

# SYKES<sup>®</sup>

## 2019 SUSTAINABILITY REPORT



We help people, one caring interaction at a time.

**SYKES<sup>®</sup>**



# WHY REPORT SUSTAINABLY?



GRI 102-45, GRI 102-46, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54

This report denotes SYKES' commitment towards the country's and the contact center industry's sustainable development, and towards managing the impacts our operations generate in Costa Rica. For the third year, we have created this sustainability report under the 2016 GRI standards methodology, presenting our economic, social and environmental performance.

This report has been prepared in accordance with the GRI Standards: Comprehensive option. It reports the operations in Costa Rica from January to December 2019, in San Jose and Heredia provinces, where our five sites are located and operate under a free zone system:

- **Heredia, La Aurora, Global Park Free Zone:** SYKES Main Building and SYKES Annex Building.
- **San Jose, Moravia:** SYKES Moravia.
- **San Jose South, Hatillo:** SYKES Hatillo (also called SYKES South).
- **San Jose, San Pedro:** SYKES SIGMA (also called SYKES San Pedro).

The content of this report was defined according to the following criteria: defining of the material topics, stakeholder consultation, focus on the alignment of the corporate strategy to sustainability, and a comparison of achievements and key programs between the current period and the years 2018, 2017, 2016 and 2015.

If you have any questions or suggestions regarding this report, you can write to SYKES Costa Rica Social Responsibility Management at: [ComprometerSE@sykes.com](mailto:ComprometerSE@sykes.com).







# SYKES<sup>®</sup>

## COSTA RICA



**Clients:** 13



**Employees:** 4,725



**Seating capacity:** 4,487

GRI 102-3, GRI 102-4, GRI 102-7



**Operation start date:** 1995



**Four locations:**

Heredia, Moravia, San Jose South and San Pedro

Five buildings operating



**Size:**

295,630 square feet

27,465 square meters



**Hours of operation:** 24/7





**“  
OUR  
COMMITMENT TO  
SUSTAINABILITY”**



**Alejandro Arciniegas**

Vice-president of Operations | SYKES Costa Rica





## Dear Stakeholders,

After one of SYKES Costa Rica's most challenging years, it is with great pride that we present our third sustainability report. It is fair to say that our commitment to consolidate as a sustainable and socially responsible operation enabled us to come out stronger after this challenge. Today we celebrate the fact that we exceeded our 2019 goals in the three sustainability dimensions: social, environmental and economic.

One of our **biggest clients** made the strategic decision **to relocate their business** in other countries, leaving us with two big challenges. The first one was to manage **the job stability of over 1,336 employees**. The second one, to make up for 20% of our financial volume commitment for 2019. Unlike other companies that announced mass layoffs in the first semester, SYKES Costa Rica, based on its sustainability focus, committed **to executing an action plan** to keep those workers in the job market. Very positive outcomes were achieved:

- 86% of the staff was relocated.
- The financial commitment with the corporation and the region was exceeded.
- Staff volunteered 2345 hours while transitioning.
- We kept our installed capacity in buildings and infrastructure to support short and mid-term growth.

- We strengthened our internal image by validating that job stability is one of the main pillars in our employee value proposition.
- We strengthened our external image by showing our commitment to sustainability, to competitiveness in the BPO sector (service outsourcing) and the country's economy by having a long-term vision regarding job creation and positive impact to the communities. Our volunteering programs have contributed intensively and exceptionally to that respect.

Also, with great enthusiasm, we want to share the positive impact achieved on **social mobility** through our **SYKES Academy**. In May 2019, we signed an agreement with the Government **to increase the academy's capacity**. This agreement provides a subsidy to improve the English level and thus **employability for 10,000 people within 4 years**. SYKES will offer jobs to 45% of these 10,000 people, contributing to more than 5000 people to the job market. This agreement will improve competitiveness in the BPO sector (Business Process Outsourcing) and will benefit the participants' professional careers. This is an example of a public-private investment collaboration that translates into a sustainable positive impact for our stakeholders.

I want to thank and acknowledge **all of SYKES'** employees for their commitment and contribution towards making all the achievements mentioned in this report possible. We hope they **become an inspiration for other employers, governments, and people** to commit to a sustainability focus to achieve success in any venture or strategic business plan.

### Alejandro Arciniegas

Vice-president of Operations | SYKES Costa Rica  
SYKES Costa Rica



# COMPANY PROFILE

GRI 102-1, GRI 102-2, GRI 102-5



## Our Mission

To significantly improve the business of our clients and help consumers find and use the products and services they need by combining the power of machine intelligence with human ingenuity to modernize, optimize and integrate customer touchpoints across the commerce value chain.

## Our Vision

To be known throughout the world as a company that creates meaningful connections between brands and consumers, makes a positive impact in the lives of our people, and is a responsible and respected corporate citizen.



SYKES Enterprises Incorporated was founded in 1979 in the United States of America. Its head office is located in Tampa, Florida. It provides outsourcing solutions to clients with worldwide presence.

The corporation is present in all continents, with more than 55,000 employees in 22 countries.

## SYKES Worldwide



- Over **40 years'** experience
- More than **55,000** employees
- Publicly traded company (trades in NASDAQ "SYKE")
- **64** global centers
- **23** countries (more than 40 languages)
- Over **\$1.5B** forecasted revenue

### North America

- Canada.
- United States.



### Latin America (LATAM)

- Brazil.
- Colombia.
- Costa Rica.
- El Salvador.
- Mexico.

### Europe, Middle East and Africa (EMEA)

- Central and Northern Europe: Germany, Norway, Sweden, Denmark, Finland, Poland and Cyprus.
- EMEA Global: Hungary, Romania, United Kingdom and Egypt.

### Asia Pacific (APAC)

- Australia.
- China.
- India.
- Philippines.



# OUR PURPOSE STATEMENT





SYKES Costa Rica (SYKES Latin America S.A.) started its operations on September 1999 with the acquisition of Acer Information Services, a company that offered technical support to clients in the United States and Canada since July 1995. Since then, it has been a pioneer in the Contact Center Industry in Costa Rica.

Working with the main brands in the world, we offer solutions that enhance customer experience, increase retention, maximize each touch point and identify efficiency and cost optimization opportunities.



create a spirit of trust

ring

interaction

at a time

be current

## Revenue by industry served

### FINANCIAL



49%

### TECHNOLOGY



42%

### COMMUNICATIONS



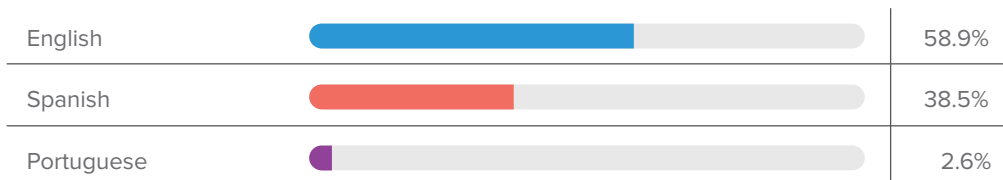
8%

### CONSUMER

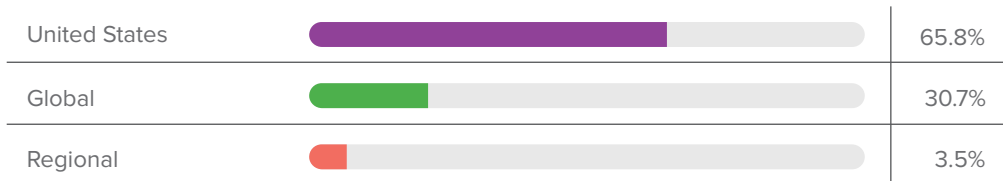


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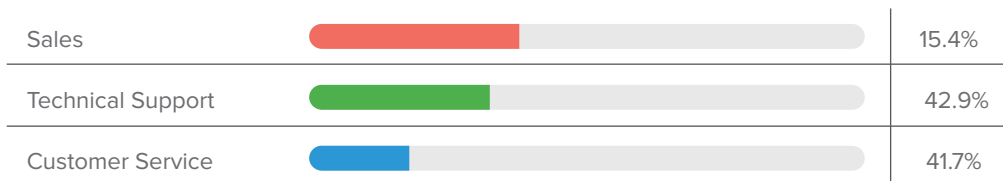
## Revenue by language



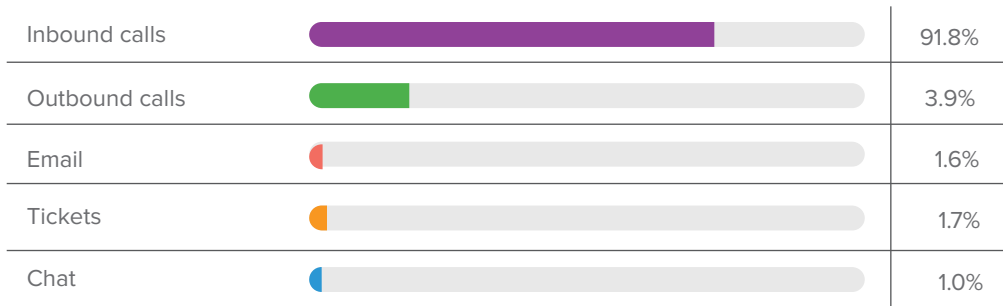
## Revenue by region



## Revenue by contact type



## Services by contact channel type



# SYKES COSTA RICA SENIOR MANAGEMENT

GRI 102-18, GRI 102-23, GRI 102-24



**SYKES Costa Rica is directed by the Vice-president of Operations for Costa Rica, who reports directly to the Regional Senior Vice-president of Operations for SYKES Latin America.**

SYKES Costa Rica's governance structure is divided into two main areas: operations in orange and support in green. The operations area is composed of the Account Operations Directors. The accounts are divided by the different clients we provide service for.

The support area is composed of the directors of Finance, Human Capital and Communications, Productivity and Quality, Information Technology, Administration, Corporate Affairs and finally, the Business Information Manager.

These two teams form our Senior Management, the highest governing and decision-making body of the company. The Senior Management plans, executes and improves the local strategy aligned with SYKES' regional and global strategy and reports the advance of the goals and indicators directly to the Costa Rica Vice-president of Operations in weekly meetings.

Our Senior Management team live in the community where we operate. Only two directors are foreign nationals, but have a permanent residence in the country, thus 85% are Costa Rican.



# SUSTAINABILITY COMMITTEE

GRI 102-20, GRI 102-22

Since 2017, it was decided that the sustainability committee shall be divided in three groups in charge of managing the environmental, social and economic topics. Members include supervisors, managers and directors, oriented by the Social Responsibility Department, which reports agreements and developments to the Senior Management.

## Sustainability

**Mission:** Actively contribute to the social, economic and environmental development of our employees and consequently the communities where we operate. SYKES wants to be recognized as sustainability leader.



**SOCIAL**



**ENVIRONMENTAL**



**ECONOMIC**



### Economic:

SYKES is committed with the clients' businesses and the value chain of its operation.



#### Finance Director

- WFM Manager
- Financial Analyst Supervisor
- Purchasing Supervisor
- Purchasing Coordinator



### Social:

SYKES is involved in the personal and professional growth of its people and it's committed to strengthen the competencies and skills of the communities for a future at SYKES.



#### Corporate Affairs Director

- Labor Relations Manager
- Recruiting Manager
- Compensation & Benefits Supervisor
- Occupational Health and Safety Specialist
- HR Consultant
- Training



### Environmental:

SYKES is committed with the environment implementing and promoting eco-sustainable solutions while improving our profitability model.



#### Administration Director

- Building & Security Manager
- Facilities Manager
- Building Coordinators

#### Support:

- CSR Manager-Yolanda Tapia
- CSR Specialist-Anthony Nájera



# OUR STAKEHOLDERS

GRI 102-40, GRI 102-42

The sustainability committee had a four-hour session dedicated specifically to stakeholder identification. The committee was divided in groups and each had to come up with a list of stakeholders with whom each department normally interacts with. As a guide, a set of questions was established in order to reach the results. With each list, categories of stakeholders were created and grouped. Next, the Sustainability Committee validated and approved the list.



Each stakeholder was analyzed with the following matrix of interaction and influence criteria, according to their relationship with SYKES' operations. The maximum possible score for each stakeholder is 12 points and the minimum, 4 points.

In order to define each stakeholder's prioritization value, the following scale was used:

**Very high:** 12 points   **High:** 10 a 11 points   **Medium:** 7 a 9 points   **Low:** 5 a 6 points   **Very low:** 4 points

## Stakeholder Interaction and Criticality Prioritization Matrix



CRITERIA	VALUES			
	1	2	3	4
<b>How much does the company interact with the Stakeholder</b>				
Proximity	Does not interact	Low interaction	Interacts regularly	Not applicable
<b>Consequences of operations over the stakeholder</b>				
Negative effect on the stakeholder	Neutral effect (company is not perceived)	Slightly negative effect (correctable)	Relevant negative effect	Not applicable
<b>Potential risk that the stakeholder affects or stops operations</b>				
Capacity of affecting operations	No capacity of affecting operations	Low capacity of affecting operations	High capacity of affecting operations	Capacity to completely stop operations
<b>Stakeholders with whom the company might have legal or financial liability</b>				
Liability	No liability	There is liability	Not applicable	Not applicable

Category	Stakeholder	Priority	Score
Internal Public	Direct agents	Very high	12
Internal Public	Indirect agents	Very high	12
Internal Public	Support areas	Very high	12
Clients	Customer service accounts	High	11
Clients	Sales accounts	High	11
Clients	Tech support accounts	High	11
Competitors	Other countries	High	11
Government and regulatory entities	Audit and evaluator firms	High	11
Internal Public	Senior management	High	10
Internal Public	Regional team	High	10
Competitors	Cost centers	High	10
Government and regulatory entities	Ministries	High	10
Competitors	Benefit centers	Medium	9
Government and regulatory entities	Local governments	Medium	9
Suppliers	Financial entities	Medium	9
Partners and allies	Academy	Medium	8
Media	Social media	Medium	8
Suppliers	Services	Medium	8
Media	Digital and mass media	Medium	7
Community	Associations and organizations	Medium	7
Suppliers	Technology	Medium	7
Media	Influencers	Low	6
Community	Residential and commercial neighbors	Low	6
Suppliers	Maintenance	Low	6
Partners and allies	Institutes	Low	6
Partners and allies	Chambers	Low	6
Clients	Potential clients	Low	5
Partners and allies	Others	Low	5
Community	Society	Very low	4
Internal Public	Shareholders	No identify	No identify







**Clients**

- Customer service accounts
- Sales accounts
- Technical support accounts
- Potential clients



**Community**

- Residential and commercial neighbors
- Associations and organizations
- Society



**Government and regulatory entities**

- Local governments
- Ministries
- Audit and evaluator firms



**Media**

- Social media
- Digital and mass media
- Influencers



**Suppliers**

- Services
- Technology
- Maintenance
- Financial entities



**Internal Public**

- Direct agents
- Indirect agents
- Support areas
- Senior management
- Regional team



**Competitors**

- Cost centers
- Benefit centers
- Other countries



**Partners and allies**

- Institutes
- Academy
- Chambers
- Others



# STAKEHOLDER ENGAGEMENT

GRI 102-21, GRI 102-43, GRI 102-44

Our relationship with stakeholders is based on an open-door policy, which allows any stakeholder to show up at our reception to discuss any subject. In these cases, the contact point within the organization is located and a meeting takes place.

Stakeholder	Community	Government	Internal stakeholders: Employees	Suppliers	Allies	Experts
Scope / Participants	54	5	Survey: 269 Focus group: 22	90	7	5
Tool	6 Workshops	Interview	Survey and focus group	Survey	Survey	Interview
Channel	In-person	In-person	Digital survey and focus group in the Heredia site	Digital	Digital	Telephone

Community Participation		Government Participation		Expert Participation			
Hatillo (businesses)	11	<ul style="list-style-type: none"> <li>• Heredia Municipality</li> <li>• Montes de Oca Municipality</li> <li>• Moravia Municipality</li> <li>• Ministry of Labor</li> <li>• Ministry of Education</li> <li>• Ministry of Environment and Energy</li> <li>• CCSS ("Caja Costarricense del Seguro Social", the national public health system)</li> </ul>		Social Responsibility experts I	5		
Hatillo (neighbors)	6			<b>Ally Participation</b>	Consultants	3	
Moravia (businesses)	12				Chambers	2	
Moravia (neighbors)	14				Governmentbodies	2	
Heredia	6			<b>Total</b>	<b>7</b>		
San Pedro	5						
<b>Total</b>	<b>54</b>						

## Internal Stakeholder Participation

Senior Management	7
Employees	269
<b>Total</b>	<b>276</b>

## Supplier Participation

Hiring, training, consulting, communication, advertising	9
Other	8
Technology: networks, cabling, telephones, software and hardware	8
Cafeteria, food and events	7
Furniture and office supplies	6
Contractors: cleaning, security, transportation and medical services	3
Outsourced professionals / independent workers	3
Site maintenance	2
Services: utilities, recycling, rent	3
*Contractor workers	41
<b>Total</b>	<b>90</b>



As a result, we were able to determine the significance of each material topic for our stakeholders:



Dimension	Material topic	Relevance to Business	Relevance to Stakeholders
ENVIRONMENTAL	Waste management	70.59%	88.52%
	Sewage treatment	62.75%	92.41%
	Emission control	84.31%	79.85%
	Water consumption	52.94%	92.63%
	Energy consumption	60.78%	94.16%
	Materials consumption	43.14%	86.97%
	Fossil fuel consumption	35.29%	80.52%
	Climate change action	22.22%	84.54%
ECONOMIC	Anti-corruption and ethics	84.31%	88.60%
	Value chain sustainability	50.98%	84.72%
	Fair marketing prices	84.31%	93.62%
	Technical knowledge and customer service	86.27%	91.00%
	Data protection	84.31%	93.29%
	Competitiveness and innovation	64.71%	78.79%
SOCIAL	Human rights	80.39%	79.50%
	Working conditions	88.24%	87.29%
	Occupational safety and security	88.24%	81.97%
	Talent development	62.75%	79.40%
	Community and social investment	50.98%	74.23%
	Job generation	62.75%	92.09%
	Wealth and income generation	49.02%	80.11%
	Talent attraction and retention	88.24%	84.27%







# OUR MATERIAL TOPICS

GRI 102-29, GRI 102-31, GRI 102-47

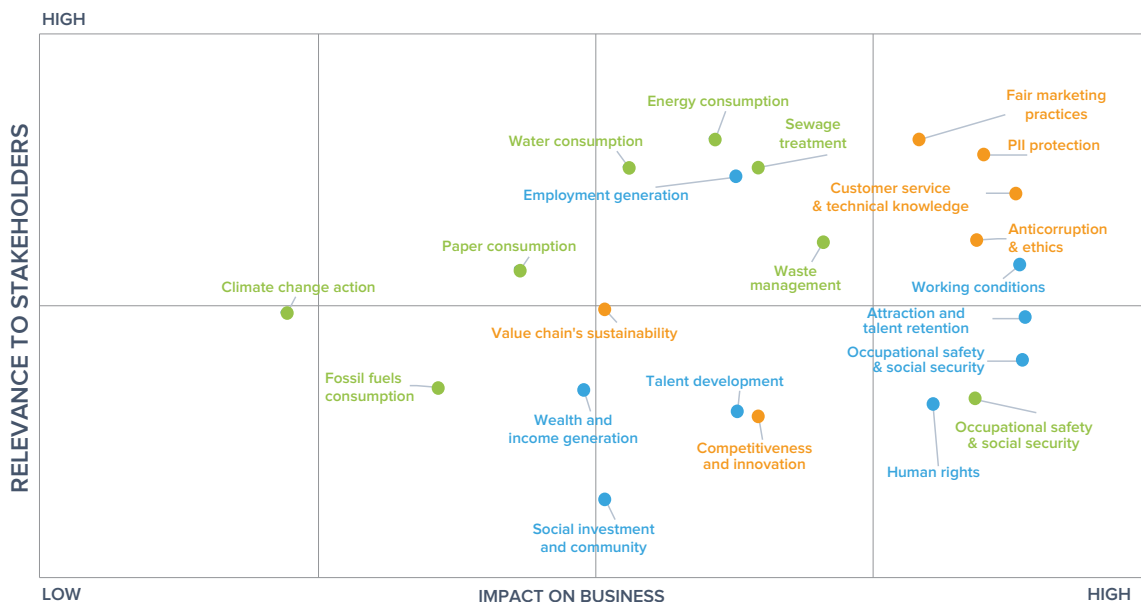
Since 2015 we have defined our material topics and we have strengthened them through the management systems that have been implemented in the company.



Our materiality is defined by the sustainability committee according to:

- The direct and indirect economic, social and environmental impacts caused by SYKES Costa Rica.
- Legal requirements such as laws, regulations, international agreements or relevant voluntary accords that are strategic for the company or its stakeholders.
- Needs and expectations of our stakeholders gathered through formal consultations.
- The company's internal context such as competence, values, policies, strategies, operational management systems, goals, and objectives. External context, such as the country's and sector's challenges and threats.
- Additional sources such as SASB, ROBECO SAM SUSTAINABILITY YEARBOOK, GRI Sustainability Topics for Sectors and sustainability reports by other companies in the industry.

The material topics are currently integrated into the company's strategic plan. They are measured by key performance indicators (KPIs). These indicators are followed up through the goals set by the Sustainability Committee and the Senior Management annually and for the next three years and are backed by internal policies, commitments, goals, objectives, key indicators, the people in charge and the resources required for implementation.





