



TRANSITION
TECHNOLOGIES

_ESG Report 2021

Transition Technologies PSC activities related to corporate social responsibility and sustainability

Our actions

The challenges of the modern world require decisive action and specific changes.

We start with ourselves!

We have plenty of ideas on how to contribute to a **better future** and **support the communities** we influence and depend on.



Our goals



Reducing carbon footprint



Encouraging collaborative and personal development



Promoting physical and mental health



Supporting those who need us



Key areas



Environmental impact



Conscious community



Health and well-being



Impact on society

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A word of introduction

Dear Sir / Madam,

The report we have prepared as a summary of Transition Technologies PSC's (TT PSC) sustainability-related activities in 2021 is our first such comprehensive publication on non-financial aspects. As such, it doesn't just address what we did last year in the areas of environmental, social, and governance (ESG - from Environmental, Social, Governance), but also takes a broader look at our strategic approach to the topic of corporate social responsibility.

TT PSC formally as an independent entity, has been on the market since 2016. That's only five years but looking at the scale of development in that short time - five very good years of dynamic growth and global development. In 2021, the company's team already consisted of more than 700 specialists working for clients from all over the world in 6 offices in Poland and 5 foreign branches (Germany, France, Taiwan, USA, Denmark). We are proud of this, and at the same time we are aware that in proportion to the growth of our business, our social responsibility grows. We are convinced that as **representatives of an industry** that embraces the **potential of digital transformation**, we have a direct impact on **shaping our shared, better future**.

The world around us is undergoing radical transformations and poses new challenges that we must face. An escalating climate crisis, a global pandemic or economic turmoil are just a few of the many factors that affect how people, companies and, more broadly, entire societies function.

Fortunately, agility and flexibility are among our key strengths, so we are constantly working on new solutions that allow us to increasingly effectively support the communities around us-those we influence and depend on.

Social responsibility is a very important part of our strategy. **The following report**, which is based on the **international GRI Standards guidelines**, discusses in detail **the actions we take in the field of ESG**, but also specifies **the goals we set for the future**. Enjoy your reading.

Best regards,



Szymon Bartkowiak
Chief Executive Officer

_Our Identity

7 areas of IT expertise

- Internet of Things and Industry 4.0
- Product lifecycle management
- Augmented Reality
- Cloud infrastructure and solutions
- Software engineering
- Machine learning and security
- IT service and asset management



700+
experienced IT professionals
working at TT PSC



8
main sectors
of business activity



1200+
completed
projects



10
languages we
work within



Szymon Bartkowiak, Chief Executive Officer

Graduate of Computer Science at the Technical University of Lodz (FTIMS department), Project Management (Lodz University of Technology - Faculty of Management) and Executive MBA studies at the University of Warsaw. Member of the Supervisory Board of Algomine. With TT PSC since 2006.



Konrad Dróżka, Chief Revenue Officer

Graduate of Computer Science at the Technical University of Lodz, specializing in Software Artificial Intelligence. Currently attending the Executive MBA program at Leon Kozminski University Warsaw. Member of the Supervisory Board of Algomine. TT PSC co-founder since 2006.



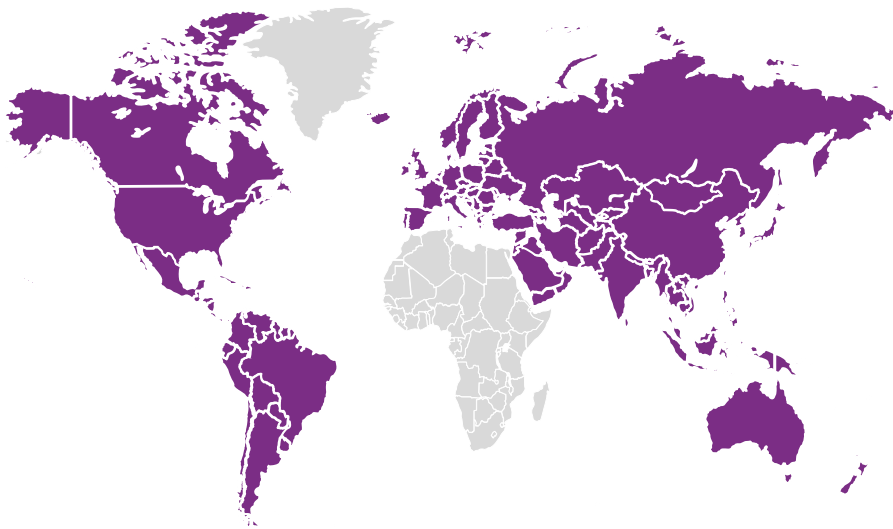
Arthur Szabelski, Chief Financial Officer

Graduate of San Diego, California State University. Bachelor of Science, Finance. Graduated with an Executive MBA from the University of Warsaw. More than 10 years in the financial field as Auditor, Financial Controller, FP&A, and Finance Manager at the US multinational Carrier in EMEA. Certified Fraud Examiner.

_We are part of the Transition Technologies Group

[2-1] Transition Technologies PSC S.A. (TT PSC) is part of the Transition Technologies Group, which has been on the market since 1991. Over 2,000 engineers and software architects working at TT provide advanced technology solutions for the energy, gas, Industry 4.0 and bioinformatics markets, and provide comprehensive outsourcing of IT services and software development for global corporations. Being part of the Transition Technologies Group means **greater flexibility**, including the ability to leverage competence, organizational and personnel support for large projects

or orders with a very short delivery schedule. It's also an **opportunity to use resources** held within the Group **more efficiently** by involving them temporarily for other units within the TT Capital Group (e.g., if there is a temporary surplus of programmers). It's also Transition Technologies Group's **network of sales offices and contacts**, whose support brings TT PSC tangible results.



23 offices on 3 continents



Projects in 30 countries



100% Polish private capital

TT PSC is a member of the **Transition Technologies Group**, a leading provider of software and IT services in Poland. TT Group is a company with **100% Polish capital**.

_We are part of the Transition Technologies Group

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[2-9] Relations between the companies (including the TT Group's parent company) reduce supervisory issues to the basics, focusing on effective cooperation through transparent commercial contracts.

Responsibility for the business development strategy and day-to-day management of TT PSC rests with the three-member board of directors, whose members are highly technically qualified and possess management and communication skills.

Simple structures and a well-established team ensure that decision-making processes are quick and the company is managed efficiently. This alone is a competitive advantage, but it also allows for better adaptation to individual customer expectations, making TT PSC an attractive business partner.

_We have been in business since 2016

The origins of TT PSC date back to **2006**. At that time, a business unit based in Lodz, Poland, was established at Transition Technologies S.A., specifically focused on providing solutions based on systems from **PTC** - an American provider of CAD engineering software, product lifecycle management systems, Internet of Things and Augmented Reality platforms.

In 2016, Transition Technologies PSC was extracted from the company's structures as a separate business entity. Only a year later, the company was already active in 4 Polish cities and had more than 300 employees. **OneSpan** - a global leader in electronic signatures- joined the ranks of technology partners.

2018 saw the first acquisition of **Flexthings**, a French company based in Paris. TT PSC also gained platinum partner status with **Atlassian** - the world's largest developer of software to support project teams, communication and knowledge sharing.

The following two years were filled with intensive growth and international development. New companies and headquarters were established in Taiwan (TT PSC ASIA Ltd.) and Germany (Transition Technologies PSC GmbH). **Rockwell Automation** - a global leader in automation and technology solutions for industry - joined the company's technology partners.

In 2021, the company signed an investment agreement to acquire a controlling stake in Polish company **Algomine**, specialized in providing innovative IT solutions using Big Data, machine learning, artificial intelligence and cloud solutions.

2006

- Transition Technologies S.A opens office in Lodz and establishes cooperation with PTC.
- **The beginning of Transition Technologies PSC as a business unit.**

2016

- **Transition Technologies PSC** is officially established as a separate entity and part of the Transition Technologies Group.

2017

- Transition Technologies PSC operates in 4 Polish cities.
- Long-term contract with OneSpan.

2018

- Acquisition of Flexthings.
- Atlassian Platinum Solution Partner status.

2019

- Transition Technologies PSC ASIA LTD. in Taipei, Taiwan.
- Partnership with Rockwell Automation.

2020

- Transition Technologies PSC GMBH in Munich, Germany.

2021

- Acquisition of Algomine.
- PTC Global Systems Integrator status.
- Transition Technologies PSC France SAS in Paris.

_We are a Global Solutions Integrator

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Mission

We aim to become a global integrator of the best IT solutions available in the market.

Vision

We believe we can shape a better world with the power of digital transformation.

