December 2020

858

Average number of employees, excluding consultants (457)



2020 when the pandemic impacted everyone, all over the world. Due to the Covid-19 pandemic, our main focus was protecting the health and safety of our employees and their families. One important task in that effort was to provide support related to everything from practical equipment to mental health support to all employees who had to adjust their jobs and work from home.

We regularly review our employees' work environment and discussions are ongoing about how we should design modern offices and methods based on future needs. Other important discussions in the organization are centered on how we can prevent absenteeism by identifying signs at an early stage that an employee is struggling. We have established processes for providing support and offering counseling as needed. We offer employees in Sweden fitness and wellness benefits, medical insurance, flu shots and other health-promoting activities.

Absenteeism in 2020, excluding pregnancy-related leave, was again below 1 percent of annual working hours, at 0.67 percent compared to 0.73 percent in 2019. The absenteeism figure is based on data for Sweden, the UK and the US, which covers about 70 percent of our employees.

Our people

Each year, we conduct an employee survey in which the employees' perceived engagement is measured on a scale of one to ten. We reached the goal of 8.5 for the year, up from 8.3 in 2019. We conducted an additional survey this year due to the upheaval caused by the pandemic. In addition to the challenges of handling the pandemic, there was also a comprehensive onboarding project during the year covering all the employees who have joined the company through organic growth and acquisitions. It is a very good sign that our employee engagement score went up under these circumstances and shows that we have a strong company culture that is resilient to serious challenges.

Employee turnover was 8.5 percent in 2020 compared to 8 percent the year before. The workforce increased significantly compared to 2019, mainly due to acquisitions. About 18 (15) percent of vacant positions were filled through internal recruitment in 2020.

8.5

Employee turnover (8.0)

0.67%

Absenteeism (0.73)

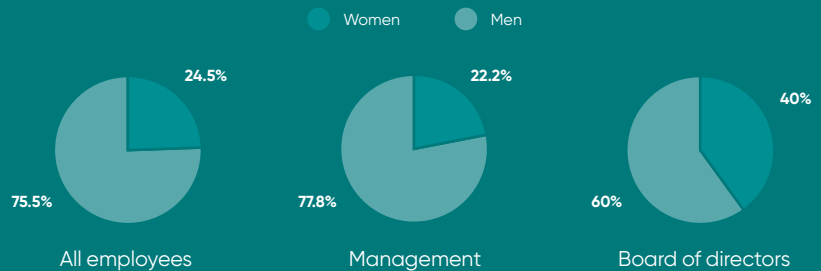
43

Number of countries

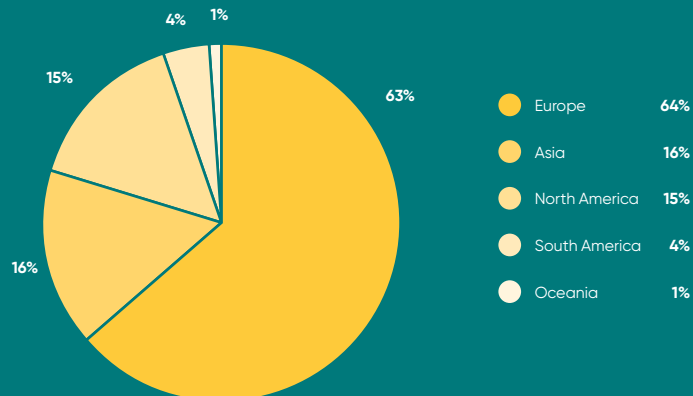
70+

Languages spoken

Gender distribution



Average number of employees



Sinch's values

A comprehensive project was carried out in 2020 to include all employees in a process to draft clear and well-supported values as a foundation that unites us and supports the fulfillment of the Sinch vision: "Simplifying life by bringing all people and businesses together." It is particularly important to have strong values in a company that is growing rapidly, both organically and through acquisitions. The values process welcomed all Sinch employees to participate in cross-functional teams and resulted in more than a thousand suggestions. The results of the process were presented in February 2021, along with the implementation effort to ensure that we are now living our values.

Sinch's four values:

Dream big

We make the impossible possible by dreaming big to solve our customers' problems and improve their businesses. Great things happen when we dare to challenge the status quo and find creative new ways to wow them. Driven by curiosity, we believe there is no such thing as failure, only continuous learning and development. Having big, crazy, ambitious goals drives our success.

Keep it simple

Sinch means simple and easy. It's how we want customers to feel when dealing with us: uncomplicated, down-to-earth and useful. Things stay simple when you are honest, open and act with integrity. Cut the fluff and talk straight! This also means spending our time and money wisely on things that really count. Eyes on the horizon, feet on the ground.