# OUR STRATEGY

GRI 102-19, GRI 102-26, GRI 102-28, GRI 102-48







The Senior Management is the highest body of corporate governance. It directs and controls operations and support areas according to the business plan, in order to ensure the organization's profitability and sustainability. The senior management team meets weekly to monitor the progress of the proposed goals; each quarter they are restated accordingly.

During the second semester of 2019, the Senior Management made a thorough analysis of the organization's context, with the objective of planning a three-year sustainability strategy. In previous years, the plan was made annually, and thus the company's long-term vision got lost. This context analysis included: materiality, corporate and regional strategy,

country's current situation, operation's strengths and weaknesses and the ongoing projects. As a result, seven ambitions were planned for 2022.



## Our Ambitions for 2022

 <p>Achieve \$157M revenue by 2022 on existing service portfolio plus new clients:</p> <ul style="list-style-type: none"> <li>• 2019 = \$123.7M</li> <li>• 2020 = \$131M</li> <li>• 2021 = \$143M</li> <li>• 2022 = \$157M</li> </ul>	 <p>Improve % MOI from 22% to 24% within the next 3 years:</p> <ul style="list-style-type: none"> <li>• GP% +1%</li> <li>• SG&amp;A% -1%</li> </ul>	 <p>Increase T2B VOC from 89% to sustain at or above 90%</p> <ul style="list-style-type: none"> <li>• Willingness to Recommend T2B &gt; 95%</li> <li>• Purchase Again T2B &gt; 81%</li> </ul>	 <p>Implement business solutions based on new technologies for Ops SDUs &amp; BPs</p> <ul style="list-style-type: none"> <li>• Partner with SYKES new acquisitions to promote digital transformation for our operation</li> </ul>	 <p>Promote Innovation, Research &amp; Development by deploying a Center of Excellence (CoE)</p> <ul style="list-style-type: none"> <li>• 1 mapped project per business unit</li> <li>• 6 projects deployed in 2020</li> </ul>	 <p>Increase T2B GES from 73% to 85% by 2022:</p> <ul style="list-style-type: none"> <li>• 2020 = 78% T2B</li> <li>• 2021 = 82% T2B</li> <li>• 2022 = 85% T2B</li> </ul> <p>Compensation</p>	 <p>Be recognized as the role model company in:</p> <ul style="list-style-type: none"> <li>• High technology services (by SYKES Corp.)</li> <li>• Innovation &amp; Sustainability (by other stakeholders)</li> <li>• Aspirational Employer (by labor market)</li> </ul>
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Our approach has two main bases to plan the national strategy ambitions: the strategic imperatives given by the corporation and the initiatives planned by the Latin America regional team. These two bases guide us to where SYKES aims.

Our ambitions are aligned to strategic topics; then to initiatives with key indicators, priority, impact area, implementation leader director and the support directors. For confidentiality reasons this is not shown; it is an internal work that reflects the added value we seek to offer to our clients.



## WE HELP PEOPLE, ONE CARING INTERACTION AT A TIME.

act as one

answer the challenge

ensure every person matters

make each moment count

serve with thought and heart

create a spirit of trust

be current

### Mission

Our mission is to significantly improve the business of our clients and help consumers find and use the products and services they need by combining the power of machine intelligence with human ingenuity to modernize, optimize and integrate customer touchpoints across the commerce value chain.

### Vision

SYKES Costa Rica will consolidate the role model operation in line with our Corporate Mission & Vision, aligning our 3 Strategic Imperatives (Execute on the Core Business, Drive Digital Transformation, Optimize & Prepare the Workforce for Today & Future) to our Sustainability pillars (Financial, Social & Environmental), as foundation for our business sustainability and responsible growth.

## OUR STRATEGY 2020-2022

### Strategic Imperatives

#### Execute on Core Business

#### Drive Digital Transformation

#### Optimize & Prepare Workforce for Today & Future

### Strategic Themes

- Change Management Office
  - Local Datamarts
- Risk Management Framework

- Operational Platform
  - Data Science
- Digital Servicing Solutions
- Digital Transformation COE

- Digital Academy Phase II

### Strategic Themes

Grow Market Share

Optimize Delivery Scale

Cultivate existing client relationships

Accelerate Customer Lifetime Value

Unleash the Power of Data & Tech

Elevate Employee Experience

Engolve the Brand

### Costa Rica Ambitions

Achieve \$157M revenue by 2022 on existing service portfolio plus new clients:

- 2019 = \$123.7M
- 2020 = \$131M
- 2021 = \$143M
- 2022 = \$157M

Improve % MOI from 22% to 24% within the next 3 years:

- GP% +1%
- SG&A% -1%

Increase T2B VOC from 89% to sustain at or above 90%

- Willingness to Recommend T2B > 95%
- Purchase Again T2B > 81%

Implement business solutions based on new technologies for Ops SDUs & BPs

- Partner with SYKES new acquisitions to promote digital transformation for our operation

Promote Innovation, Research & Development by deploying a Center of Excellence (CoE)

- 1 mapped project per business unit
- 6 projects deployed in 2020

Increase T2B GES from 73% to 85% by 2022:

- 2020 = 78% T2B
- 2021 = 82% T2B
- 2022 = 85% T2B

Compensation

Be recognized as the role model company in:

- High technology services (by SYKES Corp.)
- Innovation & Sustainability (by other stakeholders)
- Aspirational Employer (by labor market)





# SUSTAINABLE DEVELOPMENT GOALS

SYKES is committed to sustainability as a way to increase economic growth and ascending social mobility. Our strategy contributes to the Sustainable Development Goals due to their affinity with our material topics, which consider the national context.

Our academies and professional growth programs have set the goal to improve English and technical knowledge for better quality employment, contributing to social equality, exports, strengthening of the Business Process Outsourcing (BPO) sector, country competitiveness, wealth in the region and reducing the poverty rate.

**1 NO POVERTY**

Technical and English Academies

**4 QUALITY EDUCATION**

Elementary and High School English teaching programs

**5 GENDER EQUALITY**

- Gender Equality Policies
- Talent Development
- Wage policies
- SWIT Program

**10 REDUCED INEQUALITIES**

**17 PARTNERSHIPS FOR THE GOALS**

Public-Private partnerships with education and labour ministries, state universities, national technical institutions and others

**8 DECENT WORK AND ECONOMIC GROWTH**





# EXTERNAL INITIATIVES AND MEMBERSHIPS

GRI 102-12, GRI 102-13



## Public-Private Partnership with the Ministry of Public Education (MEP)

The agreement we made with the Ministry of Education (MEP) has the goal to improve English skills and technical education

- With the implementation of educational tours that promote the “Interactive Radio Program” in single-teacher schools. The program now has multimedia resources, and can be named “Interactive English”, more aligned to the new digital tool.
- With professional practices in the specialization “Executives for service centers”, in professional technical high schools
- With technical internships for tenth and eleventh grade students and professional practices for twelfth grade students in the specialization “Networks”.
- Transferring implemented methodology in the teaching improvement programs, as well as cooperation and implementation of other existing methodologies and programs to improve English skills for SYKES candidates.

## Public-Private partnership with the Ministry of Labor and Social Security

- “Empléate” Program: directed towards people ages 17-24 that neither work or study and are living in unfavorable socioeconomic conditions. It operates through conditional transfers to support occupational-technical training, according to market needs. The program runs in alliance with organizations and companies from the productive sector as well as public and private education centers.
- “Mi Primer Empleo” Program: promotes new employment opportunities for young people, women and people with disabilities, through a State-given economic benefit for companies that enroll and increase their payroll.

### We are members of:

- Chamber of High Technology Corporate Services (Camscat) – Board of Directors President.
- Costa Rican Council for the Promotion of Competitiveness (CPC) – Board of Directors.
- Central Gate, technology services export association, ascribed to Procomer – Board of Directors Vice-president.





- Costa Rican-North American Chamber of Commerce (AmCham) – Corporate, Legal and Economic Affairs.
- Costa Rican Chamber of Exporters (Cadexco).
- Costa Rican Association of Free Zone Companies (Azofras).
- Business Alliance for Development (AED) – Workshops.

#### Strategic Alliances

- Ministry of Public Education (MEP) – Elementary school, single-teacher schools
- Ministry of Public Education (MEP) – Directorate of Technical Education and Entrepreneurial Competencies
- Ministry of Public Education (MEP) – Experimental Bilingual High Schools.
- Ministry of Labor and Social Security (MTTS) – “Empléate” Program and National Employment Program (PRO-NAE).
- Ministry of Environment and Energy (MINAE) – Climate Change Area, Carbon Neutrality Country Program
- United Nations High Commissioner for Refugees (AC-NUR) – “Vivir la Integración” Program.
- Costa Rican Coalition of Development Initiatives (CIN-DE) – Initiatives for the formation of technical and bilingual talent and recruitment of talent.

- Costa Rican Foreign Trade Promoter (Procomer) – Free zone regime and service export cluster
- Costa Rican Chamber of Exporters (Cadexco) – Good export practices
- National Training Institute (INA) – Support in the design of its curricular mesh in the learning of English, based on the SYKES Academy model.
- Omar Dengo Foundation (FOD) – Technical Academy and SWIT.
- Don Bosco Salesian Education Center (CDB) – Donation of equipment and professional practices program.
- Costa Rican Chamber of Industries (CICR) – Excellence Award Program.
- National Technical University (UTN) – Adoption of the SYKES model for learning English (SYKES Academy).
- Costa Rica High School (Liceo de Costa Rica) – Implementation of English and CISCO technology laboratories.
- Ladies High School (Colegio Superior de Señoritas) – Implementation of English laboratories.
- Presidential Office – Alliance for Bilingualism (ABi).



# AWARDS, CERTIFICATIONS AND PARTNERSHIPS



## 2014:

- National Award to Service Exporter – CADEXCO
- Carbon Neutral Certification - INTECO
- SYKES – CTP Cedes Don Bosco Partnership



## 2015

- Carbon Neutral Re-certification – INTECO
- Bandera Azul – 3 stars
- Excellence Award: Golden Route - Costa Rican Chamber of Industries
- SYKES-UTN Partnership
- SYKES-Ministry of Labor “Empléate” Partnership
- SYKES-Ministry of Labor “Mi primer empleo” Partnership

## 2016

- Excellence Award: Golden Route - Costa Rican Chamber of Industries
- Businessman of the Year 2016: Expansion Category – Alejandro Arciniegas
- Bandera Azul in all our sites
- Carbon Neutral Re-certification – INTECO
- Gender Equality Seal- ONU Woman and INAMU
- SYKES-Cenfotec Partnership
- SYKES-INA Partnership
- SYKES- Omar Dengo Foundation Partnership renewal

## 2017

- Honorary mention in the “Social Responsibility in Action” awards of the SWIT– AMCHAM Program
- Award “Women Leaders in STEM/Technology”: Sindy Campos – Embassy of the United States

- Good Labor Practices towards Gender Equality award - INAMU
- Bandera Azul in all our sites
- Carbon Neutral Re-certification – INTECO
- Excellence Award: Market and Customer Focus– Costa Rican Chamber of Industries
- Excellence Award: Human Talent Focus– Costa Rican Chamber of Industries
- Corporate Social Responsibility Award: SYKES Academy and Tech Academy – CADEXCO
- Contact Center Award
- Company of the year Award from Contact Center Outsourcing Services of Central America and the Caribbean 2017 - Frost & Sullivan

## 2018

- UNHCR (Acnur) Award - The “Vivir la Integración” seal was awarded in recognition of the support of refugees.
- Stevie Awards Gold from International Business Awards – Category: Achievement in the development and promotion of women, winning program: SWIT.
- Excellence Award: Market and Client Focus –Costa Rican Chamber of Industries.
- Excellence Award: Human Talent Focus – Costa Rican Chamber of Industries.
- Excellence Award: Leadership and Strategic Planning – Costa Rican Chamber of Industries.
- Carbon Neutrality re-certification – INTECO.



Each year, as part of its commitment with continuous improvement, SYKES Costa Rica undergoes different evaluation processes in order to seek certifications and awards.

The Carbon Neutral Certification, achieved in 2014, is an outstanding accomplishment, as SYKES was the first company in the service center industry to obtain it. This positions the company as a leader in innovative and sustainable initiatives that help mitigate environmental impacts.



# 2019

- Costa Rican Chamber of Industries – Excellence Award:
- Leadership and Strategic Planning
- Market and Client Focus
- Human Talent Focus
- Environmental Management Focus
- Social Responsibility Focus



#### National Recognitions:

- UNHCR Award - The “Vivir la Integración” seal was awarded in recognition of the support of refugees
- INAMU & ONU: Gender Equality award - SYKES Inclusive Program
- MINAE: Carbon Neutrality

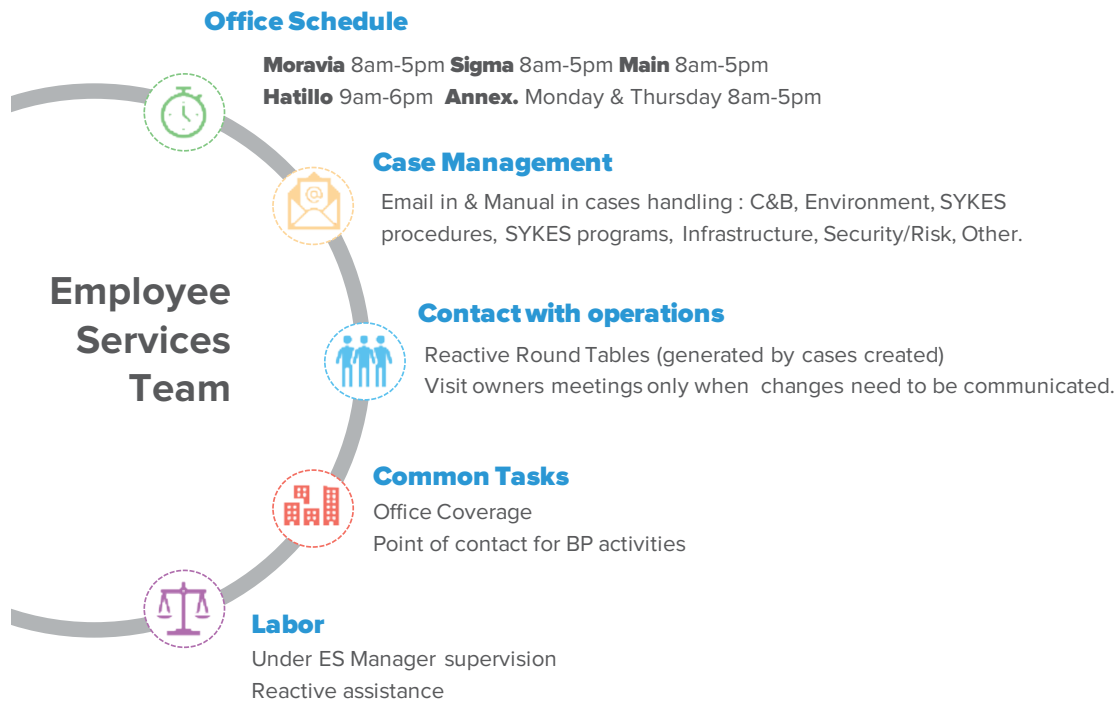
#### Certifications:

- ISO 14001: Environmental Management System
- ISO 50001: Energy Management System
- ISO 14064: Greenhouse Gases



# MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

GRI 102-17

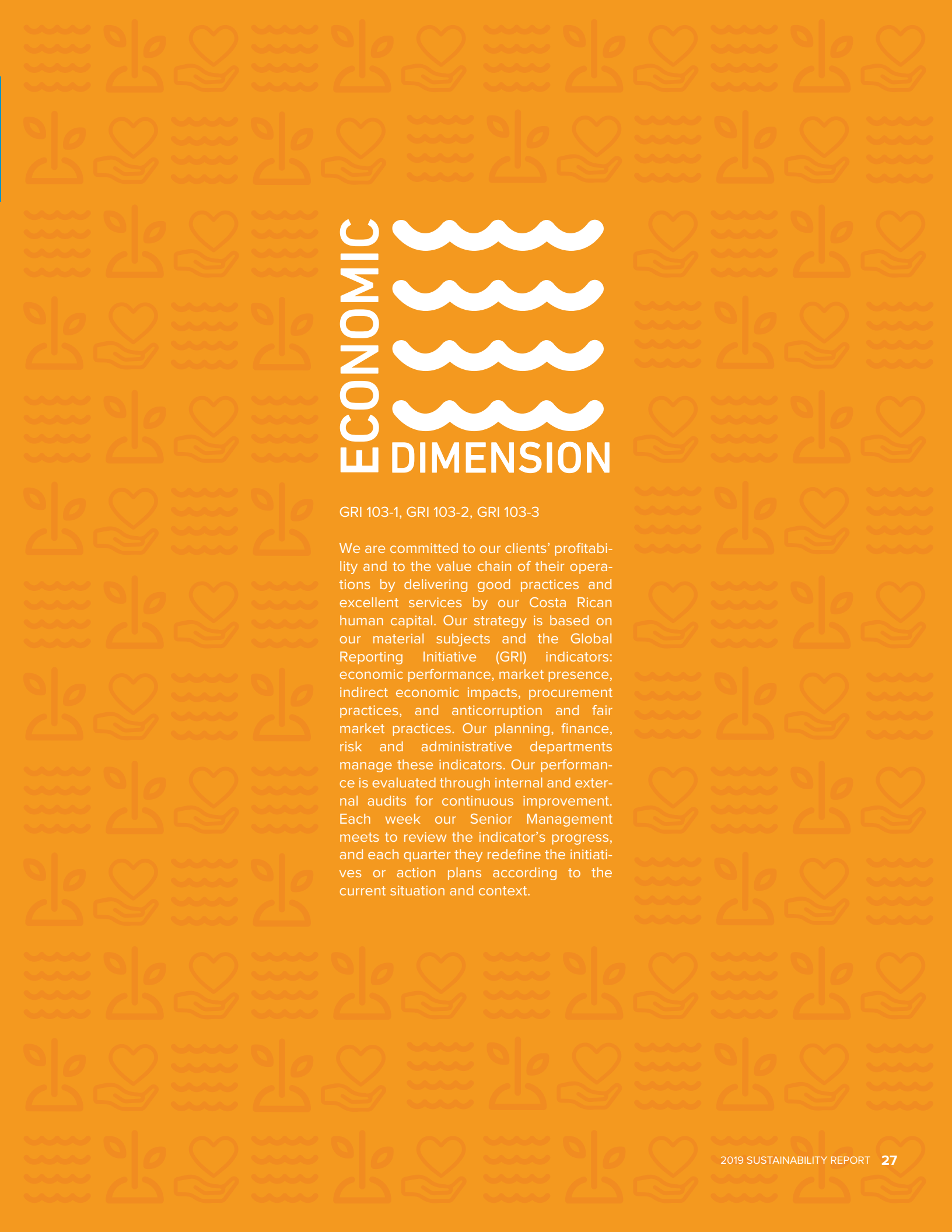


## ASK ALEJANDRO!

GRI 102-33, GRI 102-34

Any of our employees has the possibility to dialogue with the general manager through SharePoint. Comments about internal procedures, recommendations about operational tools, feedback about leaders, and others have been received through this tool





# ECONOMIC DIMENSION

GRI 103-1, GRI 103-2, GRI 103-3

We are committed to our clients' profitability and to the value chain of their operations by delivering good practices and excellent services by our Costa Rican human capital. Our strategy is based on our material subjects and the Global Reporting Initiative (GRI) indicators: economic performance, market presence, indirect economic impacts, procurement practices, and anticorruption and fair market practices. Our planning, finance, risk and administrative departments manage these indicators. Our performance is evaluated through internal and external audits for continuous improvement. Each week our Senior Management meets to review the indicator's progress, and each quarter they redefine the initiatives or action plans according to the current situation and context.