Values



We delight customers

We cherish relationships. Our team is always ready to do their best to not only meet but even exceed customer expectations.



We gain trust

This is the foundation of our partnerships, which determines the success of any cooperation.



We respect others and create a helpful community

Partners and customers are in direct contact with our team, so the values we follow also have a significant impact on business relations.



We value innovation and continuous development

Creative and passionate people drive development and are always hungry for knowledge. They are the reason why we can offer innovative solutions and always be one step ahead.



We build win-win relationships

This statement perfectly describes our approach, both in terms of company culture and business relationships.



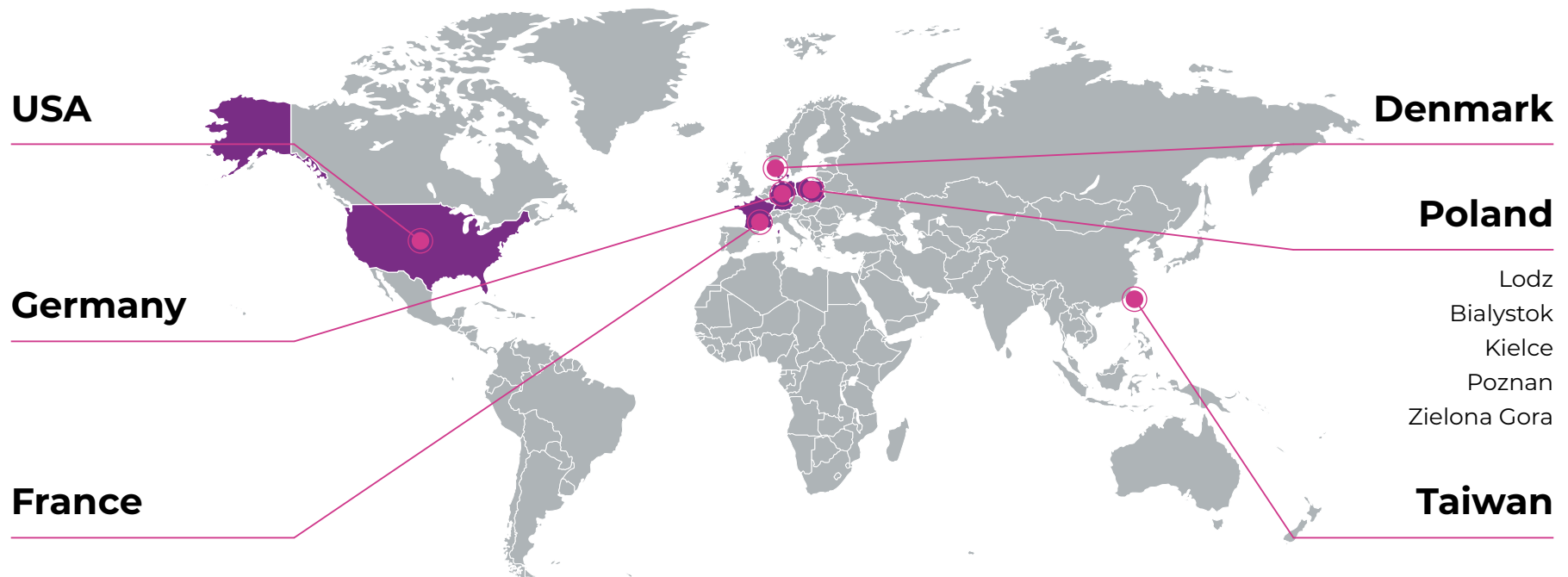
We adapt to our partners' needs

We provide valuable solutions in no time and easily adapt our offerings to current market needs.

_We are a Global Solutions Integrator

[2-1, 2-6] Tranision Technologies PSC SA (TT PSC) is an **international team of more than 700 digital transformation experts**. The company is consistently opening more offices and expanding its network of branches and thus - its structures. As a result, the company can carry out **global projects**, offering solutions that shape the future of businesses in the realities of the digital revolution, but relying on local technicians,

sales executives and managers. Today **TT PSC specialists work in offices in 5 Polish cities** (Lodz, Bialystok, Kielce, Poznan, Zielona Gora) **and 5 foreign branches** (USA, Taiwan, Denmark, Germany, France).



“ We continue to expand overseas.

*We recognize the **growing market demand for comprehensive digital transformation solutions**, which TT PSC, as an experienced global systems integrator, effectively implements, delivers and supports. We are convinced that a strategy involving international expansion is the right direction for us, as it allows us to work effectively with customers and better understand their specific needs. Our strategy also addresses digitization and sustainability solutions not only for themselves, but for the full supply chain and their customers. Digital transformation and sustainability are our common goals.*

Konrad Drózka

Chief Revenue Officer and TT PSC board member



Aware of the irreversible socio-economic changes, including the digital revolution and the related fourth industrial revolution (Industry 4.0), TT PSC fits in with its strategy, vision and mission to co-create a world in which, after the so-called Steam Age, Electricity Age, Digital Age, the boundary between human

and machine activities begins to blur. **The expertise and experience of TT PSC** experts translates the theoretical concept of **Industry 4.0** into concrete, tangible actions that turn it into a reality.

_Our responsible business

_We stand at the forefront of innovation

Our approach



Agile
methodology



Being
value-oriented



Being
results-oriented

Services

Deployment and
migration of data

Infrastructure and hosting

Cybersecurity

Connectivity
and integration

Consulting

Quality assurance

IoT & PLM Managed Services



Awards, prizes and rankings in 2021

In the last year alone, the company TT PSC:

- **Received the status of "Master of Innovative Transformation"** from MIT Sloan Management Review Poland for its SkillWorx solution.
- **Was included in the list of "Business Gazelles"** - a ranking by Puls Biznesu.
- **Ranked 2nd in the international "Industry of Things World Award 2021"** in the category "Responding to the new work standard during a pandemic".
- **Won 2nd place in the TUV NORD Poland** contest in the Safety category receiving the status of "Supermen of Quality".

_We stand at the forefront of innovation

[2-6] TT PSC, as a **Global IT Solution Integrator**, offers the best available technology solutions for business and industry. These are based on cutting-edge technologies such as **Augmented Reality, Enterprise Product Lifecycle Management, Internet of Things, Industrial IoT, Cloud Solutions, Artificial Intelligence, Cybersecurity**, and **Data Science and Big Data Analytics**. Transition Technologies PSC works with leading partners (**PTC, Rockwell Automation, Atlassian, Microsoft, Google, AWS, Synopsys, RealWear**).

The company creates and implements IT solutions that revolutionize approaches to product design, manufacturing, management and maintenance. Supports clients in the energy, pharmaceutical, medical device, automotive, FMCG, and communications as well as high-tech sectors. Helps them in their transformation towards the digital economy. Indirectly shapes the future of these companies and entire industries and sectors. It's a journey toward Industry 4.0, and thus a contribution to shaping a better, more sustainable world.

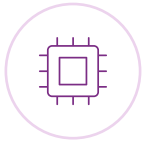
“ We are experts in digital transformation.

*Our knowledge and experience allow us to spread the idea of continuous technological development, as evidenced by more than 1,200 projects we have implemented around the world. We understand technology, acknowledge its significance and **know how to use its potential to achieve business goals and accelerate the growth of our clients and partners.***

Szymon Bartkowiak
Chief Executive Officer



We build long-term partnerships



Hardware Partners

- Augmented Reality



Breakthrough solutions

Together with our partners, we implement **breakthrough solutions desired by customers around the world** - solutions that bring rapid business value and accelerate growth.



Software Partners

- Industrial Automation, Industrial Internet of Things, Smart Manufacturing
- Product Lifecycle Management, Internet of Things, Augmented Reality
- Cloud services, migration to Cloud, BI, analytics
- Project management, ITSM, collaboration tools
- Data Analytics, Artificial Intelligence, data management



_We build long-term partnerships

Technology competencies and partnerships enable TT PSC to **implement digital transformation projects on an end-to-end basis**. This means end-to-end activities: from consulting and assisting them in the selection of technologies and solutions, through implementation and execution to maintenance, support

and further development of the client's infrastructure. By using Artificial Intelligence, the company provides advanced data analysis driving rapid monetization of implemented technology improvements.

TT PSC implements projects in - among others - industrial digitization through:

- implementation of production management solutions,
- production cycle planning,
- solutions to facilitate communication and access to required information,
- inventory optimization,
- management and monitoring of production machinery,
- remote product monitoring and servicing,
- remote expert solutions,
- shared documentation databases,
- support systems,
- data analytics,
- automation mechanisms to facilitate, for example, the forecasting of production performance or the reporting of performance results,
- advanced data migrations,
- ticket management systems with built-in customer and user portals, ITSM systems,
- solutions that forecast product demand, consumer behavior and develop optimization of pricing strategies.