Win together

Great teams work faster and better together – creating meaningful impact for customers. Together as one global team, in close collaboration with our customers, we embrace diversity, meritocracy and care about every single individual. We build trust through open and honest relationships. It's all about the team: being inclusive, respectful and sharing our knowledge to empower all for personal growth. We collaborate, have fun and are stronger together.

Make it happen

We make things happen and make them matter – for our customers and the world. We are "doers" who value getting results and don't overthink matters. We stay accountable for our actions, apply the highest ethical standards to set ourselves apart and always deliver. If we're not making an impact, we rethink the approach. Structure helps us, bureaucracy and excuses do not. No putting things off – let's get it done now.

Working for Sinch

A lot of people want to work at Sinch. In 2019, we had about 4,000 applications. In 2020, that number rose to about 60,000. Despite the pandemic and several ongoing integration processes, our employee satisfaction index also rose during the year. Our capacity to manage continued growth and skills provision is based on a strong company culture, structured integration and recruitment processes and good people.

Working for us means coming every day to a workplace where passion is a main ingredient – something we are very proud of! We are energetic, pragmatic and the opposite of egotistical. And we get things done. Working for us, as a genuinely global company, means having the freedom and independence you need to succeed. We

constantly challenge ourselves and each other to be the best at what we do. We motivate and encourage our people to be the best they can be, every single day. We also believe in maintaining a good work/life balance by making it possible to relax, be ourselves and enjoy the workday and the challenges it brings. To us, a strong

company culture is a key prerequisite for success. With the relatively high number of acquisitions we are making, maintaining the company culture is a challenge – but our clear values and a structured integration process make it possible.



Mental Health America

Working with social engagement is one way for us to help make our world a better place, locally and globally, preferably through initiatives that are closely related to our business. One such initiative is our comprehensive partnership with Mental Health America. Together, we launched "Text For Humanity," a campaign that encourages people to send positive text messages to strangers all over the world. The aim is to counteract the negativity that so often appears in communications on social media and which sometimes leads to social ill health. During the period the initiative has

been active, we have reached 85 different countries and more than 90,000 messages have been sent. The campaign took on even greater urgency when the pandemic hit the world and people were isolated in their homes. According to the UK Office of National Statistics, more than 50 percent of the population have reported that their mental health has become poorer during the pandemic. The Text for Humanity initiative lets people from all over the world send caring messages to each other and express sincere thanks to the people who are fighting on the front lines.

Growing with Sinch

We value and reward our deep expertise in every field and we have therefore developed a thorough and effective recruitment process to ensure that we attract and select the top talents. We are very picky and put a lot of energy into interviewing applicants to make sure this is the start of a long and mutually rewarding relationship. We reinforced our Talent Acquisition Team during the year and improved our data-driven tools to ensure an even more professional recruitment process.

In order to remain an industry leader, we are utterly dependent upon retaining employees and being an attractive employer. Success depends on upholding our strong culture and working to meet existing needs. We set individual development goals, offer leadership training and take other initiatives that grow the individual and us as a company.

Career development opportunities and encouragement of internal mobility are another necessary component to retain skills within the company. We therefore advertise all available jobs internally and, as policy, all internal applicants are interviewed and given the chance to advance within the company.

Instituto Alicerce Foundation

Another project we engaged in this year was the school project we initiated in Brazil in 2020. Inadequate education is one of Brazil's greatest challenges. At the moment, that means several hundred thousand young Brazilians enter the job market every year with very few prospects. When Sinch began doing business in the Brazilian market in 2019, we chose to address this problem in line with our motto, "Building the Future," by becoming an Education Partner to the Instituto Alicerce Foundation.

The aim of the program is to strengthen underprivileged youth and develop their skills in reading, writing and arithmetic, along with their social skills, until they enter the job market. The program also helps the mothers of these young people reenter the job market.

The goals of our involvement are to:

- Fund one-year Alicerce Educação Scholarships for 100 young people.
- Help reopen and restore a new unit at Instituto Alicerce.

The outcome of the project thus far is that 103 scholarships were awarded in February 2021. The Covid pandemic has forced Brazil to close schools, which unfortunately limited young people's educational opportunities during the year, but the pandemic has not affected the results of our involvement. Sinch aims to keep supporting the young people when the schools reopen and continue helping them towards a better future.

We are taking greater responsibility

Social responsibility

- Sustainable supply chain

Sustainable supply chain

We operate in more than 40 countries and have a supply chain that extends across the entire world. Our main suppliers are telecom companies operating in each country. Maintaining control of all aspects in all countries is a challenge, but we communicate with our suppliers on a daily basis through face-to-face meetings and by email and telephone.