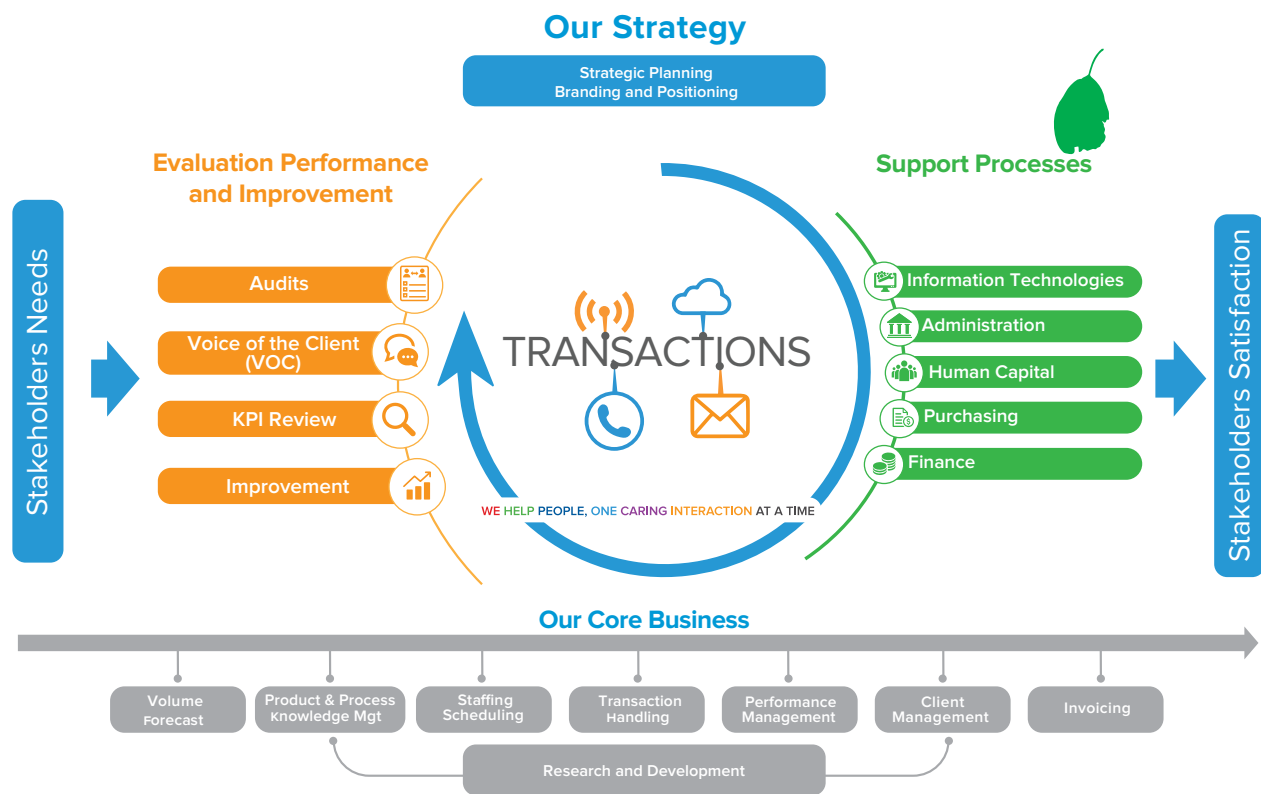
## MATERIAL TOPICS



1. Value chain's sustainability
2. Anticorruption & ethics
3. Data protection
4. Customer service & technical knowledge
5. Fair marketing practices

# MACROPROCESS

The macro process we currently use was built during the Costa Rican Chamber of Industries' "Ruta a la excelencia" (Path to excellence) program. There are four main elements: our strategy, support processes to implement it, methods for performance appraisal and improvement for goals and core business activities.



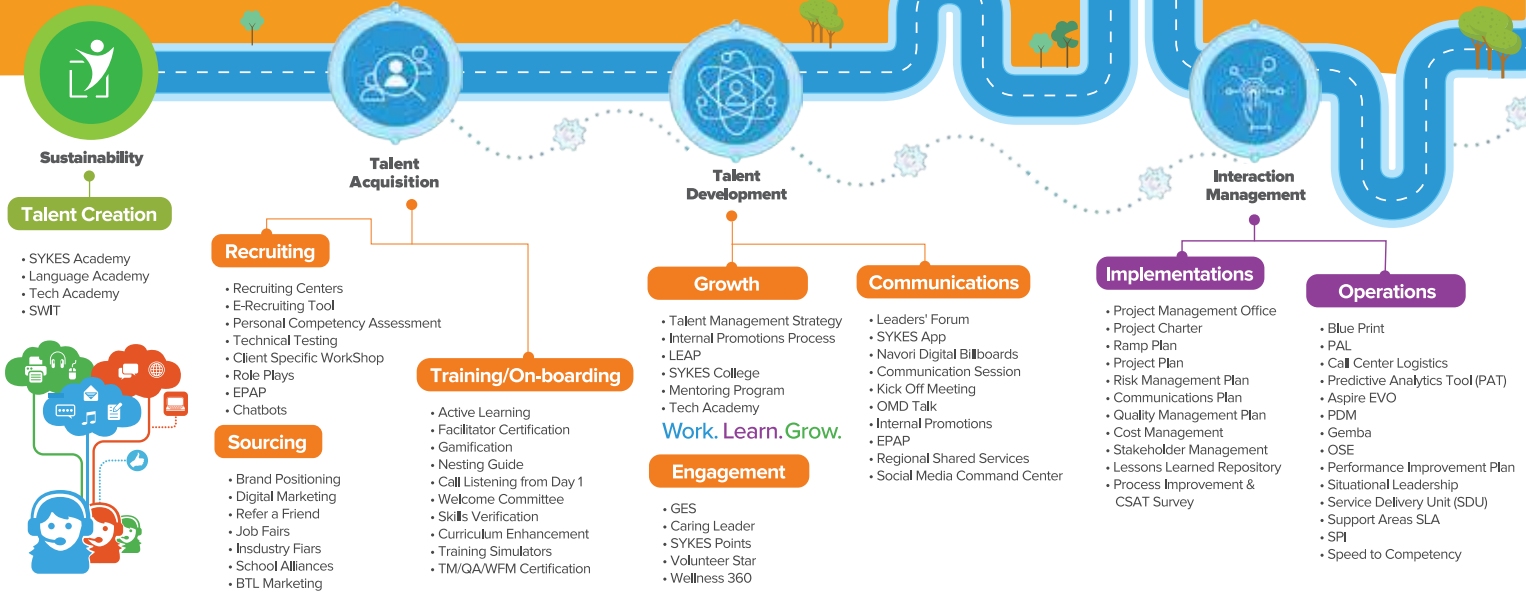
## Our Goals

The following goals are proposed regionally in all the Latin American operations. These indicators were the most important ones for the economic dimension and are the result of our achievements for the reporting period. These goals remain for 2019, and we follow up on them daily in our operations and support areas.

Key indicator	Regional goal	SYKES Costa Rica 2018	SYKES Costa Rica 2019	Meta SYKES Costa Rica 2020
Revenue (compliance percentage)	100% vs Plan	97.80%	98.3%	107.3%
Gross profit (compliance percentage)	100% vs Plan	96.50%	96.9%	108.1%
Net profit (compliance percentage)	100% vs Plan	96.50%	100.9%	109.1%
Client satisfaction	Equal to or more than 85%	89%	89%	90%
Direct agent absenteeism	Equal to or less than 4%	4%	3.9%	4%

# Value chain's sustainability

GRI 102-9, GRI 102-10



Our value chain is shown on the top part of pages 32 and 33. It is provided by our regional direction, for all of SYKES' operations in Latin America.

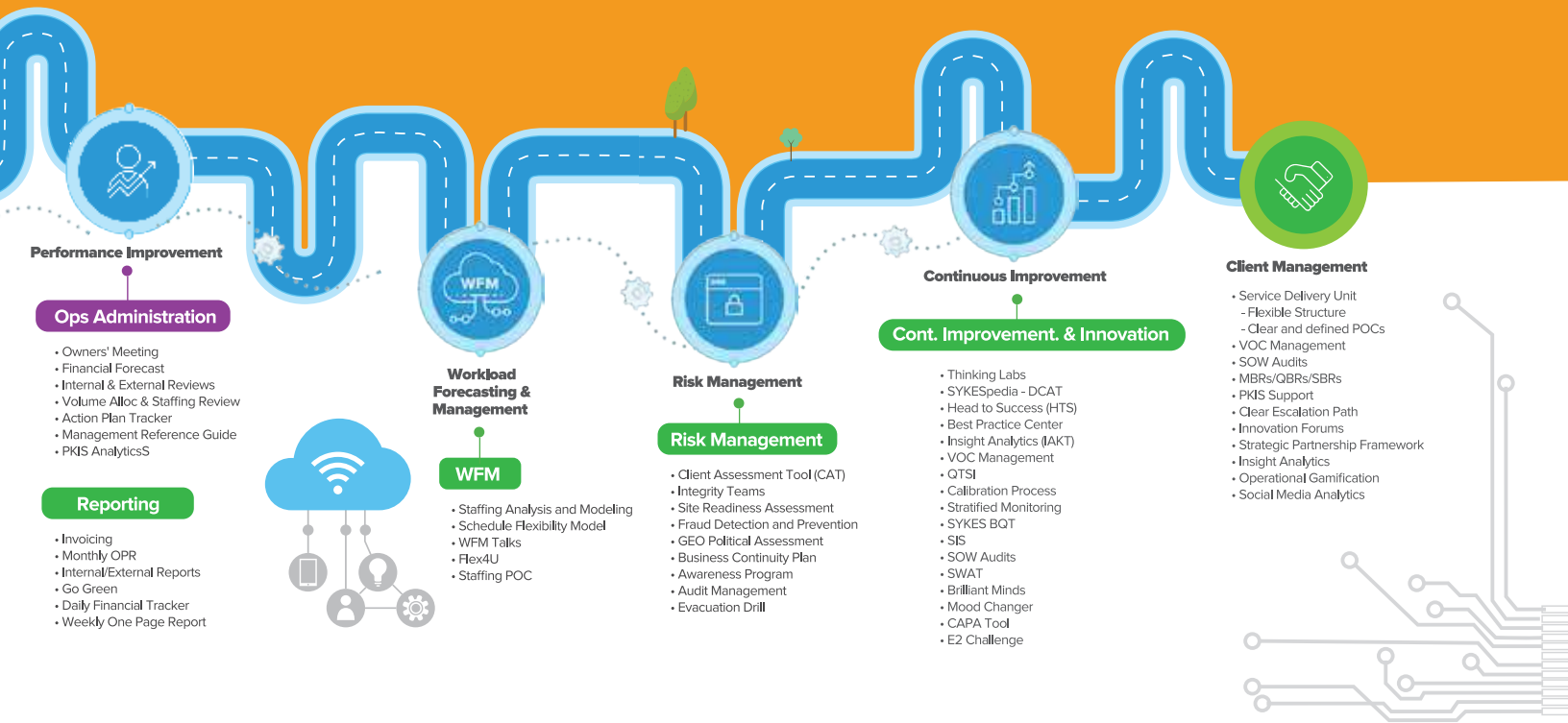
Our operations' value chain reflects all the work our staff does to provide services to our clients' needs. Our main resource is human talent, and all our value chain is based on it.

Previously the materiality matrix reflected the direct and indirect impacts of SYKES' operations. Now, through the value chain it is possible to reflect in detail each of our processes and the impacts generated.

## Impacts mapping on our Value Chain

Impact		Value Chain							
Dimension	Material Topic	Client	Talent Acquisition	Talent Development	Transaction handling	Coaching & engagement	Planning	Risk management	Continuous improvement
Environmental	Waste management								
	Sewage treatment								
	Emission control								
	Water consumption								
	Energy consumption								
	Materials consumption								
	Fossil fuel consumption								
Economic	Climate change action								
	Anticorruption & Ethics								
	Value Chain's Sustainability								
	Fair marketing practices								
	Customer Service & Technical Knowledge								
	Client Data protection								
Social	Competitiveness & Innovation								
	Human rights								
	Working conditions								
	Occupational safety and security								
	Talent development								
	Social and community investment								
	Job generation								
	Wealth generation								
Talent attraction and retention									





SYKES seeks to manage its value chain sustainably and create shared value with all our stakeholders, which is why we work hand in hand with them in each key process of the chain, managing our impacts and risks.

Some of our initiatives for the sustainability and value chain material topic include our work with clients in developing talent in high technology, with the Government in the improvement of English and technical skills, and with chambers and regulatory entities in continuous improvement processes.

### Stakeholders mapping on our Value Chain

Category	Stakeholder	Priority	Value Chain								
			Client	Talent Acquisition	Talent Development	Transaction handling	Coaching & engagement	Workforce Management	Risk management	Continuous improvement	
Internal public	Direct agents	Very high		High Impact							
Internal public	Indirect agents	Very high		High Impact							
Internal public	Support areas	Very high	High Impact								
Clients	Customer service accounts	Very high	High Impact			High Impact					
Clients	Sales accounts	Very high	High Impact			High Impact					
Clients	Tech support accounts	Very high	High Impact			High Impact					
Competitors	Other countries	Very high	High Impact						High Impact		
Government and regulatory entities	Audit and evaluator firms	Very high		High Impact							
Internal public	Senior management	High	High Impact								
Internal public	Regional team	High	High Impact								
Competitors	Cost centers	High	High Impact						High Impact		
Government and regulatory entities	Ministries	High		High Impact					High Impact		
Competitors	Benefit center	High							High Impact		
Government and regulatory entities	Local governments	High		High Impact			High Impact				
Media	Social media	Medium	High Impact								
Suppliers	Services	Medium				High Impact					
Media	Digital and mass media	Medium							High Impact		
Community	Associations and organizations	Medium	High Impact		High Impact			High Impact			
Suppliers	Technology	Medium							High Impact		
Media	Influencers	Medium	High Impact						High Impact		
Community	Residential and commercial neighbors	Medium		High Impact					High Impact		
Clients	Potential clients	Low	High Impact				High Impact				
Community	Society	Low							High Impact		



# SIGNIFICANT CHANGES TO THE OPERATION

End of Life – Contract Termination Client

GRI 102-10



## THE CHALLENGE OF 2019



Client announces the termination in 40 days of the operations in Costa Rica



1336 employees impacted:  
1236 direct agents  
100 indirect agents (leaders)



Financial impact on incomes and termination cost of labor contracts

Projected cost  
\$1.3 million



# THE STRATEGY EXECUTION

## Communication

- Meeting with account leadership team
- Meetings with agents
- Formal communication to rest of the company
- Proactive approach to massive media, government and chambers

## English LOB agents

- Stopped all external hiring
- Comprehensive employee profiling mapped to transfer efforts
- Partnered with Capital One, WFM, Talent Acquisition and Business Partners
- Act Now marketing piece delivered to all Corporate's Sales team

## Spanish LOB agents

- English level reassessment
- SYKES Academy intensive courses
- Relocation to other CS3 programs

## Special projects

- Enhance Business Partners' key areas capacity to expedite and enrich execution

## Standardized Transition Path

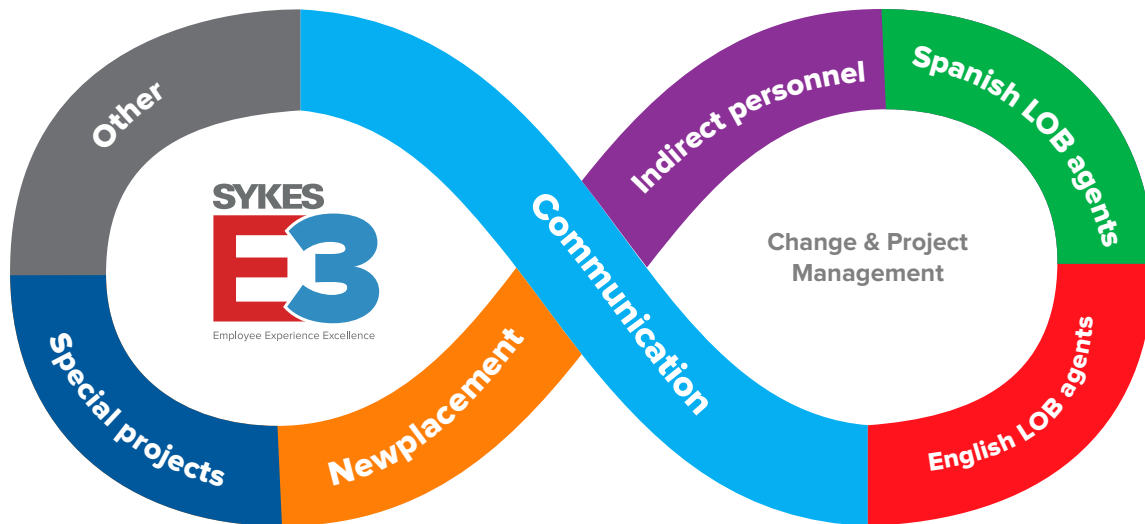
- Vacation plan
- Paid LOA
- Volunteering activities
- Special projects

## Indirect personnel

- Relocated to other programs
- Filled up pending internal promotions
- Special projects
- Intensive Tech academy courses for TMs

## New placement

- Workshops
- Partnered with CINDE to direct talent to other multinationals



Minimize Terminations | Optimize Financials | Sustainability

## Results



- **86%** Direct employees relocated
- **84%** Indirect employees relocated
- **380** Volunteers delivering & 2345 hours in social responsibility activities
- **41** Internal Promotions
- **2000** training hour in Tech Academy
- **11,000** training hours in SYKES Academy



- **\$489** cost savings
- **\$1.3M** Projected vs. Actual cost \$860K: paid leave and dismissals



- Promoting employee loyalty
- Strengthen SYKES external and internal image

# SUSTAINABLE SUPPLIERS

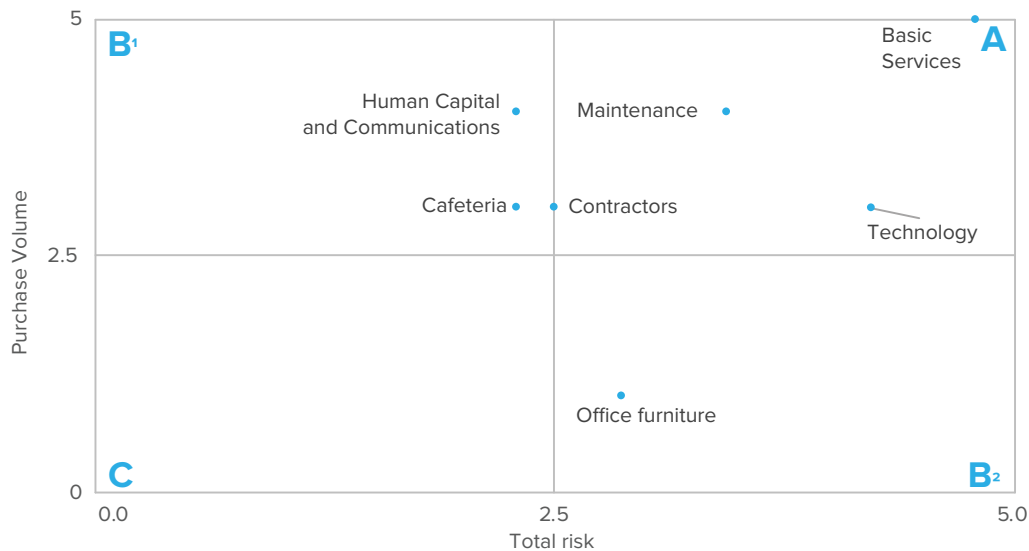
GRI 102-9, GRI 102-10, GRI 308-1, GRI 308-2, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

Our Sustainable Suppliers Manual does a rigorous screening of suppliers by evaluating social, economic and environmental topics. All suppliers on our database must fill out the evaluation form for screening purposes.

## Supplier Classification

Our main suppliers are divided into seven main categories and in subcategories.

Our supplier matrix classifies them in two axes. The first is the risk level that they represent for the operation considering the level of influence and environmental, social and economic operational risks. The second axis represents purchase volume. In pages 34-37 of our 2018 sustainability report, you can see the methodology used for this classification.





The final risk is an average of the influence level and operational risks reflected on the “X” axis and purchase volume on the “Y” axis. The suppliers on the “A” quadrant are the top priority because they represent higher risk and higher volume. The suppliers on the “B” quadrant are of middle significance and the “C” suppliers represent low risk and low volume.

## Supplier evaluation

After classifying our suppliers, we created an evaluation tool for on-site visits to suppliers. We take the risks of previously identified suppliers and review the main international sources (GRI standards, OECD guidelines, ISO 26000, National Social Responsibility Policy and the materiality of SYKES) to determine the criteria that we would evaluate. The following was the result:

Sustainability criteria <b>Social Dimension</b>	Sustainability criteria <b>Economic Dimension</b>	Sustainability criteria <b>Environmental Dimension</b>
National laws and regulations	Anti-corruption and ethics	Waste management
Child labor	Unfair competition	Environmental education
Occupational safety and security	Market presence	Energy consumption
Procurement practices	Procurement practices	Water consumption
Human rights and discrimination	Fiscal requirements	Carbon emissions
Employment	Intellectual property	National laws and regulations
Social investment	Public-private and strategic partnerships	Post-sale programs
Gender equality	Operating permits and patents	
Personal and professional development		
Inclusion for people with disabilities		



In 2019, we visited 30 suppliers with the newly created tool and evaluated them according to the evidence of sustainability criteria compliance. None were found negative environmental impacts on the supply chain, negative impacts on the previously mentioned social impacts, nor negative impacts regarding ethics, child labor, discrimination or any unlawful action against international laws and agreements.

# CUSTOMER SERVICE AND TECHNICAL KNOWLEDGE

GRI 102-2, GRI 102-6

## Our Core Business

Almost two decades of experience and continuous improvement have translated into real commercial results for our clients.

Working next to leader brands in the world, we bring solutions that improve customer experience, increase retention, maximize each touch point and identify efficiency and cost optimization opportunities.

SYKES Costa Rica has provided service for 13 clients in three industries, which are classified according to business type and rules given by the corporation:

## WE HELP PEOPLE, ONE CARING INTERACTION AT A TIME



### Financial Services Industry

3 clients

Focus:

- Retail banking
- Card services
- Insurance
- Consumer loans
- Lending servicing
- Fintech

The most important banks trust us to preserve their brands by providing the integrity, privacy and security that customers expect. We offer services to our clients in retail banking, credit card services, insurance/brokerage, consumer loans and loan services.



### Technology Industry

7 clients

Focus:

- Consumer electronics
- PC and peripherals
- Software and portals
- Business technology

From millennials to boomers, consumers seek mobile technology. In their rush to get the best and most current devices, many of them feel frustrated with tedious instructions and inevitable technical problems. That's why SYKES hires passionate agents that love new technologies and are capable of solving their problems quickly.