On a daily basis, TT PSC specialists process gigabytes of data entrusted to the company by customers and partners.

The manner in which these things are done is of the utmost importance to ensure the quality of the solutions provided and, above all, the security of customers' operations. This is the backbone of trust in TT PSC and determines the future development of the company. That is why TT PSC follows the most demanding global standards in its activities, in order to guarantee its customers not only the highest quality of services provided, but also the full security of the entrusted data.

Wojciech Wąsik

Chief Digital & Information Security Officer



The basis of the Information Security Management System (ISMS) at TT PSC is compliance with the requirements of ISO/IEC 27001, which covers the scope of establishing, maintaining and developing information security management systems, and confirms the use of appropriate technical and organizational measures by the certified entity. The company also meets the following standards:

- **AICPA SOC 2 Type II** - verifies the organization's operations and non-financial procedures against the Trust Services Criteria.

It confirms the compliance of processes and safeguards with standards for confidentiality, integrity and availability of processed information.

- **VDA Associations - Trusted Information Security Assessment Exchange (TISAX)** - guarantee a unified level of security of exchanged information for the automotive sector. These standards have been integrated into the existing ISMS, which ensures the confidentiality, integrity and availability of data processed within the framework of ongoing projects regardless of region or industry.

_We are committed to quality and safety

[418-1] In 2021, as in previous years, there were no major security incidents, including incidents involving loss of personal data. There were also no related administrative proceedings against any of our companies.

Table: **Personal data protection [418-1]**

	2021	2020	2019
<i>Number of significant incidents involving breaches of customer privacy and loss of personal data</i>	0	0	0

Meanwhile, TT PSC continues to operate with the utmost diligence when it comes to complying with the rules of its various markets. Consequently, despite its extensive operations and presence in many different jurisdictions, there have been no administrative proceedings against the company, either in the last year or in previous years, related to violations of antitrust laws.

Likewise, the procedures in place at TT PSC have been effective in countering corruption - no cases of corruption were confirmed either in 2021 or earlier years.

Table: **Administrative proceedings related to violations of competition laws [206-1]**

	2021	2020	2019
<i>Number of administrative proceedings related to violations of competition laws</i>	0	0	0

Table: **Anti-corruption [205-3]**

	2021	2020	2019
<i>Number of confirmed corruption incidents</i>	0	0	0
<i>Number of corruption incidents involving the dismissal of employees</i>	0	0	0
<i>Number of non-renewals or terminations due to corruption risks</i>	0	0	0

_We have an impact on the sustainability of the industry

TT PSC works with conscious and responsible companies around the world. Together they create solutions that change the world for the better. Assists them in achieving their strategic and operational goals, and influences putting the concept of sustainable development into practice. High-tech solutions provide **better accessibility to public services for people**, such as health care, and also contribute to the sustainable development of companies, increasing their efficiency, such as in terms of carbon footprint or knowledge management.



Digitization of Health Care

Digitization of health care services is a complex venture that requires many groups to work together, aiming to noticeably improve the quality of medical services and their accessibility in Poland.

Transition Technologies PSC, as a subcontractor of S&T in Poland, is implementing the e-health (PI) project for the Ministry of Health, together with the Center for Health Information Systems. As part of the project, user-friendly digital services such as **e-prescription** and **e-referral** have been released, as well as an **Internet Patient Account (IKP)** at patient.gov.pl. Ultimately, the project also includes **implementation of electronic medical records** and **registration of medical events**.

Digitization of such a large area requires advanced IT tools and efficient data flow systems. In addition, **cooperation** and **information sharing among multiple stakeholder groups** is essential.

The scale of operation is much larger than in the case of building platforms for commercial companies (private medical facilities). The operational system built as part of the e-health project (PI) requires the **integration of huge databases**, such as: medical registries or a national electronic identification node containing e-card and Trusted Profile. In addition, it includes: the databases of the National Health Fund, the Integrated Patient Information System, the PESEL - NET system, and the databases of the Central

Statistical Office (GUS) and the Social Insurance Institution (ZUS). The foundation of the project is the detailed technical documentation provided by the institutions responsible for the system.

A hotspot of working on government projects is **security**. The software created is subjected to cyclic security tests to ensure compliance with standards such as OWASP.

Meeting the security requirements described in the contract clauses, adhering to procedures and confidentiality rules are the key guidelines of the Transition Technologies PSC team's efforts.



_We have an impact on the sustainability of the industry

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Flexible IoT solutions for asset monitoring (EMS)

Capula is part of the Imtech holding company, and is also part of the larger EDF group. The company is a leading digital technology provider that focuses on industrial automation control systems. It provides advanced technology solutions and enables its customers to safely operate and control some of the most strategically important facilities in the UK. Capula offers a range of Industrial Internet of Things (IoT) solutions that support asset digitization and industrial operating programs.

The company needed a reliable partner with experience in handling the PTC ThingWorx platform, in order to use it to **improve the energy monitoring system**. The ThingWorx IoT platform was the company's first choice, having already used the tool for previous projects and recognized its potential. The biggest challenge therefore was to build a project team whose members would have the required knowledge and experience.



Optimizing ocean shipping

The client is an ocean carrier providing services to international trade. The company specializes in port-to-port and end-to-end transportation of many types of cargo. The Transition Technologies PSC team took on the challenge of building an **innovative, integrated** operational management system for **key business processes in ocean transportation**.

The work on the system involved:

- Planning a shipping work schedule that includes the multiple transportation units within the company
- Manage the cargo lifecycle from booking to delivery to the customer
- Management of transportation documentation and automatic pricing of services

The key challenge was to acquire expertise in shipping. On this basis, an innovative system was created that integrates the aforementioned aspects of business processes. A lot of effort was put into finding new methods for creating optimal scheduling for multiple transport units, which are in constant motion in the context of planning specific transport movements (so-called "voyages"). In addition, the project had to develop an optimal cargo life cycle that meets market requirements, which would take into account the previously mentioned scheduling.

_We have an impact on the sustainability of the industry



System migration, cloud management service and DevOps automation for global leader in innovative thermal management technologies

Gentherm is a world leader in developing innovative technologies for thermal management. The company's mission is to provide thermal solutions that significantly impact the daily lives of many people. The technologies created by Gentherm effectively improve health, well-being, comfort and energy efficiency. With offices in 26 locations around the world, Gentherm has an exceptionally strong market position, global reach and enormous production capacity.

The **extensive base of innovative products** requires **sophisticated systems to manage their life cycle** and **accumulate related documentation**.

Such systems are typically used to store and manage documentation, i.e. service manuals, specifications and the "Bill of Material" (a structure that reflects a product's construction pattern), among other things.

Gentherm expected a solution that was fast and intuitive, and that would work smoothly regardless of the region of the world in which the user is located. The opportunity to improve existing systems and deliver the expected performance across multiple environments and locations was to change a hosting provider. A solution was needed that would accelerate server performance while optimizing usage costs and providing the flexibility to run the necessary environments on demand.

TT PSC presented several ideas to solve existing problems through a combination of data migration, cloud management and automation implementation to optimize costs.



_We are in dialogue with our environment

[2-29] As a modern organization, operating in a rapidly changing international market, TT PSC is aware of the complexity of the surrounding environment, as well as the expectations of the organization. Being aware that there are entities that are affected by the company's activities and those that may affect TT PSC by their

actions allows their expectations to be taken into account in the decision-making process that daily management entails. This, in turn, makes it possible not only to spot business opportunities, but also to limit the company's exposure to risk.

Customers and the market

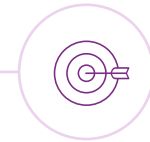
Customers, competitors, hardware and software suppliers, TT group companies.



Individualized approach and solutions, developed in dialogue with the customer



Market monitoring



Seeking the best technological solutions

Financial market and financing institutions

Strategic shareholders, lenders.



Reliable financial reporting and reporting on key events and decisions



Openness and meetings with representatives of financial institutions

Environment

Environmental organizations.



Monitoring of environmental impact information

_We are in dialogue with our environment

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Employees

Full-time employees, experts working on a B2B basis, interns, potential employees and IT students, former employees and colleagues.



Satisfaction monitoring



Consulting and involving employees and cooperating experts in activities that directly affect the workplace and employees



Ongoing internal communication related to employee matters



Attractive conditions of employment and development, rich package of non-wage benefits



Comfortable and ergonomic conditions in the workplace and flexible forms of remote employment



Internship program and recruiting the most promising students

Central & local government administration

Office of Electronic Communications (UKE), Office of Personal Data Protection (UODO), Office of Competition and Consumer Protection (UOKIK), National Center for Research and Development (NCBR), Ministry of Development and Technology and their counterparts in other countries.