We work according to EcoVadis, which is an online CSR rating system that helps companies mitigate the risk in their supply chains. EcoVadis also evaluates the companies that work according to their system and this year we achieved Silver. This was below the Gold level recognition we received in previous years, even though we have implemented numerous improvement measures. We believe the explanation lies in the powerful expansion we have undergone in the last year, which meant that the requirements for achieving Gold were also increased. We implemented clearer guidelines during the year for the application of our Suppliers Code of Conduct.

Environmental topics

The reduced environmental impact of the business

In our view, there is no question that we must take responsibility for the environmental impact of our business, even though it is not considered the most significant component of our total impact. We must run our business responsibly and with consideration for the environment, the company's customers, employees and investors. We aspire to steadily reduce the negative environmental impact of our business. Generally speaking, since the aim of our business is for users of our products and services to communicate virtually to a greater extent than before, we are helping reduce the need for travel and transportation. If we can be involved in reducing the need for travel and thus reduce emissions, it is good for us, good for the environment and good for our customers. Increased virtual and cloud-based communication can also reduce the use of paper, which we consider positive. Sinch also aspires to send outmoded hardware for recycling.

Reduced consumption of resources

As air travel accounts for a large share of our carbon emissions, we apply a travel policy to ensure that business travel is carried out in the best possible way in terms of environmental impact.

For example, the policy establishes that we must not fly unnecessarily and must travel by train to the extent possible in order to reduce carbon emissions. We also seek to hold meetings via phone and video to the greatest extent possible instead of traveling to reduce negative environmental impact. Considerable air travel is unavoidable for an expanding high-growth company like Sinch with many business acquisitions and multinational operations. We are aware of the impact of this travel while recognizing that it is essential to continue expanding and developing the company. Nevertheless, we carefully consider all travel decisions and are making every effort to hold virtual meetings to an increasing extent. Travel was reduced significantly in 2020, partly as a consequence of our policy, but also as a clear effect of the pandemic. We have successfully maintained the business and leveraged new technology to develop new ways to carry out acquisitions.

We recycle at all larger offices – four in Sweden and three outside Sweden. More than half of our employees work at one of these offices.

We will be reviewing electricity usage in our own and leased data centers and evaluating whether we should prepare special specifications concerning the energy provided to us by landlords and suppliers.

What did we say ahead of 2020 and what have we delivered?

We will maintain our sustainability management program in 2020 on the same path, with special focus on anti-corruption efforts, data protection and an ethical approach to business transactions.

- The work has proceeded as planned. We carried out a new stakeholder engagement process during the year to update our sustainability strategy and we increased the number of focus areas.
- As described in the report, several initiatives have been taken in the areas of anti-corruption, data protection and an ethical approach to business.

We will also maintain our focus on attracting and recruiting even more talents and increasing the number of women in our organization.

- We have strengthened our HR organization with a Talent Acquisition Team and have implemented a streamlined internal and external recruitment system. The number of applicants increased from about 4,000 in 2019 to about 60,000 in 2020. As well, our goal-oriented effort to increase the proportion of women employees at all levels has been successful. The proportion of women at the company rose from 26.6 percent last year to 29.1 percent (excluding acquisitions) in 2020 and the percentage of women at the managerial level also increased compared to 2019.

We will maintain our focus on leadership training to continue reinforcing leadership within Sinch and will digitalize HR functions to better align with our status as a global business.

- Training initiatives continued during the year, adjusted for the pandemic with more but shorter training initiatives, some of which were open to all employees and others specifically for managers. An internal digital job platform was launched to create faster processes, ensure a good candidate experience and support internal job mobility.

Moreover, we will focus on working with ethical aspects and anti-corruption and certifying parts of our operations within the IT security framework according to ISO 27001.

- A comprehensive project was carried out to certify parts of the organization.

We have also decided to work with an energy consumption plan.

- The project has been postponed somewhat due to the pandemic.

Focus forward

We are continuing to work according to the seven prioritized sustainability focus areas and are ensuring that our newly acquired companies are covered by the sustainability program. The work to implement ISO 27001 across the entire organization, including recently added companies, is also continuing. The project to improve energy efficiency will begin during the year.

Finally, we intend to more clearly communicate to our employees the design of our sustainability program and how they can contribute. We are assessing whether to produce simple training materials about the sustainability program in connection with new hires. The bigger we get, the more responsibility is expected of us and we will maintain our commitment to doing responsible and secure business, being a fair employer and taking greater responsibility in the value chain.