### Communication Industry

2 clients\*

Focus:

- Mobile
- Broadband
- Complex networks

With digital telephone, video transmission, optical fiber internet and wireless safety home systems, customers' needs are as varied as can be. Fortunately, SYKES provides a true management of the customer's life cycle with an equally diverse range of service options and technical support designed to perfectly adapt to each client, today and tomorrow.

Notes:

- One client decided to end the contract as of June 1st, 2019.
- In 2019, we welcomed two new clients to our portfolio, one in the financial services area and the other in the technology area. This helped us relocate the employees that were left stranded when the communications client left.
- Since 2018, we have one more client in the "Consumer" industry. We did not include it in the three categories mentioned because it is in the expansion process.
- In February 2020 a new technology client will join our portfolio.

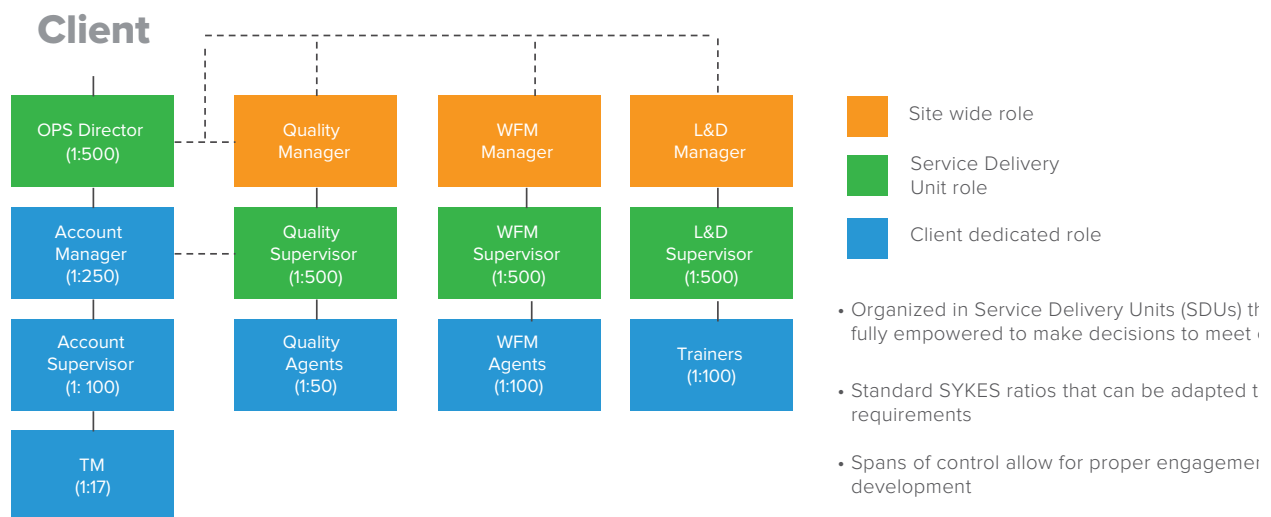


# SERVED INDUSTRIES

In our business operation, clients are divided into accounts managed by Operations Directors, which are the SYKES representatives facing each client. The Account Managers, which handle the business lines for each client, report directly to the Operations Directors.



## ADAPTIVE STANDARD STRUCTURE OF OPERATIONS



Note: Org chart represents structures with direct support to accounts.  
Other shared resources: i.e. Recruiting, HR Consultants, IT Help Desk, Risk Management

The operations structure in SYKES LATAM is a standard established by the corporation, which may be adapted to the client's needs and requirements.

The direct agents are the employees that provide a direct service to each customer in English, Spanish or Portuguese by any of the contact types: inbound calls, outbound calls, chat, email or tickets.

The green roles represent the employees that work directly with the customer's needs. There is one director or supervisor for every 500 direct agents.

The blue roles are dedicated exclusively to managing the

customers' transactions. In order to guarantee the quality of our service, we make sure that there are enough direct agents to keep up with the demand (planning) and that the direct agents have the abilities to satisfy the customer's needs (training). In this case, there is an account manager for every 250 agents, an account supervisor for every 100 agents, and a team manager for every 17. There is one quality, one planning and one training agent for every 100 direct agents.

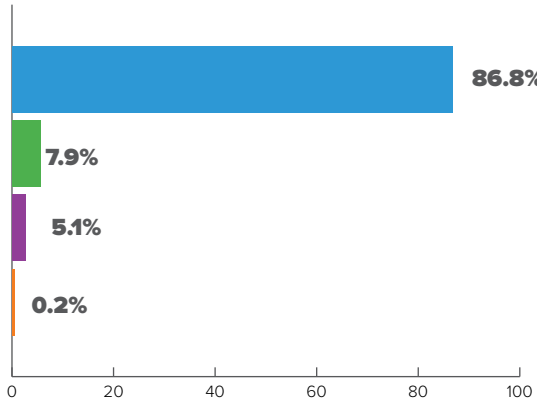
The orange roles represent one single manager that is in charge of directing the roles of the Service Delivery Unit.



GRI 102-6

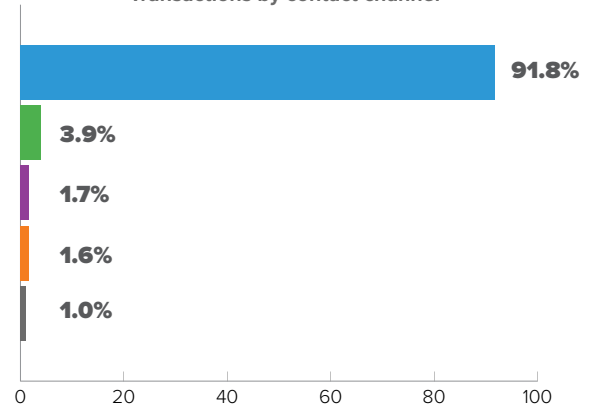
Transactions are every inbound or outbound calls, emails and tickets that our direct agents make to take care of our customer's needs. In 2019 we made 11,202,718 transactions, largely inbound calls.

Transactions by industry



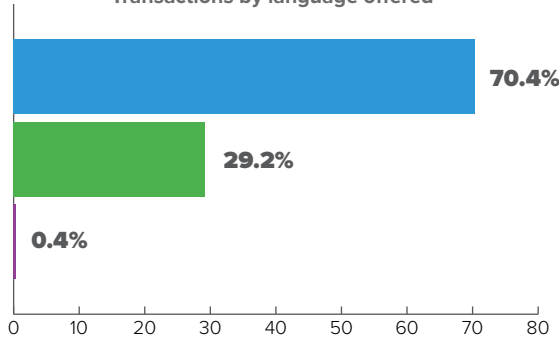
Financial services	9,726,662
Communications	882,702
Technology	574,974
Consumer	18,380

Transactions by contact channel



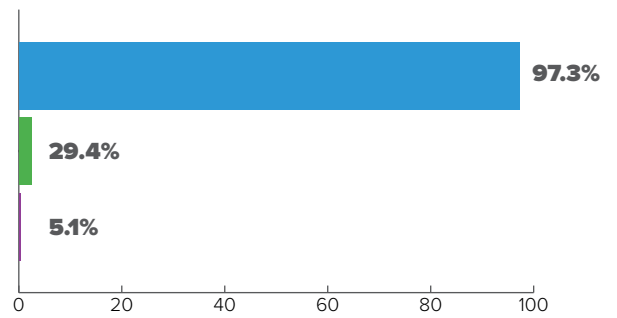
Inbound calls	10,288,995
Outbound calls	440,675
Email	189,979
Tickets	175,158
Chat	107,911

Transactions by language offered



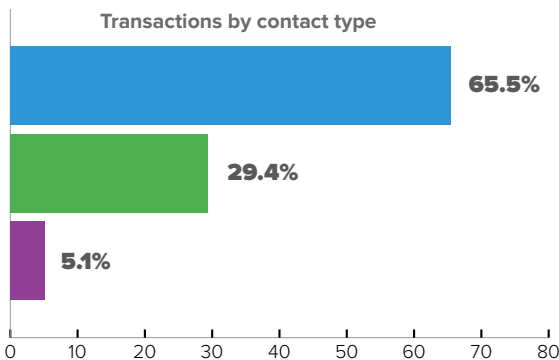
English	7,886,316
Spanish	3,271,387
Portuguese	45,015

Transactions by region served



United States/Canada	10,898,726
Global	279,158
Regional	24,834

Transactions by contact type



Customer services	7,335,959
Sales	3,291,785
Tech support	574,974

# ECONOMIC PERFORMANCE

GRI 201-1, GRI 203-1

The financial indicators of the 11.2 million transactions and two decades work in Costa Rica has made us the most significant operation in the region. In 2019, we managed to contribute almost half of the LATAM region's income.

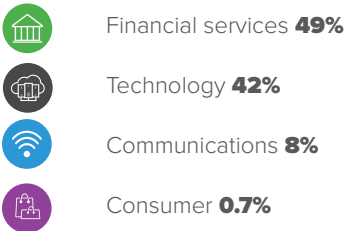
Financial data is presented regionally by industry, and not by country due to shareholder confidentiality policies. These data can be found at:



## Revenue

Income is received through monthly invoices to our clients. Clients pay by number of agents, hours worked, or cases attended during the month.

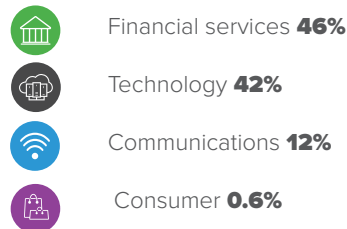
### % of revenue by industry 2019



## Operating Costs

The operating costs include mainly agent salaries, indirect agent salaries, overtime, bonuses, transportation, tuition reimbursement, medical insurance, among others.

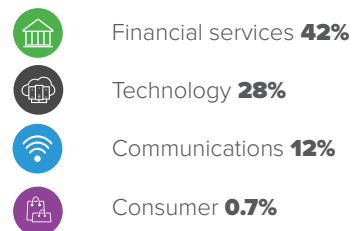
### % of operating cost by industry



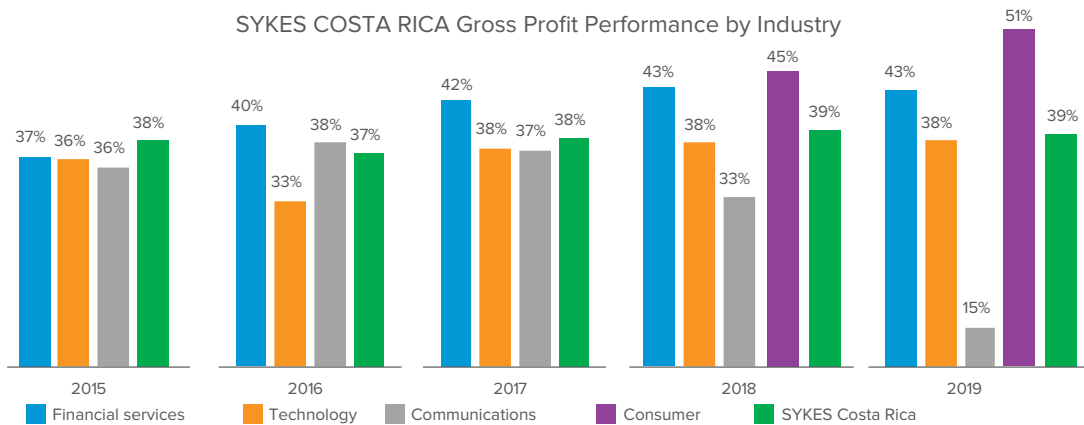
## Administrative expenses

These expenses include support area personnel wages, electricity, water, technological equipment, among others. These expenses are assigned to each industry according to the number of seats they have in operation.

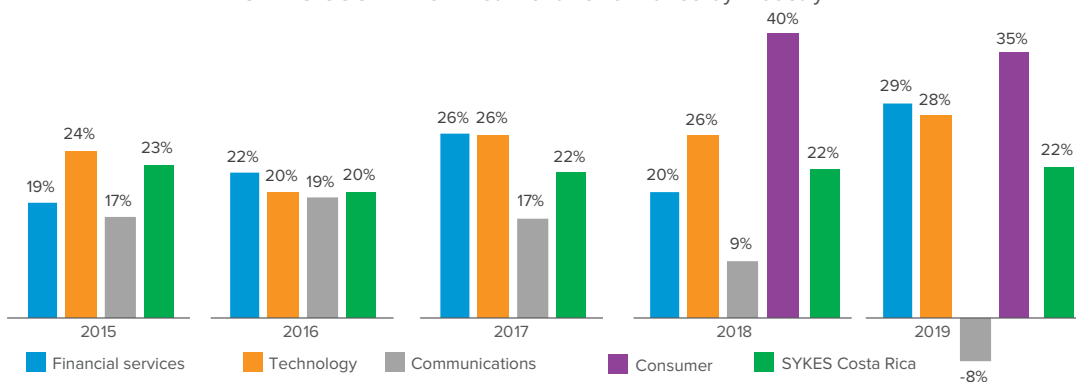
### % of administrative expense by industry



SYKES COSTA RICA Gross Profit Performance by Industry



SYKES COSTA RICA Net Profit Performance by Industry





# ANTI-CORRUPTION AND ETHICS



GRI 102-16, GRI 102-25, GRI 205-1, GRI 205-2, GRI 205-3, GRI 418-1

SYKES guarantees knowledge, updates and compliance of the legal framework through its internal policies and procedures aligned with Costa Rican Law, SYKES code of conduct and the universal human rights, which are communicated to all new hires as a part of the induction and training process. Also, one or two internal communications campaigns are made each year.

The company obtains outsourced legal advice through expert lawyers that handle any questions regarding legal matters. They also review the clients' contracts to make sure they comply with all applicable laws as well as providers' contracts, before signing. A contract must be signed when annual billings will exceed \$10,000.00.

The company's ethical behavior is highlighted and strengthened through communication with employees. SYKES has open channels so that employees can share any personal issues. No matter what the subject is, the company is committed to keep employee information strictly confidential.

The following processes guarantee that the company complies with all regulations, laws and ethical practices in each area:

**Fiscal:** regarding taxes, Price Waterhouse Coopers is the consulting firm that annually revises the income tax calculations in order to make the declaration in the government's taxation agency ("Tributación Directa"). Even though SYKES has a free

zone contract and is exempt of paying income taxes, we have decided to make income declarations appropriately.

**Financial:** SYKES has internal and external auditors to assure compliance with Sarbanes-Oxley regulations, according to U.S. law. Deloitte audits the company at least once a year on this regulation.

**Labor:** SYKES complies with all guidelines established by law regarding hiring, disciplinary measures, compensation and benefits. All employees are registered in the CCSS (Social Security Institution, Caja Costarricense del Seguro Social), and minimum wages and social security costs are covered. The company has internal policies and procedures to handle tardiness, absences, workplace, and sexual or psychological harassment, among others.

Anybody can come to the RRHH department or employee services to inquire about wages or paycheck, work relations, expose harassment issues or any concerns they may have

regarding labor aspects. The company offers an atmosphere of respect and zero tolerance to discrimination.

Also, all leadership areas have daily support and guidance from the work relations department in order to ensure neutrality and respect towards work regulations in every decision that may affect employees.

In the legal area, the company has a contract with BDS Asesores, labor law specialists that cover the following areas: permanent labor advisory for daily inquiries, newsletters regarding any changes in labor laws, handling of work-related claims and labor audits about improvements in policies and procedures.

The Ministry of Labor does inspections regularly, and the HR department keeps record of the results. There's a commitment to clear any doubts or resolve any gaps that may have been found, in coordination with the work relations department.

**Environmental:** As part of its environmental commitments, SYKES quantifies its greenhouse gas emissions and removals since 2012. The methodologies proposed by INTE/ISO 14064-1:2006 and WRI and WBCSD's GHG Protocol were used to quantify SYKES' emissions and removals. The coordinator

of the Environmental Committee prepares the inventories. The company has an environmental policy and develops its projects according to the annual Environmental Management Plan. Since 2014 it makes internal and external audits regarding carbon neutrality.

**Ethics:** SYKES worldwide has a code of ethics that is implemented in every country where it operates. This code of ethics includes topics such as report of fraudulent activities, workplace harassment, promotion of a violence free atmosphere, proper handling of passwords, confidentiality, use of the company's assets, open door policy, among others. SYKES has a telephone line dedicated exclusively to the report of fraudulent activities. It is required that every employee during training learns about the corporate code of ethics and the procedure to report fraudulent activities. Then, a recap must be done once a year. To make sure 100% of the workforce has gone through this training, there is an electronic signature within a digital platform. The CSRM office oversees these procedures.

SYKES' standards of conduct and ethic code can be found on the website: <http://sykes.com/about-us/>



# STANDARDS of CONDUCT

## LET'S TALK ABOUT IT

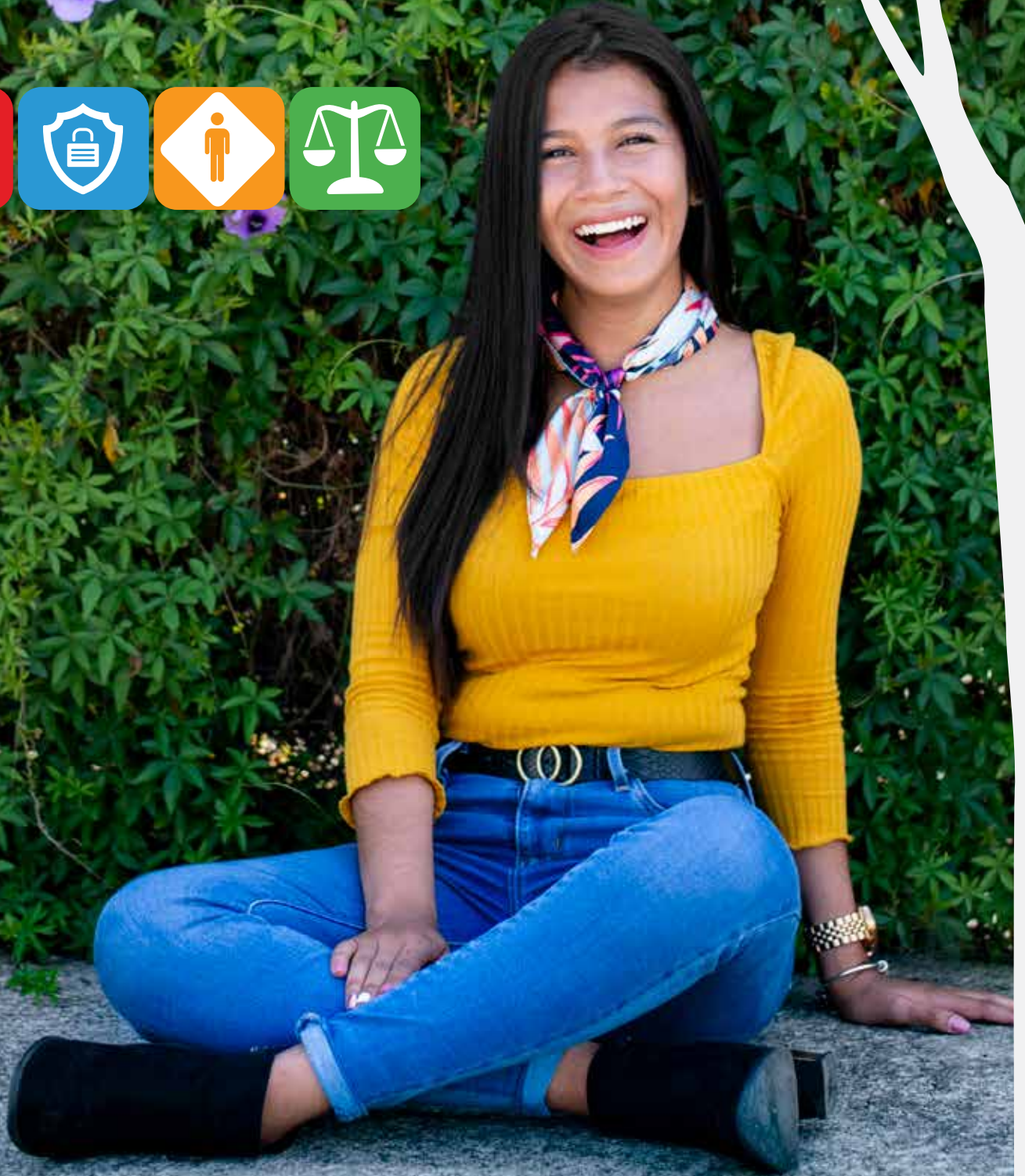
RESPECT | SECURITY | SAFETY | ETHICS

 <p>Equal Opportunity Open Door Policy Positive Workspace</p>	 <p>Passwords PII, PCI Technology Assets</p>	 <p>Global Safety Standards Employee Safety Protocols Ergonomics</p>	 <p>Honesty Leadership Integrity</p>
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If you see or hear something, say something. Your voice matters.  
For more information, please visit: [www.sykes.com/about-us](http://www.sykes.com/about-us)







To ensure compliance with the codes of conduct and with internal and operational policies, SYKES performs internal audits through the local and regional risk department (client assessments named CAT, made at least once a year). Plus, the external client audits performed by our clients.

External Audits						Internal Audits – CAT					
Industries	2015	2016	2017	2018	2019	Industries	2015	2016	2017	2018	2019
Communications	0	1	0	3	2	Communications	2	1	1	3	3
Financial Services	1	3	2	4	3	Financial Services	3	2	2	3	5
Technology	2	3	2	0	1	Technology	4	4	5	7	14
Consumer	N/A	N/A	N/A		0	Consumer	N/A	N/A	N/A	1	2
<b>Total</b>	<b>3</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>6</b>	<b>Total</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>14</b>	<b>24</b>

Overall, in 2019 there were 30 audits in our operations, 7 made by our clients and 24 made by our internal team.