Monitoring regulatory changes and ensuring compliance with them



Transparency in relations with administrative bodies, maintaining the highest ethical standards to avoid conflicts of interest



Staying apolitical



Openness in providing possible explanations



Obtaining grants for projects that fit in with activities supported by government institutions

Society and local communities

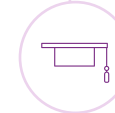
Industry organizations, IT universities, local and national media, NGOs.



Getting involved in industry organizations to address common industry issues



Active participation in industry events (e.g. conferences)



Working with universities to provide future human resources for the IT industry, including support for women studying in these subjects



Joining social and charitable activities at the local community level

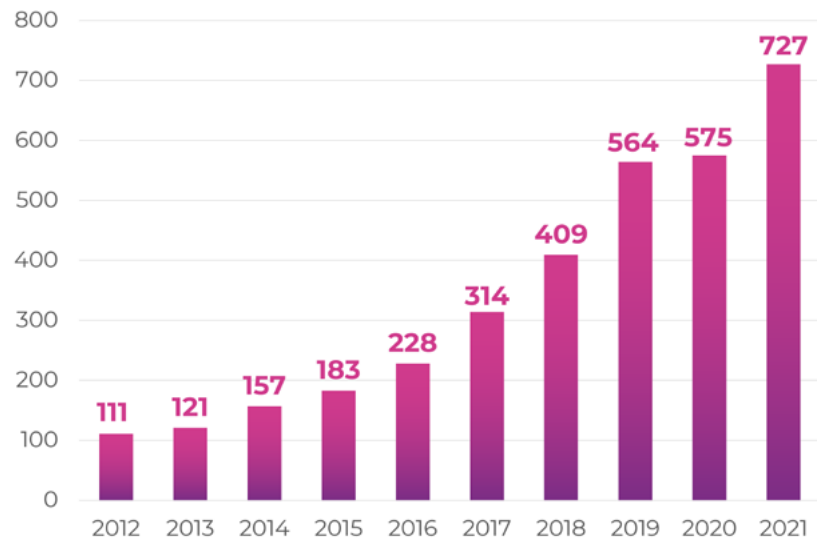
_Our conscious community

_We are TT PSC

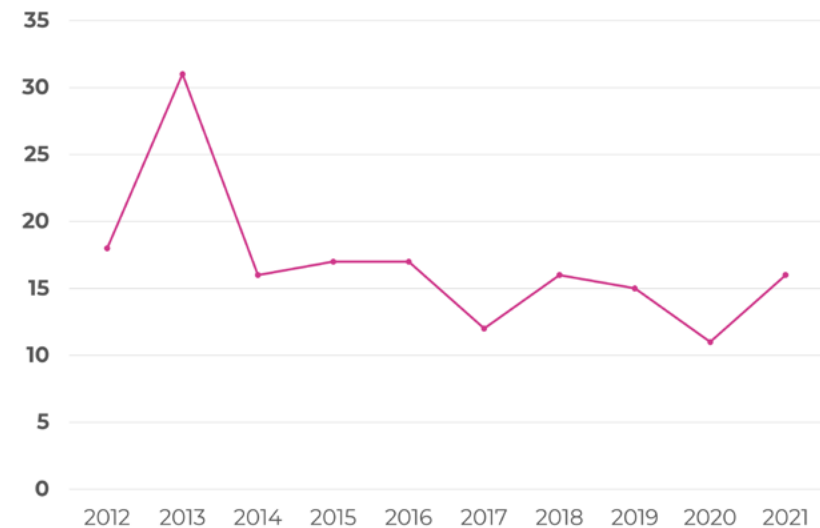
Transition Technologies PSC ended 2021 with 727 employees. The predominant form of employment is the employment contract, although TT PSC is open to B2B cooperation with self-employed experts. The company's growth has resulted

in a **26.4% increase in employment** during 2021 alone. Despite the fact that women account for only 15%-20% of graduates in Poland's traditionally male-dominated IT fields, as many as **24.7%, of new hires during 2021 were ladies.**

Employment



Employee turnover %



_We are TT PSC

TT PSC operates in a market where the demand for specialists is far greater than their supply. Therefore, the company not only strives to attract the best of them (including the most promising graduates), but also places great emphasis on providing attractive employment conditions and a good atmosphere to limit their outflow from the company.

As a result, TT PSC's **employee turnover rate** has **remained stable** over the years, which is low compared to the industry average. In **2021, it was 16%**, with **the rate for the entire IT industry at 30-40%**, according to reports.

_We focus on development

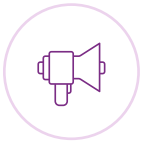
“TT PSC is committed to providing employees with opportunities to improve their skills and acquire more.

We have prepared a wide range of development programs to expand professional competence. These include technical training in new technologies, improvement of programming skills, as well as soft skills training. Within internal and external training, two leading development programs (GL Track and MNG Track) are particularly notable. Furthermore, TT PSC specialists also have the opportunity to attend expert conferences. TT PSC also subsidizes specialized postgraduate studies and foreign language courses.

Anna Wdowiak
Chief People Officer



_We focus on development



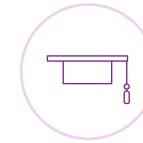
GL Track

An internal development program for Group Leaders (GLs), who are responsible for, among other things, onboarding new employees to the organization, promoting company values and culture, and supporting the team's development. Every TT PSC employee has a chance to join the Group Leaders, but in order to effectively carry out the responsibilities of this additional role, they must complete a full training program of 5 modules. This allows them to develop soft skills, communication and negotiation skills, and to prove themselves in situations involving interpersonal problem solving.



MNG Track

Program developed for employees preparing for the role of a manager and those currently in managerial positions. It supplemented the Experience Exchange Zone for managers. The manager's role is based on communication and negotiation skills, dealing with situations involving interpersonal problem solving, as well as promoting the organizational culture prevailing at TT PSC. In addition, the team manager must have a high level of knowledge of internal procedures and basic labor law issues. On the one hand, this program targets the development of the required personal competencies, on the other hand, it provides a bundle of the necessary formal knowledge required for a management position.



TT Academy

With new employees in mind, **TT PSC is implementing the "TT Academy" program.** During the two-month training cycle, they learn about the software they will be working with at the Company; they learn best programming practices and improve their communication and interpersonal skills - both in their interactions with clients and with colleagues or superiors. In **2021, 7 Academies were held.**



Trainings

Expenditures on training are a noticeable item in the company's budget. In 2021, nearly one million PLN were spent on them. As a result, **employees attended 296 training sessions** (of which 45 were internal and 251 external), which translated into 12,440 training hours completed.

2020

We organized a total of **29,000 hours** of training, which gives **7 training days per person.**

2021

We organized **296 trainings** (45 Internal and 251 External) for 480 attendees.

That's a total of **12440 hours** for development.

Other development benefits



Language courses



Coaching



Conferences



Webinars

_We share our knowledge

In parallel, in addition to typical development activities, one of the priorities is **internal knowledge sharing**. The key here is the involvement of employees, who are eager to participate in such initiatives and are often the masterminds behind the next ones themselves.



Open Digital Transformation Lunch'n'Learn sessions

An internal initiative, launched in 2021, in response to the challenges of growing the company, the service portfolio, the technologies used in a remote working environment and expanding the team. It's a series of short, regular meetings on key issues in the areas of digitization, digital orchestration, and consulting skills, among others. The purpose of the half-hour informal meetings is to build common ground in business awareness, broaden horizons and prepare all employees to talk to customers or partners on a whole new level.

In 2021, a total of **9 meetings** were held in **3 training series** on the topics of digital transformation, supply chain digitization and professional services.



Women's Day webinars

In 2021, the celebration of International Women's Day at TT PSC lasted a whole month. To celebrate wonderful women and their unique personalities, hobbies, and talents, a series of in-house workshops / presentations / open sessions was created on literally any subject, chosen by the presenters themselves. The goal was to encourage women to share their passion with others.

The action resulted in **7 meetings**.



Lightning talks

Meetings open to all TT PSC employees. The idea for the meetings came from one of the employees who lacked the additional opportunity to freely exchange knowledge and experience when the company switched to remote working. The online meetings also provide an opportunity for everyone to participate, regardless of location, so they promote the integration of employees from different locations. The Lightning Talks series initially focused on aspects related to technology solutions, programming and working on projects. Over time, however, the scope of the meetings has evolved and broadened.

By the end of 2021, **10 meetings** in the **Lightning Talks series** had been held, and the events are generating growing interest among employees.



We value diversity

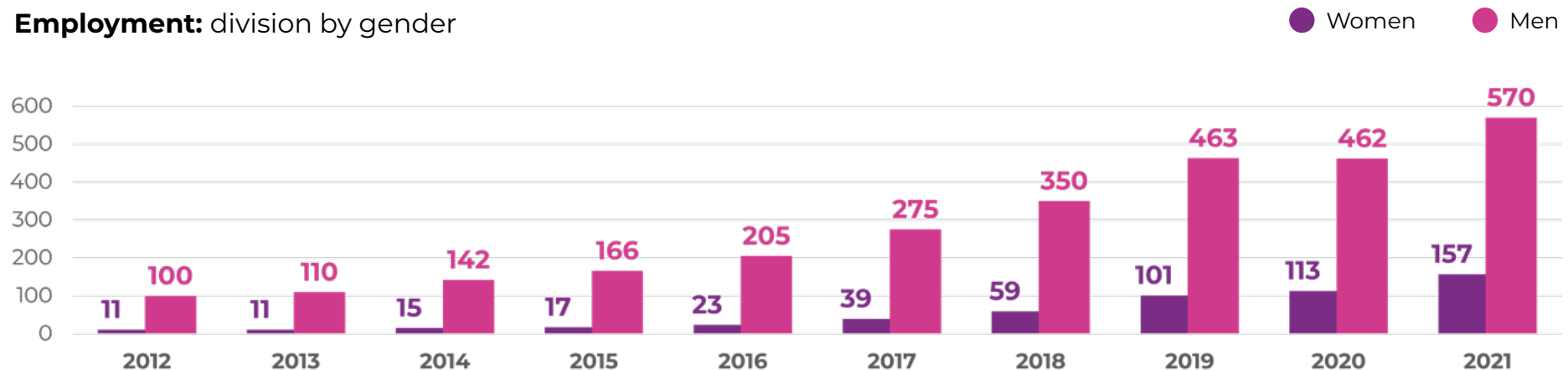
Business development and success, requires accurate decision-making and the involvement of competent people. Any restriction, whether it bears the characteristics of discrimination, reverse discrimination, or otherwise imposes non-substantive selection criteria, leads to suboptimal decisions and thus hinders development. **Diversity** means a **wide spectrum of possibilities** and **promotes development**. TT PSC's experience shows that in a heavily male-dominated industry, the different skillsets of men and women can bring a broader perspective to the challenges facing the company. Different points of view give meetings and deliberations a better dynamic, and the difference in perception, fits perfectly with the specificity of different roles in projects and allows focusing on different aspects of an issue.



Despite the dominance of men in the industry, TT PSC is trying to encourage ladies to work in IT. Although they make up 21.6% of all TT PSC employees and are still a definite minority among technical department employees, their number is steadily increasing, among managers as well. Thus, despite the representation of women being lower than the social structure would indicate, the percentage of ladies in terms of the industry is relatively high and, crucially,

increases with the position held in the company's structure. This confirms the important contribution women make to the company and the importance of their competence. Although men still dominate the workforce, TT PSC's employment structure positively deviates from the standard of the IT industry, which is far more male-dominated.

Employment: division by gender



We value diversity



Women in Power (WiP)

A community functioning inside TT PSC, supporting women in professional development and building personal competencies. The project is addressed to women and initiated by women. The Women in Power initiative has a mission to provide tools and inspiration for self-development, self-confidence and belief in one's own competence; to build one's own strong personal brand. Thanks to the support and efforts of this initiative, the proportion of women in managerial positions in the Company is growing, and is expected to translate into an increase in the employment of women in the organization.

The formula is based on periodic inspirational meetings, trainings and workshops, which are available to all interested parties at TT PSC. They are attended by invited guests - successful women who are proof that success is possible even in a difficult industry. There is also room for a male point of view at each of the meetings. With their speeches in the block "WIP initiative through the male eye", the project was supported by men in the highest positions in the company, headed by CEO Szymon Bartkowiak.

In **2021**, four themed meetings were held as part of the project:

- February** ○ *"Stronger sex - how to negotiate effectively and defend against manipulation", Sylwia Królikowska.*
- April** ○ *"Woman in the organization - facts and myths", Maciej Zarzys.*
- August** ○ *"Depression - causes, symptoms, treatment", Ursula Horwath.*
- October** ○ *"Professional burnout - causes, symptoms, treatment", Elizabeth Lisowska.*





Women in Power is an initiative that was created to provide TT PSC's female employees with inspiration

and tools to build confidence, support their professional development, and enable them to share their experiences - both with each other and with external experts. We want women at TT PSC to know the impact they have on the company, to not be afraid to face challenges and to aspire to leadership positions. The Women in Power project motivates women and gives them the space to realize their full potential.

Aleksandra Grzelak

Project Workforce Director, one of the founders of WiP



The company has been aiming to strengthen women's representation in the IT market through internal and external activities. In addition to the internal **Women in Power** program, it periodically supports external initiatives such as **girls.js** (workshops for women who want to start their IT careers by learning JavaScript).

Respecting differences and recognizing the potential in diversity has many more dimensions. Gender is just one of them. A good example of business practice in other fields, is building overseas branches of TT PSC and transferring responsibility for the local headquarters to employees from a particular country.

_We are building a multicultural team

The year 2021 was a breakthrough year for TT PSC in terms of hiring employees from different corners of the world. As a result of launching international recruitment on a wider scale, by the end of the year already **more than 10%** of the total team was made up of **non-Polish employees**.



Specialists around the world

At the end of 2021, the company hired **727 employees** from the following countries:

- Albania
- England
- Australia
- Belgium
- Denmark
- France
- Greece
- India
- Cambodia
- Canada
- Kenya
- Morocco
- Germany
- Nigeria
- Pakistan
- Poland
- Serbia
- USA
- Sweden
- Taiwan
- Turkey
- Uganda
- Ukraine

The increasingly diverse structure of the team, having people of many nationalities, coming from different cultures, has an impact on the functioning of the entire company. It requires special attention and sensitivity, as well as appropriate adaptation of employees to work in an international environment. After all, hiring around the world is not only about cultural differences or possible language barriers, but often also about mundane operational challenges related to time differences, when it is necessary to schedule meetings at times that are comfortable at the same time for residents of, for example, the United States, Poland and Taiwan.

In **2021**, a **number of activities** relevant to **multicultural management** were initiated at TT PSC. These projects were aimed at integrating employees from overseas branches among themselves and within the organization as a whole so that they not only feel comfortable with the company, but also feel part of it. A breakthrough change for the organization was the complete switch to English in the company's internal communications, in all public channels. In addition, the benefits package for employees from foreign branches has also been expanded (including language courses or sessions with a psychologist in English).

_We are building a multicultural team

“ By focusing on the diversity and multiculturalism of the team, we are creating a work atmosphere where everyone will feel "at home"

and which will not accept any behavior that would bear the hallmarks of discrimination. We have implemented training regarding cultural differences, as well as anti-discrimination. As a result, neither in the last year nor in previous years have we recorded any case of it.

Anna Wdowiak
Chief People Officer



Table: **Anti-discrimination**
[406-1]

	2021
Number of identified cases of discrimination	0



Relocation support program

To attract employees from outside Poland even more efficiently, TT PSC has decided to launch a support program for relocation to Poland. The company offers the opportunity to go through the recruitment and contracting process completely remotely. What's more, it provides **support in moving to a new country**, including:



Travel organization



Assistance in finding permanent housing



Support with all formalities and official matters (from visas or work permits, to documents already processed on the spot, such as rental agreements or formalities for opening a bank account)

_We cherish relationships and a healthy balance

For TT PSC, an **extremely important aspect** of day-to-day activities **is team building** - a team of people who not only work together, but who simply like each other. Hence, there is a strong emphasis on team integration, by providing regular opportunities for informal interactions. In the office reality, people naturally meet, brew coffee in a common kitchen, eat meals together. They also meet in special chill zones orduring periodically organized events, such as a FIFA tournament or an internal Coders Day hackathon. Twice a year, employees from different offices are invited to large team-building events (a summer and winter party). Whole families have a chance to get to know each other and spend time together during Family Day and the company's Saint Nicholas' Day for the youngest.

There was a challenge regarding team integration during the pandemic, when the team working remotely was unable to meet. Large corporate events had to be canceled, and at times of easing sanitary restrictions, small departmental get-togethers were held instead.