In 2019, nine cases of violation of policies by our collaborators and two various cases were registered, where the corrective measures were dismissals of collaborators, training of account personnel and changes in procedures within the account.

In 2018, four cases of internal metric manipulation were registered. The corrective measures taken were layoffs and training of the account personnel.

In 2017, five cases or metric manipulation were registered and one case of false use of SSN (Social Security Number) information. The corrective measures taken were layoffs and training of the account personnel.

Notes: The SSN (Social Security Number) is a nine-digit number issued for working US citizens, permanent residents and temporary residents.

In 2016, three cases about accounts and credit cards were registered.

In 2015, four cases about customer’s accounts and customer data manipulation were registered.

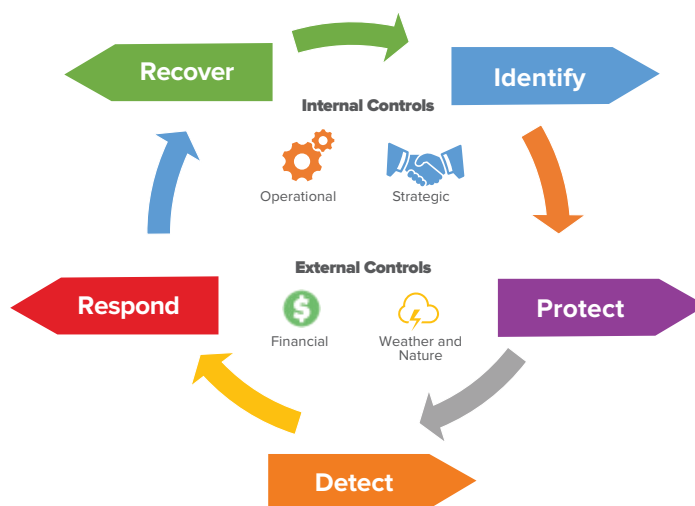
## DATA PROTECTION

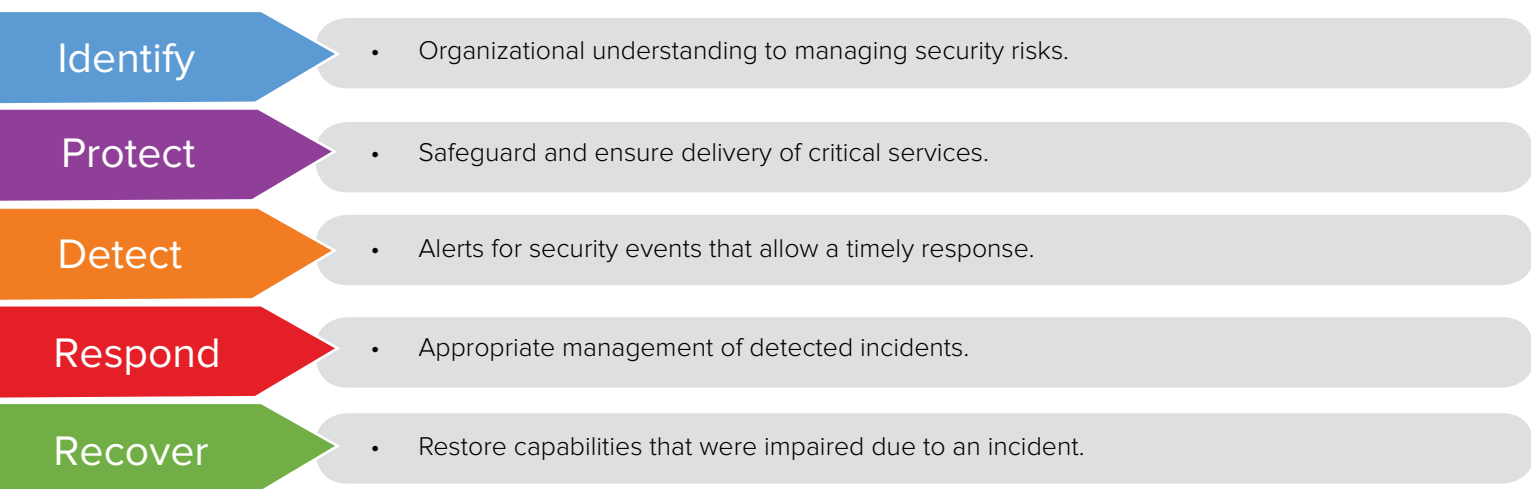
GRI 102-15, GRI 102-30

The company has a risk department that protects the data exposed in SYKES’ operations. This department is supported by the Code of Ethics, internal policies on data handling and protection and it works jointly with representatives of each client we serve and each account’s leaders.

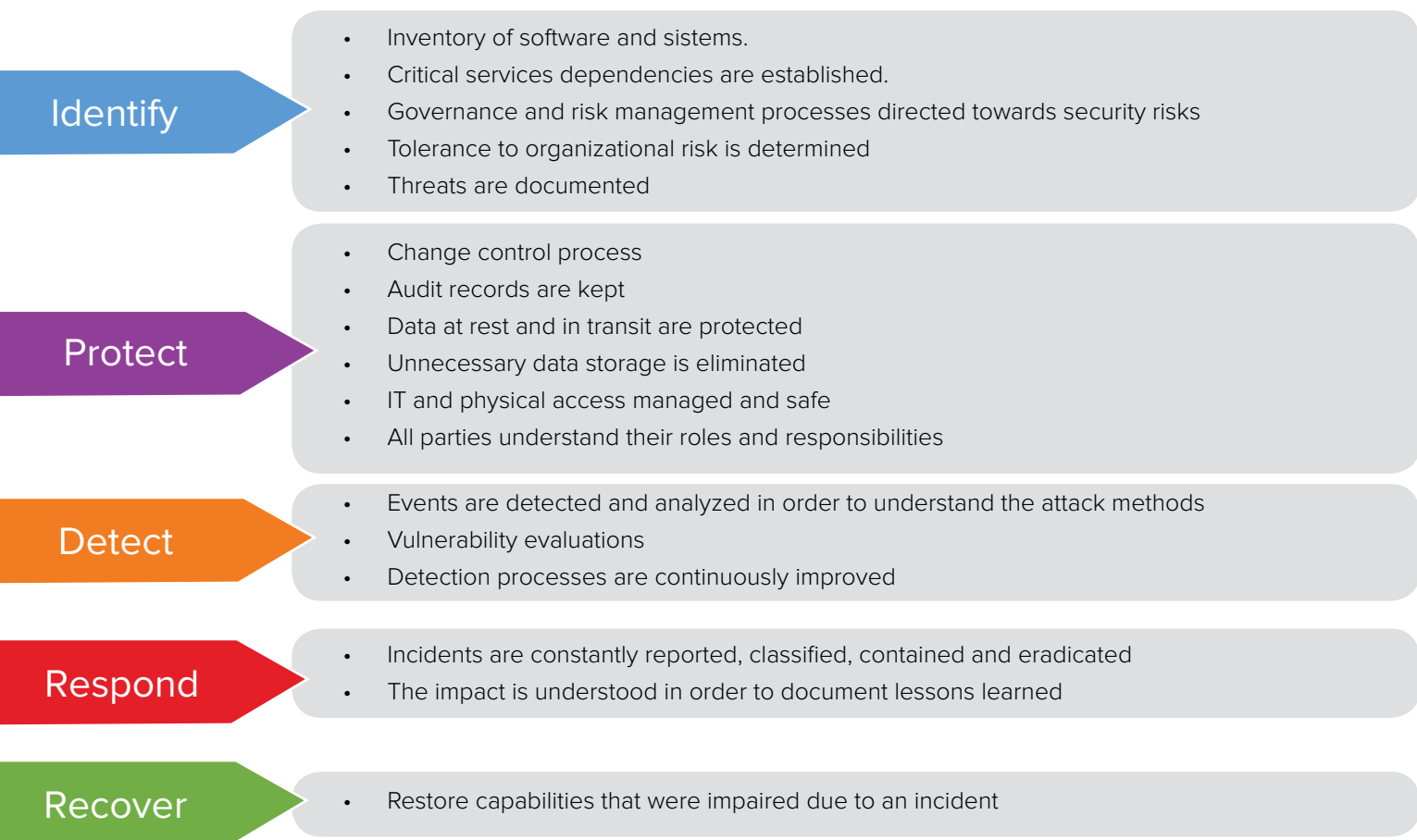
### Our Security Model

Based on the framework from the National Institute of Standards and Technology of the United States Department of Commerce.





**Internal Processes that we undertake in our operation:**



To implement this model in our processes we use the following tools:

## AWARENESS PROGRAM

What is it?

Zero tolerance against fraud, managed internally by three programs



## FRAUD PREVENTION PROGRAM

What is it?

A program that identifies key controls gaps in the client's tools and processes that could cause fraud, metric manipulation or process deviations.



**Key terms:**

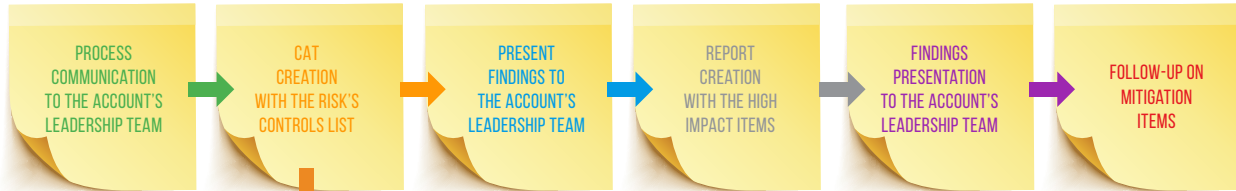
- CPR: Control Process Review
- EIRFo: Employee Interactive Risk Forum
- OIC: Operational Integrity Control Point
- SOC: Standards of Conduct

## CLIENT ASSESSMENT TOOLKIT (CAT)



### WHAT IS IT?

It is an integral part of SYKES' risk management to ensure the correct implementation of key security controls in each client account on an annual basis.



- REVIEW PERSONNEL FILES FOR BACKGROUND CHECKS
- LOCATION WALKTHROUGH TO TEST CONTROLS

### KEY TERMS

- **Control:** Management function that helps to check the errors and to take the corrective action so that deviation from standards is minimized.
- **SME:** Subject Matter Expert as the point of contact for specific information to be presented to the auditors.
- **Impact:** Impact to operations, business, site, infrastructure or other associated factor.



## GEO-POLITICAL ASSESSMENT



### WHAT IS IT?

The Geo-Political Assessment is an integral part of SYKES' risk management. This was created with the purpose of including prioritization, categorization of recommended safeguards, feasibility of implementation, and risk-mitigation processes within the management, operational and technical environment; specifically accounting for risks inherent to a site because of its location.



## AUDIT MANAGEMENT



### WHAT IS IT?

It is an integral part of SYKES risk management to ensure the correct execution of the audit lifecycle in order to minimize the potential findings and make the process as efficient as possible by having a formal guide of the process.



- Review of controls list for the audit
- Work with stakeholders to gather required evidence
- Submit evidence to auditors

- Manage the logistics of the auditors visit
- Manage the controls review with the auditors
- Manage all further evidence requests from the auditors
- Lead the final meeting with the auditors to wrap-up the review and define if there are any follow-ups

- Review with the auditors the draft audit report
- Define the mitigation plans
- Follow-up on the implementation of the mitigation plans and subsequent notification to the auditors for the closure of the audit items

### KEY TERMS

- **Evidence:** Any document or file that supports the claim that the control has been correctly implemented.
- **Stakeholder:** Any internal or external person or group that has a role within the audit. This includes the account team, business partners, corporate teams or others.

## BUSINESS CONTINUITY PLAN



### WHAT IS IT?

It addresses all critical and essential business activities, including the testing of the emergency plans. The BCP for each Client's Line of Business ensures their preparedness in case of a business impact.



### WHAT'S IN IT FOR ME?

- A guideline to address risks in order of priority.
- Pragmatic approach that allows "quick wins" to mitigate identified risks or contractual gaps.
- Promotes objective and measurable progress indicators.

### WHAT DO WE NEED?

- Account Manager or designated person to revise BCP annually.
- Client representative to approve BCP document and provide new information.
- Risk Manager or Risk Supervisor as observer/evaluator.
- Corporate Business Continuity Manager, owner of the annual tabletop exercise (test of the documented BCP).
- Business Continuity Manager as provider of safe electronic storage.
- CSRSM to coordinate the use of the document during audits.

### KEY TERMS

- **Disaster Recovery (DR):** The process of rebuilding SYKES' information technology operations or infrastructure following a disaster –"restoring the systems and technology."
- **Business Continuity Plan (BCP):** Activities required to keep SYKES' business operations running during a period of displacement or interruption of normal operations.
- **Business Impact Analysis (BIA):** A means of systematically assessing the potential impacts resulting from the loss of critical business processes, the information technology systems or resources they rely on.

### MILESTONES

- Annual BCP revision.
- Account Manager's approval.
- Client approval.
- Tabletop testing exercise.
- Validation during audits.
- BCP Creation for new accounts.

### TEAM INVOLVED

- **Account Official:** Annual revision of the BCP document. Follow BCP guidance during emergency situation.
- **Business Owner:** Approve the BCP document and share with Client. Follow BCP guidance during emergency situation.
- **Client Representative:** Approve BCP. Provide critical information updates.
- **CSRSM:** Use the BCP document during audits, coordinate tabletop exercises.





# SITE READINESS ASSESSMENT (SRA)

## WHAT IS IT?

A prioritized milestone risk assessment methodology to identify and classify the inherent risks faced by the organization in order to incorporate them into the annual planning process.



## WHAT'S IN IT FOR ME?

- A guideline to address risks in order of priority.
- Pragmatic approach that allows "quick wins" to mitigate identified risks or contractual gaps.
- Supports financial and operational planning.

## WHAT DO WE NEED?

- Risk Supervisor or Risk Manager as the document creator.
- Risk Manager or Regional Risk Director as the document administrator.
- Acknowledgement of the Business Owner.
- HR, IT, Operations and Facilities Managers as the information source.

## KEY TERMS

- **SECOPS:** Security Operations.
- **PII:** Personally identifiable information, such as Social Security Number, name and last name, other.
- **PHI:** Private health and medical related data.
- **PCI:** Payment card data.
- **HR:** Human Resources.
- **IT:** Information Technology.

## TEAM INVOLVED

- **Document creator:** Execution of SRA Gap Analysis file, creation of summary report to share with Business Owner.
- **Document administrator:** Use of the report for risk analysis and risk management framework planning. Share them with internal stakeholders (when applicable).
- **Business owner:** Take action regarding any high impact risk items.
- **HR, IT, Operation and Facilities Managers:** Provide the necessary information to complete SRA Gap Analysis file.

## MILESTONES

- Complete the SRA Gap Analysis file.
- Document the Summary tab and get acknowledgment from SECOPS Management and Business owner.
- Use the report for risk analysis.
- Follow-up on risk items.
- Share the report with internal stakeholders.

Thanks to our tools and security model, in 2019 and 2018 there were no complaints for misuse of customer's clients. In 2017, 2016 and 2015, there was one case per year.

## We were able to keep our data protection goal in 0

We have two emergency response teams. One is focused on buildings and their operation and the other one towards personnel risks:

- **Building disaster recovery team:** in case of disaster, this team seeks to keep the company's operations through the information technology department in the infrastructure, desktop equipment and customer service area; and through the administration department in the facilities, maintenance and security areas.
- **Emergency recovery team:** led by the risk management, the brigade team and area leaders, who guide and direct people during an emergency, and the occupational health committee.

2015		2016		2017		2018		2019	
Type of disaster or emergency	Quantity	Type of disaster or emergency	Quantity	Type of disaster or emergency	Quantity	Type of disaster or emergency	Quantity	Type of disaster or emergency	Quantity
Harmful gas	1	Natural Disaster	1	Harmful gas	1	Natural Disaster	1	National Workers Strike	1
Gas leakage	1	Power Failure	1	Threats to life	3	Natural Disaster	1		
				National worker's strike	1	National Power Outage	1		
				Critical equipment failure	1	Threats to life	1		
						Telecommunications	1		

We have a reaction plan for each type of disaster or emergency that may happen, according to the internal risk mapping. Each plan is activated by the people in charge and each response team.

## FAIR MARKETING PRICES

Our most important resource are our employees. To attract and retain them, we have a communication strategy that starts by letting them know that we are market leaders in talent development. We also position the value and experience of working at SYKES, how to be a multiplier agent and how to contribute with our community through our social responsibility initiatives. Also, as part of the strategy, we execute many events that promote an enjoyable working environment and enhance interpersonal relationships within employees and motivate to achieve better and higher performance levels.

Our Sourcing and Communications and Marketing departments use social media as the main platform to communicate new openings and talk about how it is to work at SYKES. The strategy is multi-channeled, though: we also use billboards, bus advertisements, job fairs and alliances with several government areas and private institutions.

	<b>Indicator</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	Like	1,644	9,330	6,699	15,180
	Comments	28	107	101	245
	Publications	86	251	111	178
	Followers	2,080	2,697	3,809	6,376
<hr/>					
	<b>Indicator</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	Reactions	108,770	55,868	33,252	32,735
	Comments	12,771	8,096	7,035	4,873
	Shared Publications	25,155	19,973	3,945	2,342
	Publications	836	889	606	447
	Fans	57,721	69,390	76,745	82,445
<hr/>					
	<b>Indicator</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	Reactions		88	1,014	1,831
	Comments		1	19	81
	Shared Publications		15	131	154
	Publications		8	71	74
	Fans		6,040	11,116	19,666

Thanks to social media management and other platforms used to attract talent, we were able to reach the following number of candidates:

### Job applications

<b>Source</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Headhunters	6,993	6,798	4,161	2,653
Referrals	12,970	13,778	9,629	9,387
Digital campaigns (social media and webpage)	24,215	16,758	15,188	19,464
Job Fairs	1,280	1,499	1,188	1,524
Walk-ins	2,481	2,733	596	-
Institutes, universities and academies	314	97	221	338
LinkedIn	-	-	469	50
TalkPush	-	3,229	3,045	-
Job bank and data bases	2,036	-	-	-
Direct contact (email or phone call)	3,491	1,663	278	1,063
<b>Total applications per year</b>	<b>53,780</b>	<b>46,555</b>	<b>34,775</b>	<b>34,479</b>

## INTERNAL COMMUNICATION



### SYKES Kick Off

It is an annual event held in February or March by SYKES' Senior Management in order to present the previous year's results on the following topics: finance, operational, challenges presented throughout the year, relevant changes in the organization and the strategic plan and its goals for the current year.

This is an on-site event, and the audience are the company's leaders and key employees. They participate as listeners and contribute to gather information about initiatives to implement the strategic plan.

249 participants



### SYKES Leaders Forum

It's a quarterly event where the results of each quarter are presented according to the strategic plan. During the event, all the leaders that have made a difference and have met the assigned goals are recognized. This event seeks to motivate our leaders and guide all our human capital towards the direction the company is looking for.

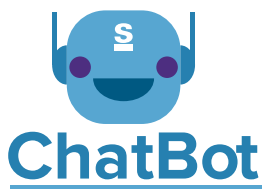
2 events and 415 participants



### SYKES App

Through our app, which can be downloaded from the App Store and Play Site, our employees and also external people can enter and create a user to see our activity calendar, available vacancies, refer a friend, see their vacation slips, request transportation services, request a doctor's appointment, check their cafeteria bills, receive announcements and daily information about the company, and games with prizes as part of the interaction. The content is strategic according to the company's needs and our stakeholders' interests.

Indicator	2017	2018	2019
Downloads	2497	3168	3911
Challenges – Games	7	31	30
Points redeemed for prize	248	566	770
Medical appointments requested by the app	NA	380	1384



### SYKES Chatbot

Our Chatbox, incorporated in the SYKES App and the company's internal platforms, is a new means of communication and consultation for our employees. Through artificial intelligence, they can interact and make general consultations about procedures, payroll, policies, among others.



### SYKES TV

Inside the operation floors, where the agents are providing services for our customers, there are communication screens called SYKES TV (called Navori on the previous report), on which the employees can learn relevant information. This communication tool is used especially in business lines that have restrictions due to quality control and risk control.



# SOCIAL DIMENSION

A white line-art icon on a blue background. It depicts a hand with the palm facing up, holding a heart. The heart is positioned above the hand, and its top edge is supported by the fingers and thumb of the hand.

GRI 103-1, GRI 103-2, GRI 103-3

We are committed to our people's personal and professional growth, and to strengthening the abilities and skills of communities for a future with SYKES.

Our strategy is based on developing Costa Rica's talent for today and the future. Internally this is achieved through our Employee Value Proposal, composed of five fundamental parts: recognitions, career, significant work, community and affiliation. Externally, it is achieved through our academies, creating income for society and investing in the communities we operate in.

Our performance is evaluated through internal and external audits for continuous improvement. Each week our Senior Management meets to review the indicator's progress, and each quarter they redefine the initiatives or action plans according to the current situation and context.