The first events held stationary, although still limited, were meetings at all locations in Poland to celebrate TT PSC's five-year anniversary. Nevertheless, the gradual easing of epidemic restrictions means that **company life is slowly returning to normal** and will again be followed not only by **team-building meetings**, but also by other **events for employees and their families**.



_Our health and well-being

Transition Technologies PSC takes issues related to the wellbeing of its team very seriously. In order to provide the best possible support in taking care of the mental and physical condition of its employees, it implements **wellbeing activities**,

which are a coordinated, comprehensive program. It includes, among other things, workplace ergonomics, promotion of healthy lifestyles and prevention, and health-related benefits (group insurance, private medical care, psychological support).



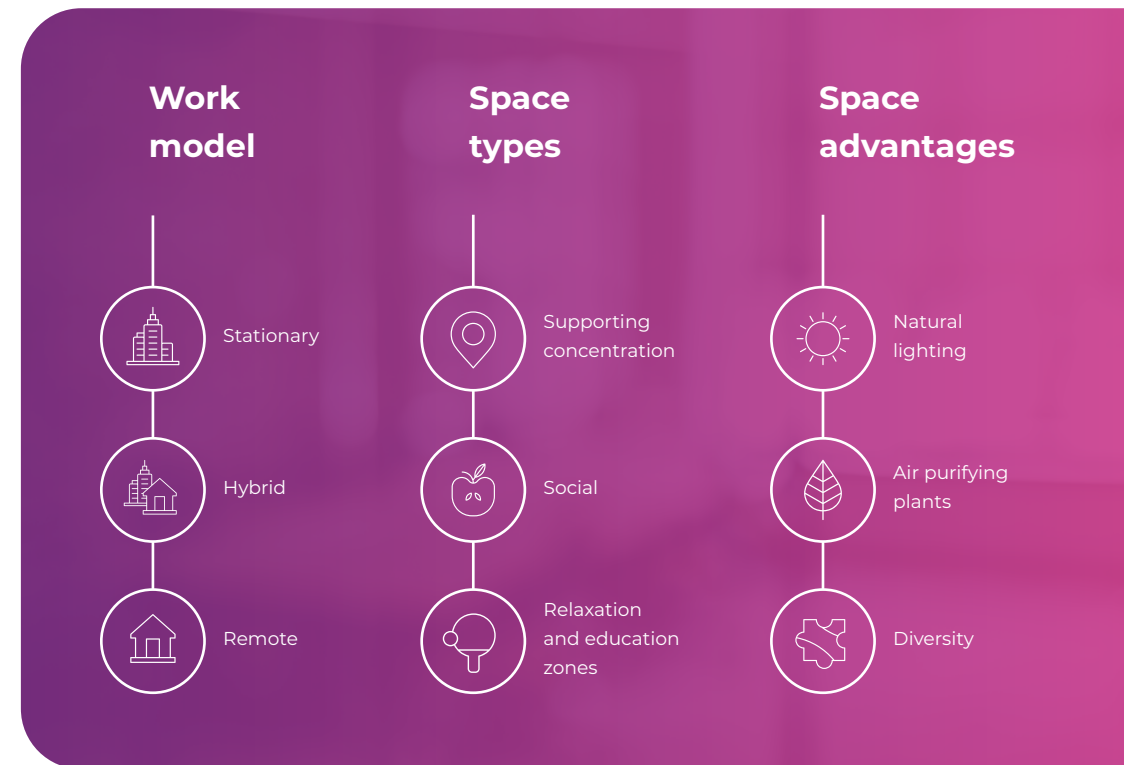
Our offices are safe and friendly workplaces

Transition Technologies PSC employees can work in a **desktop, hybrid** or **completely remote model** (excluding, of course, the period covered by the restrictions imposed by the Ministry of Health in connection with the COVID-19 pandemic). This ensures a customizable workplace and facilitates a work-life balance.

Nonetheless, the company makes every effort to ensure optimal conditions for all employees, fostering focus and efficiency, stimulating creativity and encouraging bonds within the community.

Taking care of such space is much easier for those who work on-site. All of TT PSC's offices are designed to offer employees both space for **working in full concentration** (project rooms, conference rooms) and **open common spaces** (chill zones and gaming areas, an office library, or fully equipped kitchens for coffee meetings). They are designed to be as functional and user-friendly as possible by incorporating, among other things, **natural lighting**, **air-purifying plants**, and a **variety of available spaces** and **forms of recreation**.

During the pandemic, taking care of the team's comfort while at work posed a greater challenge, as for most employees, the home office became the main place to carry out work duties.



Nonetheless, Transition Technologies PSC has decided to tackle this challenge in 2021 as well, offering employees **subsidies** designed to help them **equip their workstations at home**, the ability to **purchase rehabilitation equipment** for their own use (rehabilitation balls, rollers, sensory cushions or exercise bands), and organizing online **training** and **webinars** (dedicated to, but not limited to, work-life balance or mental health) and even remote teambuilding events.

_We are committed to the prevention of physical and mental health

32

However, caring for a comfortable workplace does not exhaust the health-promoting activities that TT PSC offers employees. They can count on both **free flu vaccinations, private medical care** and **free psychological consultations** available to the public.

Activities such as preventive health care and mental hygiene care are part of the broadly defined provision of safe and hygienic working conditions. Especially since the traditionally defined occupational health and safety risks associated with office work, are low. In practice, there are no accidents at work, and preventive measures implemented through mandatory training for all employees are quite sufficient.

The company is therefore focusing on promoting a healthy and active lifestyle. It organizes webinars, awareness campaigns related to the "Health Month" initiative, and offers healthy and tasty snacks to employees in each of the offices on Wednesdays.



_We are active

In the pandemic era, to counteract the reduction in physical activity, **online fitness classes** were held on Wednesdays for 3 months for all interested employees. There were also **sessions of yoga classes**. At the same time, the **in-house sports team** and the **TT PSC Running Family**

group continuously encourage employees to compete as a team, as well as participate in sports charity events such as the Poland Business Run and the Elephants on the Balcony charity's Run For Help.



MoveIT Challenge

This is a **team challenge** and a **collaborative physical activity** in which **all employees can participate**. Each form of exercise and each calorie burned - whether walking, swimming, biking, or dancing - counts. It is also about accomplishing a common goal: donating the funds raised to a charitable organization. According to the decision of the employees, the beneficiaries of the 2021 edition were the Vests for Adoption Foundation and the WOŚP Foundation. A total of **PLN 8,000** was transferred to them **thanks to Transition Technologies PSC employees**.



Our impact on society

The joy of doing something together comes in many forms, and what they have in common is teamwork. TT PSC supports **employees who engage socially** and **initiate events that bring people together**.

We cooperate with universities

TT PSC is involved in educational activities related to the promotion of the concept of Industry 4.0. It shares knowledge of modern technologies, so that students who will soon enter the labor market gain practical knowledge of currently available solutions. **The company actively cooperates with 6 universities**, these are:

- University of Lodz
- Lodz University of Technology
- Kielce University of Technology
- Bialystok University of Technology
- University of Zielona Góra
- Poznan School of Banking

The company also recognizes the important role of cooperation with educational institutions across Poland, so that it not only builds employer brand awareness among potential employees, but above all supports the development and education of the next generation of modern technology enthusiasts.



TT PSC specialists conduct classes for students (Amazon Web Services, Internet of Things in the Azure Cloud, advanced programming issues). They also **join events organized by universities**, such as the Business Hour, Project Innovation, Work on It. For students, this means an opportunity to understand the practical challenges of future IT work, for TT PSC employees, in turn, it is a chance to develop coaching skills, and for the company to build recognition among potential future employees.

TT PSC organizes internships and apprenticeships, especially for IT students. For students, this is an opportunity to gain experience, and for TT PSC it is a chance to meet and hire the best of them. From the very beginning, i.e. from the moment of applying, students become familiar with the processes that accompany professional work. They go through the recruitment process and then carry out projects for the company's clients, so within a few months they gain real experience and can test their knowledge in practice. Many of them decide to continue working with TT PSC after completing the internship program. Thanks to the company's flexible approach, they can combine their studies with their first professional job. During last year's internships, students developed their programming skills, gained practical knowledge of engineering and software development and design work. Of the **53 people who completed internships, 35 were employed** by the company.

_We organize the DevForge conference

TT PSC specialists conduct webinars, panel discussions and industry events. They also **perform as speakers** at **major technology conferences in Poland** and **around the world** (including PTC LiveWorx in Boston and Taiwan Innotech Expo in Taipei). Typically, these are events focused on imparting substantive knowledge to those in the wider

business community. However, the **DevForge conference** is a **unique event** - created **by programmers** and **for programmers** - both beginners and slightly more advanced ones. Moreover, it is a **project carried out entirely by TT PSC** - from the idea, planning, communication, promotion and organization. The last edition was held online on 27.01.2021 (due to pandemic restrictions).

“ The idea of the DevForge conference is to encourage, inspire and motivate development in the high-tech industry.

We follow the latest trends, create new solutions and bring them to life. We create an event to provide a platform for knowledge exchange and a space for networking. DevForge is a "forge of new technology practitioners" - we place the greatest emphasis on the practical application of the topics presented. We invite professionals who implement business projects using developer skills on a daily basis. We address the lectures to people who want to develop their skills.

Sonia Dynarska
Marketing Manager



_We carry out research and development projects

[203-2] For many years, TT PSC experts have been involved in R&D projects, mainly in the field of industrial application of Augmented Reality (AR) and Internet of Things (IoT). This experience includes projects funded by both domestic and international sources. In 2021, the company's specialists carried out **3 projects** in **H2020 international consortia**. Their total value is **€33.6 million**.

At the same time, the company implemented proprietary, innovative solutions developed as part of an individual project funded by the National Center for Research and Development under the European Regional Development Fund.

The projects and the technologies developed upon their implementation represent a significant contribution of the TT PSC to economic and social development. They make **sustainable development a reality**.

These are concrete, practical solutions that will contribute to **increasing the efficiency of industrial production**, or implementing thinking in terms of a **circular economy**.

The experience gained during their implementation, including experience gained from **working with some of the world's biggest brands**, allows TT PSC to **quickly and efficiently** implement solutions based on modern technologies.

Among the executed projects in **2021**, the **most innovative include**:

Connected Worker



With the threats brought by the pandemic, remote work solutions have become widespread. However, the nature of the work does not always allow for efficient execution of tasks. Collaboration, training, supervision and support of "front-line" employees sometimes require unique solutions that realistically enable productive remote collaboration or effective upskilling. Such needs are addressed by augmented reality (AR) and communication technologies, democratizing access to knowledge, enabling remote knowledge transfer, or collaborative problem solving. However, currently available solutions in this area have a number of shortcomings, for example, while they are convenient for everyday use on smartphones, they are not for working with machines, infrastructure, or for service delivery and tasks that require free hands. Moreover, it is impossible to map a space larger than a few square meters or so, to understand the location of a worker at the scale of an entire building (e.g., a factory) and his interaction with the real world. A potential problem is also the rather short battery life.

TT PSC, as the **leader of a project valued** at more than **PLN 5.3 million**, offers an **innovative AR solution** for remote collaboration that will map a space of more than 1,000m², work on wearable devices and incompatible with ArCore (Google) and ArKit (Apple) libraries, and by using 5G and the cloud for AR computing, extend AR runtime on a single battery charge.



_We carry out research and development projects

Among the executed projects in **2021**, the **most innovative include**:

INEDIT



The furniture industry is currently witnessing a shift from a do-it-yourself (DIY) approach to a do-it-together (DIT) approach. The EU-funded €6.9 million INEDIT project, implemented by a consortium of which TT PSC is a member, will create an ecosystem to transform the DIY approach implemented in FabLabs into a professional DIT approach. Participants in the project will leverage the knowledge, creativity and design and engineering ideas developed by an interdisciplinary team.

To demonstrate the feasibility of social manufacturing innovation in a circular economy, the project will conduct tests related to four applications - manufacturing sustainable wood panels and 3D printing wood, 3D printing with recycled plastics, and creating smart solutions.



PENELOPE



The team, of the EU-funded PENELOPE project with a budget of nearly €21 million, will develop a methodology combining product-centered data management and production planning with scheduling within a closed-loop digital system. The goal of the project is to increase accuracy within production capabilities based on the initial product design. The project aims to develop this methodology and its vision in the oil and gas, shipbuilding, aeronautics and road passenger transport sectors. The project will also include training to prepare employees for the coming era of Industry 4.0.



_We carry out research and development projects

Among the executed projects in **2021**, the **most innovative include**:

Mari4_YARD



The shipbuilding industry needs innovative, cost-effective, reconfigurable, modular and flexible worker-centric methodologies that can improve worker productivity and ensure the quality and precision of painstaking tasks. The Mari4_YARD project, with a budget of more than €5.9 million, aims to implement a portfolio of shipyard worker-centric solutions based on innovative collaborative robotics and ubiquitous mobile solutions (including using AR), enabling modular, reconfigurable and usable solutions focused on facilitating workers' daily tasks.



Among the previously conducted projects, it is worth mentioning the **Real World Engine**, completed in March 2021, which, with a budget of PLN 2.4 million, was implemented as a single entity by TT PSC. Its goal was to develop interactive mapping and spatial modeling methods for the rapid design of vast digital worlds in mixed reality.

It focused on conducting industrial research aimed at **developing new technologies** that enable the use of mobile devices equipped with sensors to **build a terrain mesh** and **interpret objects** in near real time for **the rapid creation of augmented reality (AR)**, **mixed reality (MR)** and **virtual reality (VR)** game worlds.

The goal was to create heuristic methods for high accuracy recognition of objects in three-dimensional space, also using multiple devices simultaneously scanning an area. The use of Artificial Neural Networks to recognize objects based on a three-dimensional grid approximating the shape of the object was investigated. Previously existing two-dimensional image recognition algorithms could not be applied here.

The key issue was to synchronize the operation of heuristic algorithms with the possibility of dynamic space modeling for multiple devices, including a 3D editing environment in the mode of both AR / MR / VR and using a computer workstation.

_We're active in charity

[413-1] Transition Technologies PSC has a **tradition** of **special involvement** in **local charity work**. Charity actions are usually organized jointly for all locations and are united by a consistent concept and character, but support is given to NGOs operating in individual locations. In this way, the selected beneficiaries are closer to employees from different offices across the country,

and the company is assured that the collected donations or funds are **real support** for those **most in need**. In this way, every year TT PSC supports **child welfare entities**, **animal shelters** or **smaller foundations** that do not enjoy nationwide recognition and therefore find it more difficult to raise funds from donors.



_Our impact on the environment



[203-2] Transition Technologies PSC has a negligible direct **impact on the environment**, including the climate. It is a small fleet of passenger cars and offices whose operation involves the consumption of energy and other utilities.

More broadly, it's also, for example, emissions from employee commuting, or from the use of widely understood ICT resources, in the cloud resources used by TT PSC employees and their customers.

At the same time, however, TT PSC's operations mean developing solutions that optimize, often even revolutionize, customers' processes.

This often also means optimizing for environmental performance, including carbon footprint. As a result, the environmental savings gained from completed projects can often be disproportionately greater than the environmental costs created by working on them.

_We consciously manage resources

Even the small scale of the direct impact on the environment does not absolve responsibility and the search for ways to further reduce it. TT PSC's offices are a good example of this, with a number of small but significant solutions.

While highly energy-efficient LED light sources are already becoming somewhat of a standard in most companies, motion detector-controlled light switches or automatic reduction of energy demand outside office hours are not yet. It's the use of energy-efficient office equipment, of course, but also the elimination of kettles in kitchens, in favor of dispensers that prepare exactly as much boiling water as needed. It's the segregation of raw materials, of course, but also the complete elimination of beverages in disposable packaging.

All these are seemingly small things, each of which yields small savings. Nevertheless, it is the **sum of small savings** that translates into **noticeable changes**. Focusing on them, in turn, is at **the heart** of **business process improvement**.

_We introduce green changes

As an expert in digital transformation, Transition Technologies PSC has been striving for years to maximize the digitization of all possible processes. It uses e-documents, digital signatures, remotely recruits and onboards new employees into the organization. It strives to minimize the use of office supplies and their negative impact on the environment.

The company's goodies support promotion of habits related to the "less waste" concept - these are reusable items (lunchboxes, water bottles, coffee mugs, etc.) that encourage the holder to reduce the use of disposable items.



TT PSC has a small fleet of 23 vehicles. These are, as the cars depreciate, being replaced with new, low-emission cars. While hybrid cars accounted for 9% at the end of 2021, by the end of 2022 it will be over 20% of the total fleet. At the same time, TT PSC is encouraging administrators of the buildings where it operates to install charging stations. As a result, the Lodz office can use a charger with 2 outlets, the Kielce office can use 4 public chargers with 4 outlets, and the Bialystok office can use 1 outlet.

_We implement eco initiatives

Change would not be possible if it were not for the support of employees. Hence the great importance that TT PSC places on sensitizing employees to environmental issues, through the organization of lectures, meetings and workshops related to environmental care.