## MATERIAL TOPICS

1. Talent attraction and retention
2. Occupational Safety and Security
3. Working Conditions
4. Human Rights
5. Talent Development
6. Job Generation
7. Social Investment and Community
8. Wealth and Income Generation



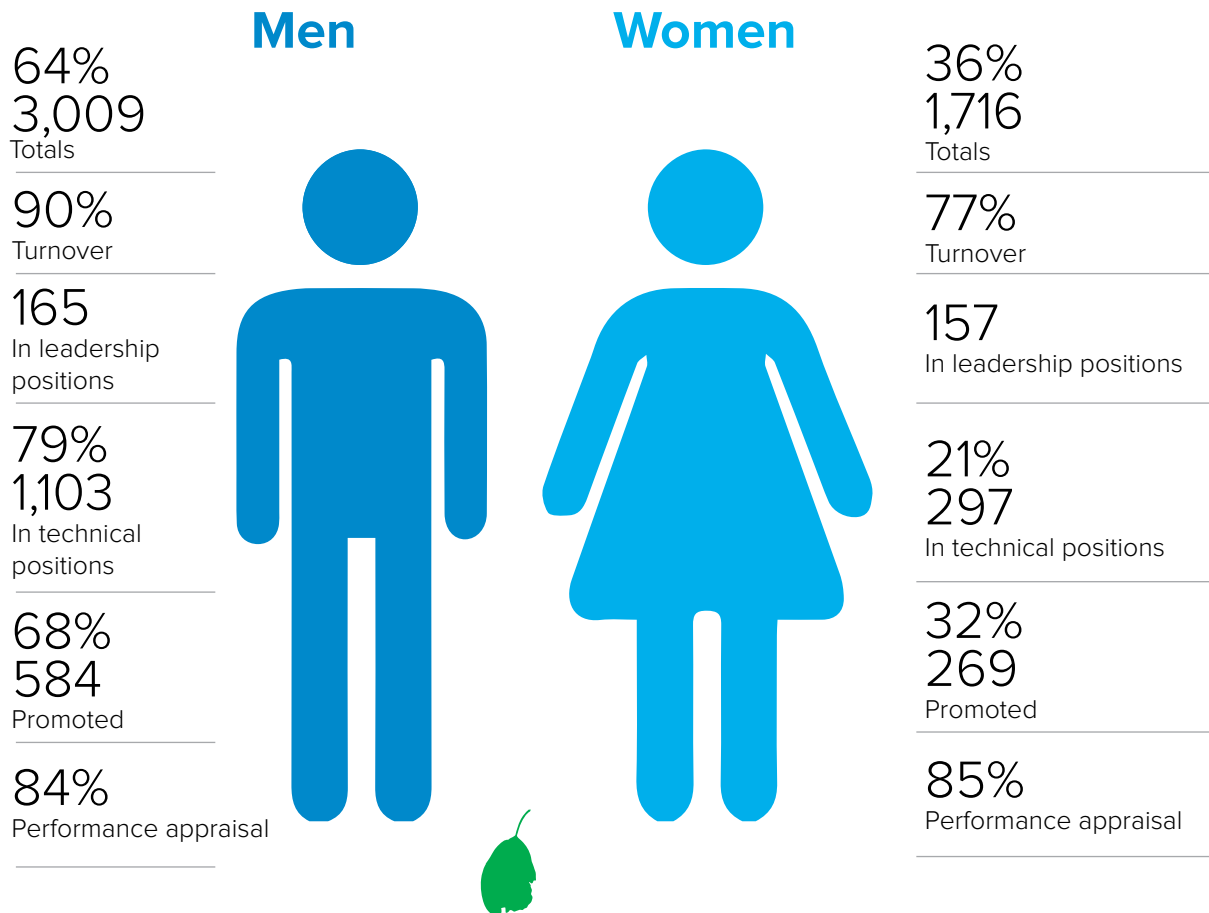


# OUR WORKFORCE

GRI 102-8

This section covers the material topics in the social dimension, which represent all of SYKES' contribution and management towards its relevant stakeholders.

## WORKFORCE DIVERSITY



In 2019 we employed 4,725 people

Our workforce is the main resource that we have to provide our services. Thanks to the educational level and investment in education in the country, our corporation has positioned us as an operation with great potential and a great role model for other countries.





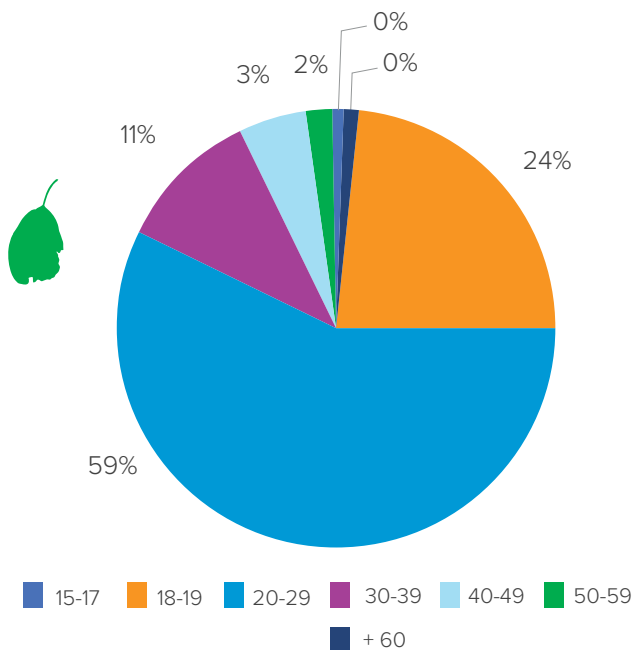
## DIVERSITY OF LABOR FORCE

We started 2019 with 4771 employees. When one of our clients left, the number of employees was reduced but we managed to relocate and increase employee numbers in other lines of business, especially in the financial area. Also, we incorporated 2 new clients that allowed us to end 2019 with 5011 employees. Our yearly average was 4725, which is the official number we use in the report.

Our employee population is mainly millennial, with 2792 people ages 20-29 and 1333 people ages 18-19.

## WORKFORCE BY AGE

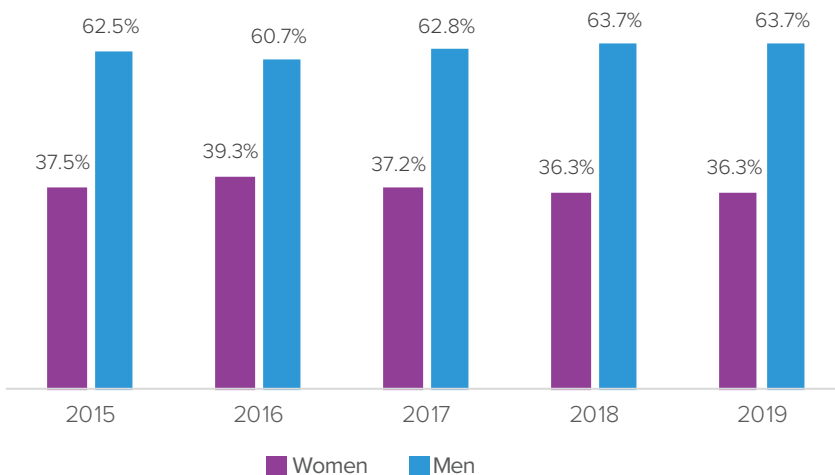
Employee percentage by age range, 2019



Number of employees by age range

Age range	2015	2016	2017	2018	2019
15-17			5	5	15
18-19	213	353	367	475	1133
20-29	2,588	3,262	3,037	2,756	2792
30-39	847	995	1,038	917	543
40-49	237	293	299	298	162
50-59	108	126	132	119	73
+ 60	20	20	20	30	7
<b>Total</b>	<b>4,012</b>	<b>5,049</b>	<b>4,898</b>	<b>4,599</b>	<b>4,725</b>

## WORKFORCE BY GENDER

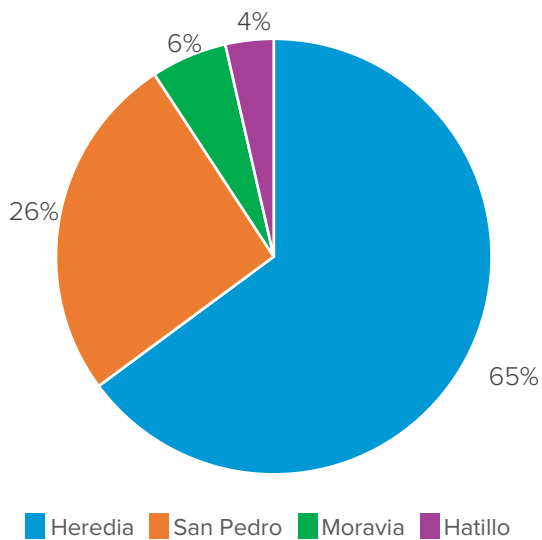


Reporting year	Women	Men	Total
2015	1,504	2,508	4,012
2016	1,984	3,065	5,049
2017	1,822	3,076	4,898
2018	1,671	2,928	4,599
2019	1,716	3,009	4,725

## WORKFORCE BY LOCATION

65% of our employees worked in our two Heredia buildings (47% in the Main Building and 17% in the annex).

Percentage of employees by site



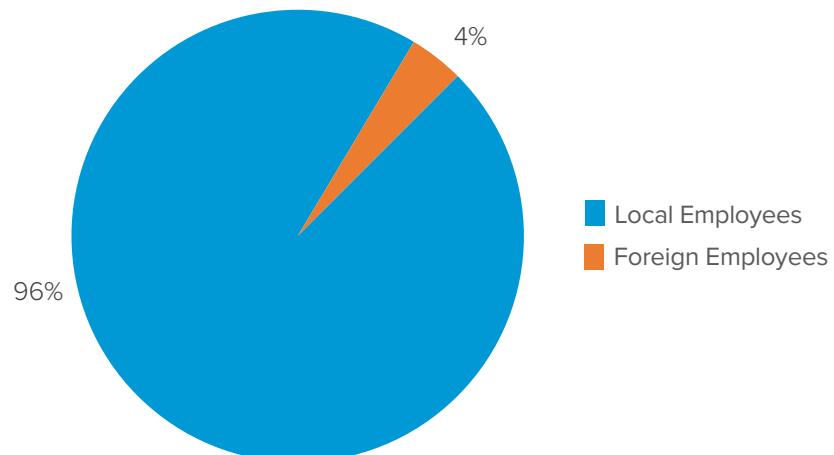
Number of employees by site, 2019

Site	2015	2016	2017	2018	2019
Heredia	2,008	2,661	2,800	2,401	3,065
San Pedro	0	1,071	1,027	1,087	1,224
Moravia	1,309	602	584	557	267
Hatillo	695	715	487	554	169
<b>Total</b>	<b>4,012</b>	<b>5,049</b>	<b>4,898</b>	<b>4,599</b>	<b>4,725</b>

## WORKFORCE BY CITIZEN

96% of our employees are Costa Rican. The other 4% represent 185 people of 27 nationalities. This is part of an inclusion program we work with UNHCR, by hiring refugees (this is further explained on page # 88).

Percentage of employees by nationality



# LEADERSHIP POSITIONS

GRI 405-1

Our leadership positions, in addition to the Senior Management, are comprised as follows:

## Operations area:

- Account Directors
- Account Managers
- Account Supervisors
- Team managers
- Quality supervisors
- Planning supervisors

## Support area:

- Area Director
- Area Manager
- Area Supervisor
- Area Team Manager

There were 322 organization leaders in 2019, represented by 165 men and 157 women, mostly ages 30-39.



## Leadership positions

Gender	2015	2016	2017	2018	2019
Men	65%	61%	55%	59%	51%
Women	35%	39%	45%	41%	49%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Leadership positions

Gender	2015	2016	2017	2018	2019
Men	190	193	163	180	165
Women	102	124	133	126	157
<b>Total</b>	<b>292</b>	<b>317</b>	<b>296</b>	<b>306</b>	<b>322</b>

Edad	2015	2016	2017	2018	2019
18-19	0	0	0	0	1
20-29	107	120	99	103	124
30-39	132	136	110	122	125
40-49	38	46	47	55	52
50-59	14	15	19	24	19
60+	1	0	0	2	1
<b>Total</b>	<b>292</b>	<b>317</b>	<b>275</b>	<b>306</b>	<b>322</b>

Age	2015	2016	2017	2018	2019
18-19	0%	0%	0%	0%	0%
20-29	37%	38%	36%	34%	39%
30-39	45%	43%	40%	40%	39%
40-49	13%	15%	17%	18%	16%
50-59	5%	5%	7%	8%	6%
60+	0%	0%	0%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## HIRING BY GENDER, AGE AND PROVINCE OF RESIDENCE



GRI 401-1

Hiring is done by fixed term contracts. In 2019, 3955 people were hired, of which 41% were women and 59% were men.

Age range	2015		2016		2017		2018		2019		2019 total by age range
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	
15-17							6	9	24	21	45
18-19	308	422	448	603	588	786	347	472	474	586	1,060
20-29	914	1,252	1,218	1,641	1,067	1,426	1,026	1,528	918	1,387	2,305
30-39	154	211	258	347	267	357	131	305	121	224	345
40-49	54	74	84	113	88	118	57	102	35	75	110
50-59	32	44	29	39	37	49	15	36	53	31	84
60+	4	6	8	11	8	11	1	10	2	4	6
<b>Total hires by gender</b>	<b>1,466</b>	<b>2,009</b>	<b>2,045</b>	<b>2,754</b>	<b>2,055</b>	<b>2,747</b>	<b>1,583</b>	<b>2,462</b>	<b>1,627</b>	<b>2,328</b>	<b>3,955</b>
Total hires per year	<b>3,475</b>		<b>4,799</b>		<b>4,802</b>		<b>4,045</b>		<b>3,955</b>		

Age range	2017		2018		2019		Total by province
	Women	Men	Women	Men	Women	Men	
San José	1,410	1,873	1,087	1,678	1,198	1,745	2,943
Heredia	129	214	99	192	80	123	203
Cartago	203	251	157	225	123	144	267
Alajuela	147	242	113	217	111	184	295
Guanacaste	22	32	17	28	8	34	42
Limón	81	46	62	41	37	66	103
Puntarenas	35	59	27	53	35	52	87
Not specified	28	30	22	27	8	7	15
<b>Total hires by gender</b>	<b>2,055</b>	<b>2,747</b>	<b>1,583</b>	<b>2,462</b>	<b>1,627</b>	<b>2,328</b>	<b>3,955</b>
Total hires per year	<b>4,802</b>		<b>4,045</b>		<b>3,955</b>		

To hire these 3955 people, we had 34,479 applications for the positions we were looking for. Since we look for people with 85% English level, the rejection rate is high. First, the Recruitment Department made the first filter for these 34,479 applications, which is an English test made through the telephone. Only 48% of the applicants passed this test and were called for an interview in our San Pedro site for further testing in oral, listening and writing skills.

Indicator	2016	2017	2018	2019
Total applications	53,780	46,555	34,775	34,479
People scheduled for interview	19,150	17,907	19,405	16,693
Success rate	<b>36%</b>	<b>38%</b>	<b>56%</b>	<b>48%</b>

Indicator	2017	2018	2019
<b>People scheduled for interview</b>	<b>17,907</b>	<b>19,405</b>	<b>16,693</b>
- People that cancel or do not show up for the interview	4,615	3,682	2,248
- People that show up but do not pass the second filter (lab and computer navigation)	1,203	3,148	1,637
<b>Total interviews</b>	<b>16,704</b>	<b>12,575</b>	<b>12,808</b>
- Candidates rejected (written test, face to face interview, profile, schedule)	5,174	6,198	8,778
- Other rejections (they were waitlisted, documents pending, among others)	1,496	1,275	473
<b>Candidates hired</b>	<b>4,802</b>	<b>4,045</b>	<b>3,955</b>
<b>Conversion rate (people scheduled for interview vs people hired)</b>	<b>27%</b>	<b>21%</b>	<b>24%</b>



## TURNOVER BY REASON FOR LEAVING, PROVINCE OF RESIDENCE, AGE AND GENDER

GRI 401-1

Turnover in 2019 was of 3863 people, which represents 82% of all employees.

Age range	2015		2016		2017		2018		2019		2019 total by age range
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	
15-17	-	-	-	-	-	-	-	-	16	25	41
18-19	33	43	51	71	99	116	175	206	325	356	681
20-29	583	774	699	977	1,150	1,348	899	1,245	983	1,421	2,404
30-39	139	185	174	244	189	221	148	298	155	351	506
40-49	37	48	40	55	64	74	45	93	45	109	154
50-59	17	23	12	17	23	28	8	34	21	44	65
60+	1	2	5	6	6	7	-	8	4	8	12
Total resignations by gender	810	1,075	981	1,370	1,531	1,794	1,275	1,884	1,549	2,314	3,863
Total resignations per year	<b>1,885</b>		<b>2,351</b>		<b>3,325</b>		<b>3,159</b>		<b>3,863</b>		
Total employees by gender	1,504	2,508	1,984	3,065	1,822	3,076	1,671	2,928	1,716	3,009	
Turnover by gender	<b>54%</b>	<b>43%</b>	<b>49%</b>	<b>45%</b>	<b>84%</b>	<b>58%</b>	<b>76%</b>	<b>64%</b>	<b>90%</b>	<b>77%</b>	
Total turnover	<b>47%</b>		<b>47%</b>		<b>68%</b>		<b>69%</b>		<b>82%</b>		

## TURNOVER BY REASON FOR LEAVING

Reason for leaving	2018		2019		Total by type
	Women	Men	Women	Men	
Voluntary	1,040	1,477	1,172	1,598	2,770
Termination with severance	147	239	212	466	678
Termination without severance	18	63	41	90	131
End of contract*	-	1	-	-	-
Death	2	2	2	1	3
Mutual agreement	2	4	10	10	20
Signed a contract but never showed up for work	34	37	87	89	176
Tacit resignation (abandonment)	31	61	24	60	84
Staffing movements	1	-	-	1	1
Total resignations by gender	1,275	1,884	1,549	2,314	3,863
Total resignations per year	<b>3,159</b>		<b>3,863</b>		
Total employees by gender	1,671	2,928	1,716	3,009	
Turnover by gender	76%	64%	90%	77%	
Total turnover	<b>69%</b>		<b>82%</b>		

Province of residence	2018		2019		Total by province
	Women	Men	Women	Men	
San José	816	1,192	1,109	1,607	2,716
Heredia	129	233	118	184	302
Cartago	149	208	147	191	338
Alajuela	122	189	119	197	316
Guanacaste	8	14	10	27	37
Limón	32	28	34	59	93
Puntarenas	16	23	1	44	61
Total resignations by residence	1,272	1,887	1,549	2,314	3,863
Total resignations per year	<b>3,159</b>		<b>3,863</b>		



# WORKING CONDITIONS



## SALARY INJECTION INTO THE NATIONAL ECONOMY

GRI 201-1, GRI 201-3

In 2019 our employees received ₡36.8 billion in gross salary, taking into account the gross salary plus overtime paid in this reporting period. We compensate our collaborators for their excellent performance with 1.8 million colones.

As part of the Worker's Protection Law<sup>1</sup>, No 7983, SYKES Costa Rica contributed 26.33% over gross salaries of social employer contribution, equivalent to ₡9.1 billion destined to public institutions, labor capitalization funds, disability pensions, state and supplementary pensions, and other duties.

SYKES Costa Rica contributes 2% of the gross salaries to its "Asociación Solidarista". This is a legal worker's association, regulated by Law<sup>2</sup> No 6970 ("Ley de Asociaciones Solidaristas"). In 2019, the employer's contribution was ₡92 million.

In total, SYKES contributed a total of ₡46 billion corresponding to gross salaries, social duties and "Asociacion Solidarista".

Additionally, Law No 7983 requires that the employees contribute a percentage of their salary to the government. In 2019, it was 10.34%. This percentage is deducted from their gross salary and the company pays it directly to the applicable government entities.

### Salaries and Social Employer Contribution Paid

In millions of colones (000,000)

Item	2015	2016	2017	2018	2019
Annual paid gross salaries	₡ 20,144	₡ 31,098	₡ 33,427	₡ 33,643	₡ 34,772
Overtime paid annually	₡ 788	₡ 1,251	₡ 1,541	₡ 1,365	₡ 2,113
1Total employer social contribution 26.33%	₡ 5,511	₡ 8,518	₡ 9,207	₡ 8,958	₡ 9,155
2Total contribution to the "Asociación Solidarista"	₡ 113	₡ 191	₡ 144	₡ 66	₡ 92
3Total employee contribution to CCSS 10.34%	- ₡ 1,955	- ₡ 3,021	- ₡ 3,351	- ₡ 3,477	- ₡ 3,595

### Variable compensation or performance bonuses

In Millions of colones (000,000)

Beneficiaries	2015	2016	2017	2018	2019
Direct and indirect agents, technical account agents, managers and directors	₡ 742	₡ 986	₡ 1,009	₡ 2,632	₡ 1,809

## STANDARD STARTING SALARY VS LOCAL MINIMUM WAGE RATIO

GRI 202-1, GRI 202-2, GRI 405-2

Industry	Year	Currency	Minimum wage, Ministry of Labor categories	Starting wage at SYKES / country minimum wage
Communications	2016	Colones	Highschool Education	1.14
	2017	Colones	Bachelor's degree-Higher Education	1.12
	2018	Colones	Bachelor's degree-Higher Education	1.09
	2019	Colones	Bachelor's degree-Higher Education	1.11
Financial Services	2016	Colones	Bachelor's degree-Higher Education	1.09
	2017	Colones	Bachelor's degree-Higher Education	1.07
	2018	Colones	Bachelor's degree-Higher Education	1.05
	2019	Colones	Bachelor's degree-Higher Education	1.17
Technology	2016	Colones	University Technical – Bachelor's	1.09
	2017	Colones	University Technical – Bachelor's	1.15
	2018	Colones	University Technical – Bachelor's	1.41
	2019	Colones	University Technical – Bachelor's	1.37
Consumer	2016	Colones	Not applicable	Not applicable
	2017	Colones	Not applicable	Not applicable
	2018	Colones	Bachelor's degree-Higher Education	1.30
	2019	Colones	Bachelor's degree-Higher Education	1.23

**Note:** For confidentiality reasons, the company's starting wages will not be published. The minimum wages published by the Ministry of Labor (MTTS) were used as a basis. Both in this institution and in SYKES, salaries are defined by position, not by gender. All our Senior Management was hired within the local community.