700 trees

In 2021, to celebrate its five-year anniversary and as part of its compensation measures, the company planted 700 trees, which absorb 4,200 kg of CO₂ annually, produce oxygen for 469 people and correspond to 40600 kg of returned paper.



At TT PSC, we are well aware that digital transformation is closely linked to responsibility and sustainability.

We have plenty of ideas on how to contribute to a better future together, and one of them was to plant trees. The number 700 is not a coincidence, as in 2021 we celebrated TT PSC's five-year anniversary with that many team members. The company is growing very rapidly, and we hope that together with us, the area of the symbolic forest we are creating together will continue to grow.

Agnieszka Gąsiorowska
Office Administration Manager



_We implement eco initiatives

Table: **Paper consumption [301-1]**

	unit	2021
<i>Paper</i>	kg	333
	(reams)	133

Table: **Water intake [303-3]**

	unit	2021
<i>Water consumption (from the municipal network)</i>	m ³	814.2

Comment: The Scope 1 emissions were estimated based on actual fuel consumption and the conversion factors of "UK Government GHG Conversion Factors for Company Reporting 2021 (ver. 2)."

Scope 2 emissions, on the other hand, were calculated as the product of electricity and heat consumption and conversion factors from documents published by, respectively:

- **KOBIZE:** "Emission factors of CO₂, SO₂, NO_x, CO and total dust FOR ELECTRIC ENERGY based on information contained in the National database on greenhouse gas and other substance emissions for 2020".
- **ERO:** "Thermal Energy in Numbers - 2019" report.

Table: **Consumption of key materials, fuels and energy [302-1]**

Energy source	unit	2021
<i>Gasoline</i>	GJ	650.66
	(liters)	19,828.17
<i>Diesel fuel (ON)</i>	GJ	60.10
	(liters)	1,656.11
<i>Electricity</i>	GJ	670.75
	MWh	186.32
<i>Heat</i>	GJ	250.11
Total	GJ	1,631.61

Table: **Estimated CO₂ [305-1, 305-2]**

Emission source	unit	2021
Scope 1		
<i>Gasoline</i>	kg	43,219.86
<i>Diesel fuel (ON)</i>	kg	4,098.99
Scope 2		
<i>Electricity</i>	kg	130,051.36
<i>Heat</i>	kg	24,135.62
Total (Scope 1 and 2)	kg	201,505.82

_Our report

[2-3, 2-5, 2-14] This report is the first ESG report prepared by Transition Technologies PSC S.A. It covers TT PSC S.A. together with subsidiaries included in consolidated financial reporting. It was prepared using GRI Standards 2021 ("with reference"). The period covered by the report is fiscal year 2021, i.e. the period from January 1, 2020 to December 31, 2020. The report has not been subjected to an external auditor's review, but the company has made every effort to ensure that the information presented in the report is accurate. The content of the report was also approved by the chairman of the board of directors of TT PSC S.A.

[3-1] The scope of the report defined with the involvement of an interdisciplinary team of managers and invited external stakeholders. As a first step, TT PSC's business model and value chain were analyzed to identify the nature of the current, but also potential future impact of the business on the environment. The various aspects identified were associated with both the presence of specific categories of non-financial risks, as well as business opportunities and challenges. To this end, reference was made both to the range of issues defined by recognized standards such as PN-ISO 26000, as well as to managers' business knowledge of the challenges accentuated by industry organizations, among others.

The extracted aspects of impact were validated in a survey of the said managers and external stakeholders, who evaluated them respectively through their:

- Impact on TT PSC's economic, social and environmental performance (including in terms of business risks).
- Materiality from the point of view of evaluations and possible decisions of stakeholders relating to the TT PSC.

Such analysis made it possible to prioritize areas and discard those with the lowest relevance, as well as to identify specific publication expectations in open-ended questions. This approach, in the company's view, does justice to the principle of materiality, including adhering to the four steps outlined in GRI Standards (GRI 3: Material Topics 2021), viz:

- Understanding the context of the organization's impact on sustainability.
- Identify the nature of current and potential future impacts.
- Assessing the materiality of individual aspects of impact with knowledge of stakeholder expectations, concerns and areas of interest.
- Prioritization of specific areas of responsibility.

In addition, defining the scope with the PN-ISO 26000 standard in mind, and referring to the Sustainable Development Goals (SDGs) in the report, is an assurance of compliance with the principle of preserving the sustainability context.

The Company also made efforts to compile and present numerical data and qualitative information reliably and in a timely manner, in a balanced, complete, comparable and transparent manner, and in a manner that allows for verification.

[2-3] Contact person

Any questions relating to the report and its contents will be answered by:



Sonia Dynarska
Marketing Manager
Sonia.Dynarska@ttpsc.pl
Transition Technologies PSC
276 Piotrkowska St.
90-361 Lodz

We would also appreciate any feedback that will help us improve both our business activities and the reporting process itself.

_Key aspects of responsibility [3-2]

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Information security and data protection

The need to counter the risk of any type of information security breach, including the loss of one's own or customers' personal data. Ensuring appropriate policies, procedures and technical solutions relating to both the physical protection of facilities and the security of IT systems.



Terms of employment Salaries and non-wage benefits

Ensuring attractive employment conditions that will attract new employees, as well as limit the outflow of already employed experts and thus their competencies. Addressing the risk of a shortage of appropriately qualified personnel.



Workplace ergonomics

Providing working conditions that reduce physical and mental fatigue of employees, contributing to higher work efficiency, and indirectly lowering the risk of employee turnover (quits).



Health and mental hygiene of employees

Concern for counteracting chronic employee fatigue, feelings of fatigue and burnout, which ultimately reduces the risk of declining job performance and employee turnover (quits).



Competency development, training

Taking care of the development of employees' competencies, as well as their dissemination within the team.



Anti-discrimination and friendly organizational culture

Eliminating behavior that could bear the hallmarks of discrimination and contribute to the spoiling of the team atmosphere and, in some cases, to the loss (departure) of valuable employees.



_Key aspects of responsibility [3-2]

46



Research and development, contribution to the development of modern economy

Researching and developing projects that, on the one hand, lead to the development of the company's offerings, but indirectly through the optimization of solutions used by customers, increase their efficiency and, consequently, increase the competitiveness of the entire economy; such activities can contribute to the development of the economy towards a sustainable economy.



Anti-corruption

Reducing the risk of corrupt behavior, bribery, gift giving and receiving policies, etc.



Business ethics

Clear definition of rules as to preferred and unacceptable behavior can reduce the risk of incidents that would contribute to the deterioration of the work atmosphere and employee departures, or behavior that could be interpreted by external partners as, for example, bearing the hallmarks of a corruption offer.



Carbon footprint

The company's operations directly contribute to greenhouse gas emissions, and appropriate decisions and well-defined processes can contribute to reducing them. At the same time, however, the company's services to customers, can indirectly contribute to reducing the carbon footprint of customers.



Community involvement

The company's social involvement, any philanthropic activity, can become an element that not only allows you to share your success with the environment, but unites employees: involves them in joint activities, teaches them to manage projects, or allows them to better identify with the company.



Statement on the use of GRI Standards: Transition Technologies PSC S.A. has reported the information indicated in the GRI index below in this report for the period from 01.01.2021 to 31.12.2021 with reference to the GRI Standards (GRI Standards).

GRI 1 standard used:
GRI 1: Foundation 2021

GRI Standard	Indicator	Page
GRI 2: General Disclosures 2021	2-1 Organizational data	3, 7
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact person point	44
GRI 2: General Disclosures 2021	2-5 External verification	44
GRI 2: General Disclosures 2021	2-6 Operations, value chain and business relations	7, 10
GRI 2: General Disclosures 2021	2-9 Board structures and their members	4
GRI 2: General Disclosures 2021	2-14 Role of top management bodies in sustainability reporting	44
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder involvement	18
GRI 3: Material Topics 2021	3-1 Process of defining key areas	44
GRI 3: Material Topics 2021	3-2 List of key areas	45, 46
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impact	36, 40
GRI 205: Anti-corruption 2016	205-3 Confirmed cases of corruption and actions taken	14
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions taken against anti-competitive and monopolistic behavior	14
GRI 301: Materials 2016	301-1 Materials / raw materials used by weight or volume	43
GRI 302: Energy 2016	302-1 The organization's energy consumption	43
GRI 303: Water and Effluents 2018	303-3 Total water intake by source	43
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (Scope 1)	43
GRI 305: Emissions 2016	305-2 Indirect greenhouse gas emissions (Scope 2)	43
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	28
GRI 413: Local Communities 2016	413-1 Community involvement	39
GRI 418: Customer Privacy 2016	418-1 Significant complaints about breaches of customer privacy and loss of customer data	14