## EMPLOYEE COMPENSATION AND BENEFITS

401-2



### Medical insurance and tuition reimbursement

	Indicator	2015	2016	2017	2018	2019
Life and medical insurance	Employees with an INS policy	413	704	715	986	1066
	Monetary value of all policies paid	\$248,751.49	\$340,261.31	\$316,593.00	\$404,752	\$393,549
Tuition reimbursement	Employees that used this benefit	No data	1245	2247	1665	1435
	Monetary value of all reimbursements \$	No data	\$201,070	\$397,775	\$288,953	\$266,210

### Medical Insurance

All leadership positions and some other employees are covered within the company's health insurance plan with the National Insurance Institute (INS, Instituto Nacional de Seguros). This plan is paid by the company through an insurance agency.

### Educational Reimbursement

This benefit seeks to promote continuous education and development in our employees. SYKES Costa Rica covers an amount of money for all employees that enroll in courses, or university studies up to master's degrees.





## Conditions

- All employees can apply for tuition reimbursement from their first day of work in the company.
- The maximum amount is \$300 annually or \$1000 for technical courses relevant to the service we provide in technical accounts.
- Employees must have a performance of at least 3 out of 4.
- To be eligible for the reimbursement, employees must complete all courses enrolled and must present a receipt and a passing certificate.

## In-house Cafeteria

Each of our sites has a subsidized cafeteria offering our employees breakfast and lunch at affordable prices. The cafeteria department works on nutritional aspects, waste management, cost and revenue control, and quality standards. In 2019, 42% of our employees had lunch more than three times a week at the cafeteria.



2015			2016			2017				2018			2019		
Menu	Market Price	SYKES Price	Menu	Market Price	SYKES Price	Menu	Market Price	SYKES Price	Savings	Market Price	SYKES Price	Savings	Market Price	SYKES Price	Savings
Combo 1	€ 2,000	€ 1,600	Combo 1	€ 2,200	€ 1,600	Vegetarian Combo	€ 2,500	€ 1,600	€ 900	€ 2,800	€ 1,600	€ 1,200	€ 3,500	€ 1,600	€ 1,900
Combo 2	€ 2,700	€ 2,100	Combo 2	€ 2,900	€ 1,600	Protein Combo	€ 3,000	€ 1,600	€ 1,400	€ 3,000	€ 1,600	€ 1,400	€ 3,200	€ 1,600	€ 1,600
Combo 3	€ 2,400	€ 1,600	Combo 3	€ 2,600	€ 1,600	Chef Specialty	€ 4,500	€ 2,500	€ 2,000	€ 4,800	€ 2,500	€ 2,300	€ 5,200	€ 2,500	€ 2,700
						Fast Food Combo	€ 3,500	€ 2,750	€ 750	€ 3,500	€ 2,750	€ 750	€ 4,000	€ 2,750	€ 1,250

## SYKES Points

SYKES Points are assigned to employees for good performance, based on the score obtained from the performance appraisal, as shown as follows:



### Performance Appraisal

#### Range of best scoring employees

Performance Appraisal	SYKES Points Amount earned per month
Top 5% by department or area	40 Points earned
Between 5.1% and 10% by department or area	30 Points earned
Between 10.1% and 20% by department or area	20 Points earned
Between 20.1% and 30% by department or area	10 Points earned

**Note:** "No data" means that the data could not be extracted from the database, because they don't exist or due to errors

SYKES gives recognition to the 30% top performers through a point assignment system. These points can be traded for products by the employees. The items that can be traded include umbrellas, lunch boxes, restaurant gift coupons, cafeteria coupons, glasses, shirts, and other daily use items.

The points are assigned each month and the virtual store is set up monthly so that employees can trade their desired products. This generates a preorder and the products are delivered the month after, according to the delivery schedule for each site. SYKES Costa Rica invested \$129 thousand dollars in this program.

Detail	2015	2016	2017	2018	2019
SYKES Points earned or distributed	No data	296,420	245,020	297,490	689,111
SYKES Points claimed	No data	196,246	188,730	353,290	515,785
Number of benefited employees	No data	No data	12,257	11,341	14,134
Investment in SYKES Points products	No data	\$ 119,000	\$ 156,000	\$ 144,000	\$ 129,600
Average cost of each point	No data	\$ 0.61	\$ 0.83	\$ 0.41	\$ 0.25

## Refer A Friend - RAF

Refer a Friend is a program for employees or external people to refer an appropriate candidate to previously announced vacant positions. They can do this through the RAF platforms and be eligible for a bonus or monetary reward:

If the applicant is hired, the referring person gets 50% of the bonus. When the applicant (now employee), works for a certain period of time, the referring person gets the other 50% of the bonus.

In 2019, 9387 people were referred, of which only 807 passed the recruitment tests and were hired. In this year, \$101 thousand dollars were paid in bonuses.



Indicator	Refer a Friend			
	2016	2017	2018	2019
Total candidates referred	12,970	13,778	9,629	9387
Total referred hires	710	1,271	807	772
Success rate	5.47%	9.22%	8.38%	8.22%
Bonuses paid	\$ 142,422	\$ 217,308	\$ 108,990	\$ 101,000

## Seniority Celebrations

We celebrate with employees that achieve the milestone of 1, 5, 10, 15 and 20 years of working in the company. The celebration takes place in the main building and includes games, food, an appreciation speech and a gift for each one. In 2019, we celebrated 1267 people.

Detail	Years of Service Celebrations				
	2015	2016	2017	2018	2019
Number of people celebrated for 1 year of service	N/A	N/A	N/A	N/A	990
Number of people celebrated for 5 years of service	167	No data	177	96	189
Number of people celebrated for 10 years of service	60	No data	81	58	66
Number of people celebrated for 15 years of service	9	No data	7	13	21
Number of people celebrated for 20 years of service	5	No data	8	2	1
Amount of people celebrated	241	0	273	169	1267
Total annual investment	\$ 37,000	No data	\$ 41,000	\$ 32,000	\$ 84,100
Cost per person celebrated	\$ 154	No data	\$ 150	\$ 189	\$ 66







## Life insurance

SYKES offers all workers voluntarily, a benefit or monetary compensation in case of death, serious health issues or natural disasters, paid in case of death or accident during work or personal hours. It is required to be an active employee at time of death and a death certificate is required. The amount is provided by the company according to its capacity and economic possibilities at the time of the event.

Detalle	Life insurance			
	2016	2017	2018	2019
Number of annual events	5	5	6	3
Total annual investment	¢ 2,360,878	¢ 1,772,162	¢ 2,951,297	¢ 1,334,730
Cost per event	¢ 472,176	¢ 354,432	¢ 491,883	¢ 444,906

## Other benefits applicable to all employees



**ATM:** there are ATM machines inside all the sites. We value our employee's time and safety.



**Parking:** free parking paid by SYKES in all our sites is offered.



**Celebrations of special moments:** gifts for all our collaborators on their birthdays, weddings, births, Father's Day, Mother's Day and graduations..



**Partnerships and discounts:** We have partnerships with the main public universities, entertainment and tourism places; a total of 62 agreements for discounts and offers. See more at: [sykescostarica.com/benefits.html](http://sykescostarica.com/benefits.html)



## Employee Transportation

Our transportation department mobilized 4049 people in 2019 over 224,792 trips from the sites to each employee's house. This benefit is offered to people that come in or get out of work between 10:00 pm and 5:00 am.

Site	Detail	2015	2016	2017	2018	2019
Hatillo	Cost	¢ 158,064,000	¢ 128,451,395	¢ 98,229,996	¢ 83,069,666	¢ 28,162,000
	People	487	454	385	331	233
	Trips	79,009	63,724	50,711	84,557	9,870
Heredia	Cost	¢ 326,168,680	¢ 279,790,772	¢ 261,663,575	¢ 286,560,361	¢ 322,365,502
	People	2,403	1,674	1,512	1,291	1,502
	Trips	335,763	259,709	203,507	203,888	116,125
Moravia	Cost	¢ 131,093,396	¢ 133,540,880	¢ 80,275,795	¢ 67,362,282	¢ 28,567,000
	People	445	474	319	303	305
	Trips	60,124	63,991	44,330	55,266	12,104
San Pedro	Cost	¢ 0	¢ 67,446,835	¢ 133,155,004	¢ 144,002,218	¢ 155,740,500
	People	0	247	527	477	2,009
	Trips	0	30,965	69,070	144,821	86,693
<b>Total annual</b>	<b>Cost</b>	<b>¢ 615,326,076</b>	<b>¢ 609,229,881</b>	<b>¢ 573,324,370</b>	<b>¢ 580,994,528</b>	<b>¢ 534,835,002</b>
	<b>People</b>	<b>3,335</b>	<b>2,849</b>	<b>2,743</b>	<b>2,402</b>	<b>4,049</b>
	<b>Trips</b>	<b>474,896</b>	<b>418,389</b>	<b>367,618</b>	<b>488,532</b>	<b>224,792</b>

## PARENTAL LEAVE

GRI 401-3

Costa Rican law states that all employees have the right to take parental leave. Women's maternal leave starts on the eighth month of pregnancy and ends three months after the baby is born, unless the period is extended by medical orders. At SYKES, men have an internal benefit of two days paternal leave.

In 2019, 80 people had the right and took the parental leave benefit. Of these 80 people, 34 were men and 46 were women. The return rate was 85% and 76%, respectively.

Gender	2015	2016	2017	2018	2019	Year	Maternity leave for mothers (4 months minimum by law)	Parental leave for fathers (2 days)
Men	33	39	31	31	34	2015	¢ 34,379,890	¢ 2,000,511
Women	52	72	49	61	46			
Total parental leaves	70	97	98	92	80	2016	¢ 57,748,139	¢ 2,126,503
						2017	¢ 31,328,351	¢ 2,032,147
						2018	¢ 51,277,370	¢ 2,478,633
						2019	¢ 35,737,064	¢ 2,578,502

Employee return after parental leave					
Gender	2015	2016	2017	2018	2019
Men	27	30	22	25	29
Women	38	44	33	39	35
Men	82%	77%	71%	81%	85%
Women	73%	61%	67%	64%	76%



## Non-compulsory licenses:

We offer our employers paid permits or licenses: to be with the family when they need it most



**Marriage:** three paid working days



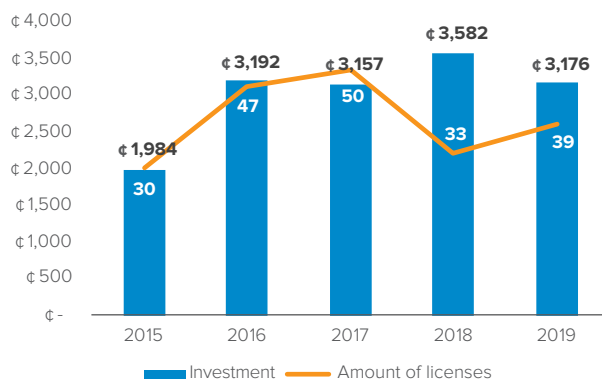
**Bereavement:** three paid working days



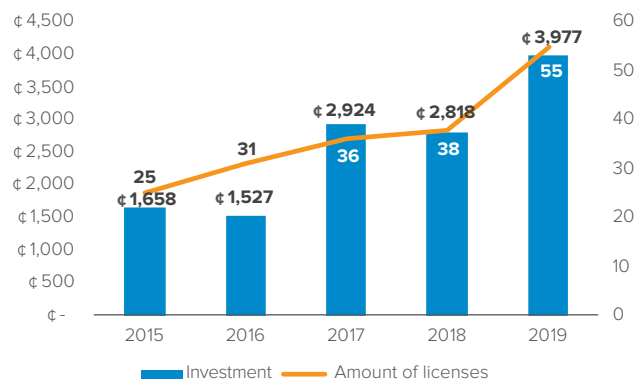
**Parental:** two paid working days for fathers. Mothers have a four-month parental leave given by law.



Paid leave for Marriage  
In thousands of colones (000')



Paid leave for Bereavement  
In thousands of colones (000')



# OCCUPATIONAL SAFETY & SECURITY



GRI 403-1

## SYKES Brigade 2019

- **Heredia-Main Building:**  
4 brigade members
- **Heredia-Annex Building:**  
9 brigade members
- **San Pedro:** 3 brigade members
- **Moravia:** 1 brigade members
- **Hatillo:** 2 brigade members

## Brigade Training

- 48 hours of training per brigade member in 2019
- 56 hours of training per brigade member in 2018
- 50 hours of training per brigade member in 2017
- 40 hours of training per brigade member in 2016

## ACCIDENT RATE

GRI 403-2

Detail	2015	2016	2017	2018	2019
Three most common sick leave causes	No data	No data	1. Upper airways infection 824 days	1. Upper airways infection 828 days	1. Upper airways infection 658 days
			2. Irritable bowel syndrome 240 days	2. Gastrointestinal disorders 560 days	2. Gastrointestinal disorders 504 days
			3. Back pain 84 days	3. Musculoskeletal disorders 165 days	3. Musculoskeletal disorders 239 days
Lost days rate	9.39	2.05	5.04	6.83	5.6
Sick Leave days, by gender	No data	No data	Women 1019 days	Women 1277 days	Women 1173 days
			Men 821 days	Men 1104 days	Men 969 days
Sick Leave days, by site	Heredia 595 days	Heredia 336 days	Heredia 366 days	Heredia 1070 days	Heredia 1115 days
	San Pedro N/A	San Pedro 96 days	San Pedro 764 days	San Pedro 586 days	San Pedro 639 days
	Hatillo 1654 days	Hatillo 179 days	Hatillo 359 days	Hatillo 206 days	Hatillo 155 days
	Moravia 1180 days	Moravia 139 days	Moravia 351 days	Moravia 281 days	Moravia 132 days
Absenteeism rate	5.2%	5.1%	5.6%	5.0%	3.9%
Fatalities	No deaths reported for this period				

Note: During 2019, three employees (1 men and 2 women) died outside of work hours due to work unrelated sickness

## HEALTH AND SECURITY TOPICS

GRI 403-4



### Medical Services

We have a medical office in each of our five sites. Our medical staff, composed of general doctors and nurses, see over 20 thousand appointments annually. Our medical offices are partnered with the CCSS (“Caja Costarricense de Seguro Social”, the public health system), so we provide the service and medicines internally so that they don’t have to leave the office.

	Heredia, main building	Heredia, annex	Moravia	Hatillo	San Pedro
Medical consultation	<b>Monday - Friday:</b> 7:00 a.m. - 6:00 p.m.	<b>Mondays and Wednesdays:</b> 8:00 a.m. - 12:00 m.d. <b>Tuesdays:</b> 2:00 p.m. - 6:00 p.m.	<b>Tuesdays, Thursdays and Fridays:</b> 7:00 a.m. - 3:00 p.m.	<b>Mondays and Wednesdays:</b> 7:00 a.m. - 3:00 p.m. <b>Tuesdays, Thursdays and Fridays:</b> closed.	<b>Mondays, Wednesdays and Fridays:</b> 7:00 a.m. - 4:00 p.m. <b>Tuesdays and Thursdays:</b> 9:00 a.m. - 6:00 p.m.
Nursing service	<b>Mondays and Thursdays:</b> 9:00 a.m. - 6:00 p.m. <b>Tuesdays, Wednesdays and Fridays:</b> 7:00 a.m. - 4:00 p.m.	Service not available	<b>Monday - Friday:</b> 7:00 a.m. - 4:00 p.m.	Service not available	<b>Mondays, Wednesdays and Fridays:</b> 7:00 a.m. - 4:00 p.m. <b>Tuesdays and Thursdays:</b> 9:00 a.m. - 6:00 p.m.



### Medical Office

Detail	2017	2018	2019
Annual appointments requested	25,770	23,961	22,039
Annual appointments requested	21,256	20,214	17,874
Annual appointments requested	3,983	2,508	4,920
Annual appointments requested	805	1,197	1,125
Number of people benefited annually	4,875	4,481	5,116
Annual investment in equipment and medical office supplies	€ 9,009,290	€ 14,340,000	€ 15,210,000

In 2019, 5 health fairs were held in each of our sites. In these fairs, several health care providers are called in to offer our employees services such as: mammograms, blood tests, medical check-ups, ophthalmology, odontology and others. The compensation and benefits department arranges discounts on the medical exams of around 50% for our employees. Also, ASOSYKES offers financing at preferential interest rates.

### Medical Services Health Campaigns

Detalle	Papanicolaou fair	Electrocardiogram	Lab tests
Number of employees benefited	188	332	169
Campaign investment	€ 1,196,250	€ 1,759,680	€ 1,567,990

## CLAIM RATE

In 2019, 23% of our employees have medical insurance coverage with a claim rate of 87% for 2019.

Detail	2015	2016	2017	2018	2019
Use of INS medical insurance	49	71	53	43	609
Claim rate	12%	10%	7%	4%	87%
Internal Health Prevention Fairs	2	1	3	4	5
Number of employees with INS medical insurance	413	704	715	986	1066
Employees with private medical insurance / Total employees	10%	14%	14%	21%	23%

### Occupational Health and Safety Cases

Our Medical Services Department refers those cases that require an assessment of the employee's physical workspace, to the Department of Occupational Health and Safety in order to determine a diagnosis. An employee can come and express their back or hand pain and if its consistent, an adjustment of the space is considered.





## Occupational Health and Safety Cases 2019

Cases	Heredia Main	Heredia Anexo	San Pedro	Moravia	Moravia	Total
Hand Tendonitis	12	6	10	5	2	35
Lumbago	15	12	20	5	2	54
Disc Herniation	2	0	0	0	0	2
Scoliosis	26	16	25	0	0	67
Muscular Contraction	5	2	5	0	0	12
Cervicalgia	5	0	0	0	0	5
Carpal tunnel syndrome	4	0	0	0	0	4
	60	36	60	10	4	170

In 2019 we had 170 cases, of which the most common were hand tendonitis and lumbago. These were the action plans that were implemented on these 170 cases to alleviate the employees' discomfort:

- Ergonomic equipment
- Gel wrist rest
- Mouse pad
- Lumbar Support
- Foot rest
- Monitor base
- Laptop base
- Trackball Mouse
- Ergonomic Keyboard
- Donut cushion

## HUMAN RIGHTS

GRI 401-1, GRI 406-1, GRI 412-2

SYKES promotes diversity and good practices, thus guaranteeing respect for human rights within the organization. Knowledge, update and compliance by our employees and especially our leaders are based on our policies, procedures and internal training, and are aligned with Costa Rican Law and international agreements.

Our standards of conduct, anti-discrimination, moral and psychological harassment policies are communicated to 100% of new hires as part of the induction and training process. Also, one or two internal campaigns are held each year.

### Investigating Commission

Internally, our work relations' department or employee services are in charge of managing cases of discrimination, moral or psychological harassment or conflict between employees, among others.

In 2019, there were 493 cases and mainly they were about queries or information about our programs, policies, procedures and about compensation and benefits.



Categories	2015	2016	2017	2018	2019
Compensation and benefits	185	830	701	159	11
Organizational climate	14	116	214	33	28
Queries or information	65	297	369	193	370
Internal procedures	12	128	220	48	76
Internal programs	3	42	36	14	8
<b>Total</b>	<b>279</b>	<b>1413</b>	<b>1540</b>	<b>447</b>	<b>493</b>

- In 2019 we had 3 cases of discrimination related to the sexual preference of the affected people, an approach was made with the account managers to generate awareness and reinforcement regarding these types of situations. Additionally, the process of having a conversation with the supervision of both parties is followed. It is reviewed if an intervention is necessary, to reach an agreement with the person who is causing the discrimination case. The version of the accused person is also valued, and the guidelines and possible disciplinary sanctions are explained to him.
- In 2019 we had 12 cases of workplace harassment. In all cases, the background of the accused is investigated first, behavior is reviewed with supervisors, a meeting is requested with the accused to have the second version of the case. As for the facts, evidence or witnesses can be requested if there are any. The sexual harassment policy is reviewed, the limits are reaffirmed with both parties separately to avoid confrontations. Normally a conversation is made with the supervisor to pay special attention for a while and those affected are invited to follow and fulfill the commitment reached in the meetings.
- All these cases were submitted to the investigating commission to decide on the corrective action that was taken, in some cases warnings on other policy changes.

Additionally, we have an interdisciplinary investigating commission (that includes our supplier BDS) that along with Human Capital Management takes care of disciplinary measures.

In 2019 we had 76 suspensions and 5150 reprimands.

The two most common causes for suspension were:

1. Unjustified absenteeism (53 cases)
2. Unjustified tardiness (21 cases)

The three most common causes for reprimands were:

1. Procedure infringement (1870 cases)
2. Unjustified tardiness (1725 cases)
3. Unjustified absenteeism (984 cases)



## FREEDOM OF ASSOCIATION

GRI 102-41, GRI 407-1

ASOSYKES is the employees' "Asociacion Solidarista". In 2019, 67% of our employees were affiliated. This adds an employer contribution of ₺72,253,038. SYKES contributes 2% of the paid gross salary, which the association pays directly to employees that stop working for us.

	2015	2016	2017	2018	2019
Number of employees affiliated	3076	3817	3459	3151	3173
Percentage	77%	79%	74%	69%	67 %

Movement	2015	2016	2017	2018	2019
SYKES total employer contribution	₺112,519,229	₺190,731,509	₺144,470,107	₺66,062,763	₺72,253,038
Total affiliated employees' contribution	₺271,728,146	₺380,964,250	₺307,845,430	₺46,682,444	₺87,917,486



**SYKES<sup>®</sup>**

**E3**

Employee Experience Excellence

## Employee Experience Excellence

It is our culture of excellence towards our collaborators, service is part of the DNA of our business and the satisfaction of our collaborators is essential.

### Why we do it?



Our focus is the satisfaction of our employees to offer a quality service to our clients. During 2019 we celebrate with our talent!

**Special Moments**

- Birthdays:** 4310
- Childbirth:** 80
- Marriage:** 39
- Mother day:** 400
- Fathers day:** 425

**Labor anniversary**

- 3 months:** 1300
- 6 months:** 845
- 1 year:** 990
- 5 years:** 189
- 10 years:** 66
- 15 years:** 21
- 20 years:** 1

**SYKES Behaviors**

- Edition 1:** 145 nominees, 7 winners
- Edition 2:** 164 nominees, 9 winners



### SYKES Recognition Program:

Our employees 2 times a year have the opportunity to nominate other coworkers who comply with the values of our organization. During 2019, 16 collaborators received this recognition.



## SYKES EMPLOYEE SATISFACTION SURVEY

The GES, or Global Employee Survey, is the employee satisfaction and organizational climate survey that SYKES uses in all its operations globally. It is anonymous and applied to 100% of the employees at SYKES Costa Rica. This helps us understand what factors motivate and demotivate our employees in their work experience at the company and a satisfaction percentage is obtained.

Our regional goal is 85% employee satisfaction. In Costa Rica, in 2019 we obtained 73%, which made us set employee satisfaction as one of our goals for 2022, from 73% to 85%.

### Overall satisfaction percentage

- 2015 74%
- 2016 78%
- 2017 72%
- 2018 69%
- 2019 73%







## JOB GENERATION

Financial Assistance from the Government

GRI 201-4

### “Mi Primer Empleo” (“My First Job”)

Under “Mi Primer Empleo” partnership, the Ministry of Labor pays an incentive of ₱ 1,456,000 for each person we hire that has never worked before that is from a marginal area and stays with us for at least 12 months.

- 2016: 15 young persons hired and ₱22,000,000 in incentives
- 2017: 12 young persons hired and ₱17,000,000 in incentives
- 2018: 13 young persons hired and ₱19,400,000 in incentives
- 2019: 1686 people trained in English through the SYKES Academy for ₱247 million in subsidies by the Ministry of Labor

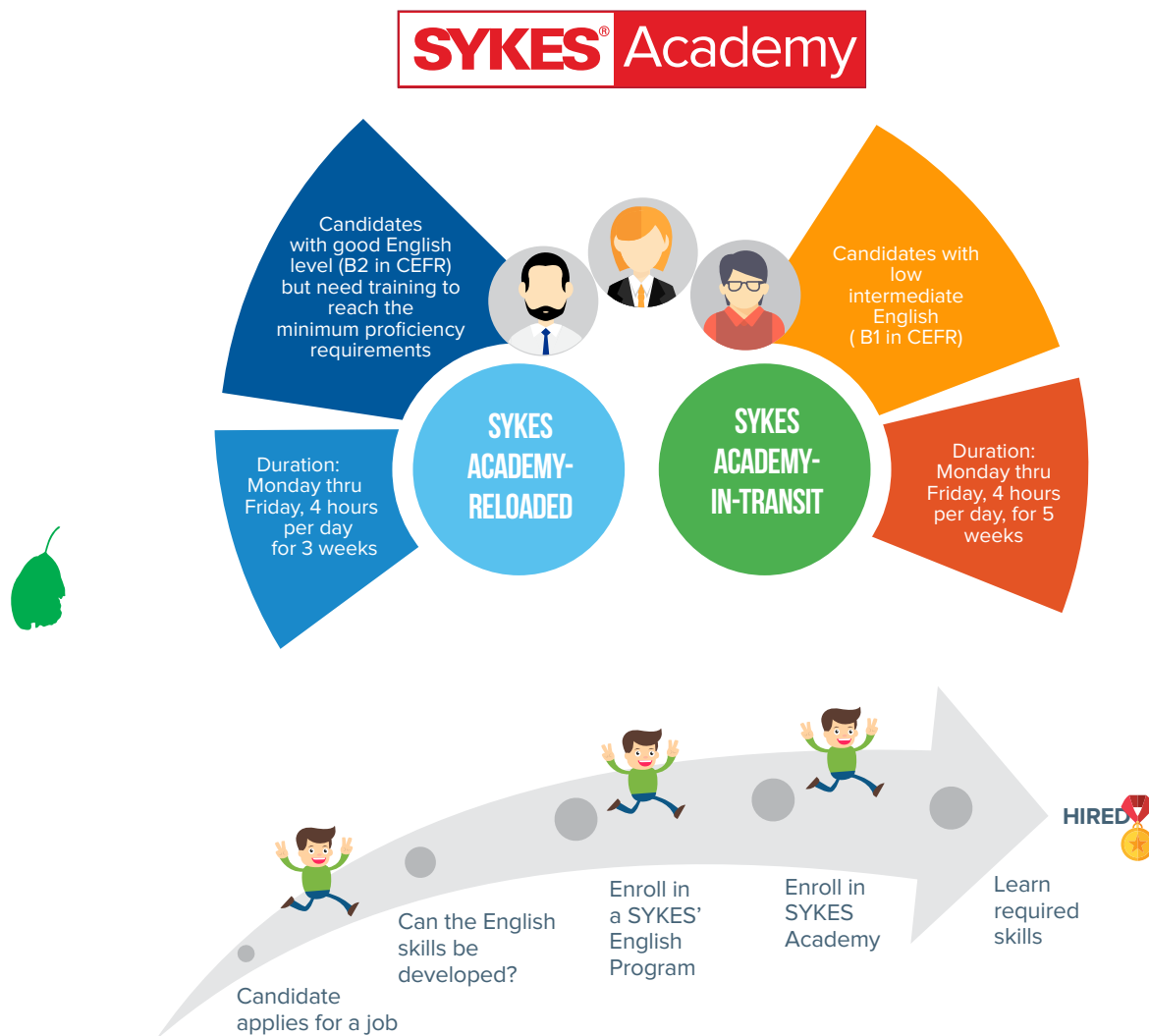
## SYKES ACADEMY

It's a non-profit intensive English course that runs since 2007. It offers training for people that want to apply for a job at SYKES but need to improve their English skills in order to be eligible. It's designed exclusively for applicants that have an intermediate to good English level (74%-84%, or B1 to B2 on the scale of the Common European Framework of Reference for Languages).

This academy helps students achieve an 85% (or C1 according to CEFR), the minimum grade required to get a job offer at SYKES. Classes are held Monday through Friday, 4 hours per day for 3 to 5 weeks, depending on the student's level.

This academy is executed in Latin America, where operations run in English as a second language, as a way to improve the applicant's English level. SYKES Academy's local goal is to contribute with 30% of monthly hires.

In 2019, the hiring contribution was 18%. We had a total of 3156 students enrolled and 2253 students graduated in our two programs.



Notes: Candidates can enter directly to "Reloaded". If they enter to "In-Transit", they must first graduate and then continue to "Reloaded" in order to become eligible to be hired.



**SYKES<sup>®</sup> Academy InTransit**

Indicator	2015	2016	2017	2018	2019
Number of groups completed	36	45	62	31	66
Number of students enrolled	573	709	981	437	1039
Number of graduated students	424	521	582	347	746
Success rate	74%	73%	59%	79%	72%



**SYKES<sup>®</sup> Academy RELOADED**

Indicator	2015	2016	2017	2018	2019
Number of groups completed	100	138	181	111	207
Number of students enrolled	968	1,288	1,686	1,098	2,117
Number of graduated students	720	981	1,346	949	1,497
Number of students hired	973	724	1,201	955	747
Success rate	74%	76%	80%	86%	71%
Contribution to total hires	28%	29%	26%	24%	18%
Investment	No data	\$ 386,579	\$ 589,301	\$ 242,611	\$ 332,146

**SYKES<sup>®</sup> Academy HISTORICAL**

Indicator	2007 - 2019
Groups completed	1,264
Students enrolled	12,227
Graduated students	11,607
Success rate	71%

We've improved the English skills of 11,607 Costa Rican citizens to an acceptable level to work in any multinational company operating in the country through our academy and its methodology. More than \$3 million have been invested since its beginnings.

## Alliance for Bilingualism

Agreement between the Ministry of Labor and Social Security and SYKES 2019-2022

The agreement, endorsed by the President of the Republic, provides universal coverage to enable employment.

This Public-Private Alliance is the first of its kind in the area of English proficiency between a private company and the government

Objetivo: The new agreement will allow the enrollment of 10,000 new applicants in 4 years on our Sykes Academy. This program will increase the talent pool not only for SYKES but for the industry, as 30% to 40% of the graduates will be released to the market.

- MTSS commits to a Government investment of approximately \$ 4.8 million during 2019-2022
- SYKES is committed to training 10,000 people in English skills
- Admitted applicants will be entered into the National Employment Program (PRONAE)
- The applicants admitted to the SYKES Academy will receive ₡ 190 thousand from the Ministry of Labor (50% will be for their maintenance and the other 50% must be deposited in a bank account of the academy)
- The contribution of each admitted to the academy represents a monetary contribution and not a payment for the course. With this contribution the academy will be able to expand its installed capacity for the admission of more people per month and year
- The admitted receives the Government subsidy the second week of the following month that the candidate has been reported as a participant in the project and according to their performance
- The same admitted person can receive several subsidies as they advance in the modules of SYKES Academy “In-Transit” and SYKES Academy “Reloaded”

Results 2019:

- 1686 people admitted
- 2784 subsidies paid by the MTSS to admitted persons
- ₡ 247 million of income to the accounts of the Academy to cover the operating cost



# SYKES TECH ACADEMY



SYKES Tech Academy was designed to develop specialists in qualified networks in the local market. The purpose is to create an internal group of technology specialists that can develop a professional career path in this area. The goal is to achieve the Cisco Certified Networking Associated certification in a high percentage of participants.

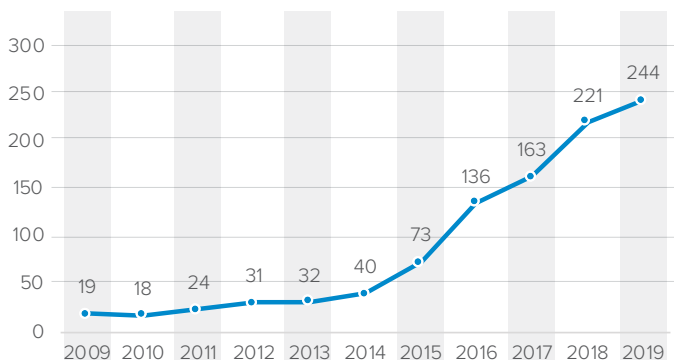
SYKES works along with Cisco Associated y CompTIA Partner. Since 2004, SYKES has partnered with the Omar Dengo Foundation (FOD), a Cisco associate, to carry out Cisco technical programs. FOD, a non-profit private entity, is a leader in human development opportunity creation that uses innovative learning processes and digital technologies.

SYKES and FOD work together with programs targeted at employees that depend on knowledge and experience to use network technology, thus achieving new levels of understanding and productivity.

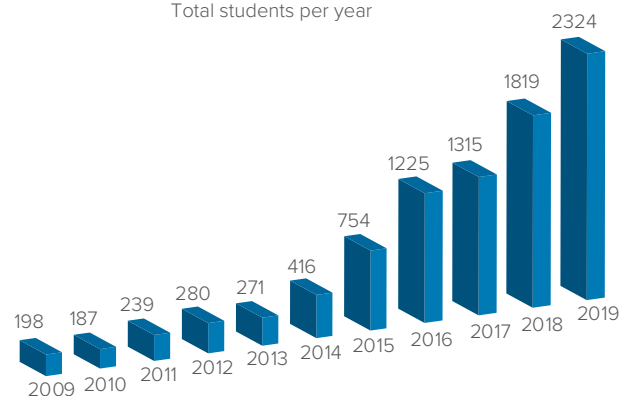
## Current Curriculum

- CompTIA A+
- CompTIA Server+
- CCNA Module 1: Introduction to Networking
- CCNA Module 2: Routing and Switching Essentials
- CCNA Module 3: Scaling Networks
- CCNA Module 4: Connecting Networks
- CCNA Security, Wireless
- CCNP R&S, Collaboration, Security
- Linux Essentials, II and III
- ITIL (Information Technology Infrastructure Library)
- Virtualization (VMware)
- Introduction to programming: Python, C++
- Database: SQL
- Amazon Web Services (AWS)

Total groups completed per year



Total students per year





Contribution in technical hires

Year	External students hired	Employees that entered the academy and were then promoted to technical accounts	Internal vs External	Total hires per year
2015	67	55	45%	122
2016	188	95	34%	283
2017	140	113	45%	253
2018	225	99	31%	324
2019	261	315	55%	576
<b>Total</b>	<b>881</b>	<b>677</b>	<b>43%</b>	<b>1,558</b>

Indicator	2015	2016	2017	2018	2019
Number of groups	73	136	163	221	244
Number of students	754	1225	1315	1819	2324
Number of graduated students		969	1049	1417	1902
Success rate		79.1%	79.8%	77.9%	81.8%



# SYKES WOMEN IN TECHNOLOGY

SWIT (SYKES Women in Technology) is a gender equality program launched in 2016 that develops talent in technology accounts.

### Strategic goals

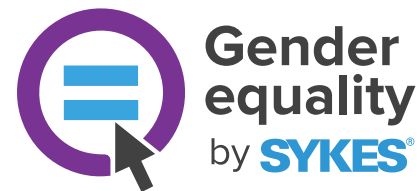
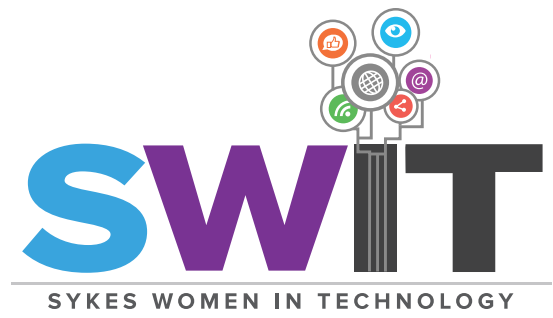
**Equality:** promote and facilitate gender equality in technical accounts, where female participation is traditionally low, and empower them to learn more about the possibilities of high technology.

**Retention:** motivate and promote technology as a solid option to grow professionally within the organization.

**Sustainability:** strengthen the social development dimension by attracting highly trained women in technology.

**Target:** Triple women’s participation in technical accounts, from the current **13.5% to 40% by 2021.**

We promote women’s enrollment in the technical academy, and in 2019 we achieved a women’s participation rate of **45%.**

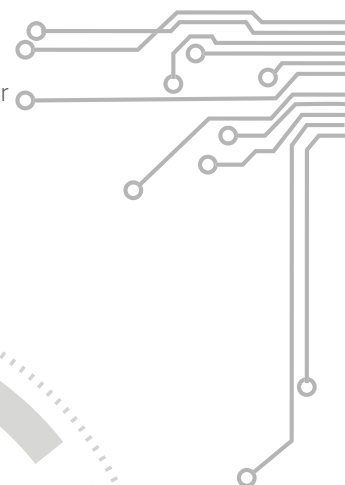


<b>SWIT</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Total academy students	1225	1315	1819	2324
Total women students	196	490	729	1058
Percentage of women students	16.0%	37.3%	40.1%	45.3%

<b>SWIT</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Women promotions to Tech Accounts	7	8	27	25	123

Apart from the internal SWIT, SYKES signed a partnership with the Ministry of Public Education and the Omar Dengo Foundation, with the objective of taking this seminary to professional technical high schools. The strategy seeks to motivate eight grade young girls to choose a technology specialization starting the ninth grade, when they typically choose secretarial and handicraft specializations. Thanks to this we have achieved:

- 1st SWIT event with the Ministry of Education on July 2017, with 130 high school girls.
- 2nd event in August 2017, with 80 participants. It is planned to make one event per quarter during high school periods.
- 3rd event in November 2017 with 450 students from the Colegio Superior de Señoritas (all women high school).
- 2017: 660 women students from 30 highschools reached between July and November 2017.
- 4th event on June 12 & 13, with 200 students from public high schools.
- October 2018: tours outside the Metro Area, reaching more than 200 students.
- 2018: 400+ women students from 50 highschools were reached between June and October 2018.



### Women in tech positions

**2015:** 87  
**2016:** 93  
**2017:** 109  
**2018:** 147  
**2019:** 283

### Women with leadership positions in tech accounts

**2015:** 17  
**2016:** 18  
**2017:** 24  
**2018:** 15  
**2019:** 31

In 2019 we had 1345 agents in technical accounts with a participation of 283 women corresponding to 21%





# TALENT DEVELOPMENT



GRI 404-1, GRI 404-2

## Employee Training

Before starting to work in any of our accounts, each employee must complete a training curriculum specific for each of our clients and their business lines. At SYKES, we have two departments in charge: the financial services and communications accounts agent training department and the technical accounts technical training department. Our trainers are certified, and investments are constantly made according to our clients' needs. Training lasts from six to twelve weeks and they are fully paid.

# Work. Learn. Grow.

## Training in Financial Services and Communications Industries

In 2019 we trained a total of 3612 employees that graduated as direct customer service and sales agents through 217 classes and 58,680 hours of training.



Indicator	2015	2016	2017	2018	2019
Training classes finished	109	167	231	239	217
Total training hours	29,960	47,040	60,556	64,700	58,680
Trained employees <sup>1</sup>	2,038	3,089	4,095	4,225	3,612
Graduated employees	1,671	2,543	3,357	3,373	2,918
Graduation rate	82.0%	82.3%	82.0%	79.8%	80.8%

<sup>1</sup> Considering new hires and employees that transfers from an account or line of business (these must also take the training courses).

## Training in Financial Services and Communications Industries

In 2019 we trained a total of 3612 employees that graduated as direct customer service and sales agents through 217 classes and 58,680 hours of training.

Indicador	2015	2016	2017	2018	2019
Training classes finished	54	81	154	107	152
Total training hours	68,469	71,777	63,531	70,383	103,408
Trained employees <sup>1</sup>	200	283	273	305	579
Graduated employees	190	277	270	304	553
Graduation rate	95.0%	97.9%	98.9%	99.7%	95.5%

<sup>1</sup> Considering new hires and employees that transfers from an account or line of business (these must also take the training courses).



## Talent Development

We've trained our employees for personal and professional growth through 5303 hours in 2019. We do this through two major commitments we have as an organization:

**1. IDP- Individual Development Program:** all our employees, from agents to directors have within their job performance objectives, an IDP, which means they must take at least one training course for their personal and professional growth.

### Number of hours training, 2019

Employee classification	Women	Men	Total hours per category	Average hours per category
Directors	180	60	240	120
Managers	239	472	711	356
Supervisors	442	253	695	348
Individual Contributors	968	1,294	2,262	1,131
Direct Agents	494	549	1,043	522
Indirect Agents	172	180	352	176
Total hours by gender	2,495	2,808	5,303	2,651
Percentage by gender	47%	53%		
Average per gender	416	468		
<b>Total Investment</b>	<b>\$ 156,201</b>			
<b>Total number of courses</b>	<b>188</b>			

### Number of employees developed and trained, 2019

Employee classification	Women	Men	Total hours per category	Average hours per category
Directors	11	7	18	9
Managers	24	32	56	28
Supervisors	34	22	56	28
Individual Contributors	75	60	135	68
Direct Agents	35	45	80	40
Indirect Agents	27	42	69	35
Total hours by gender	206	208	414	207
Percentage by gender	49.8%	50.2%		
Average per gender	34	35		
<b>Total Investment</b>	<b>\$ 156,201</b>			
<b>Total number of courses</b>	<b>188</b>			

Through the IDP, 5303 hours of training were achieved, of which 47% were women's and 53% were men.

In 2019 through the IDP, 414 employees were trained, of which 49.8% were women and 50.2% were men.

**2. LEAP – Leadership Evaluation and Advancement Program:** Our LEAP program (Leadership Evaluation and Advancement Program) is oriented towards the operations areas, to enable direct agents to opt for indirect agents positions such as team manager, account supervisors, planning supervisors, etc.

The LEAP program aims to improve knowledge and equip our people with the necessary skills to develop talent as a way to grow within the company. LEAP also seeks to establish a group of candidates for future internal promotions by career and based on forecasted growth or new positions within accounts.



Indicador	2015		2016		2017		2018		2019	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Number of LEAP trained employees	72	103	238	234	80	85	106	160	30	36
LEAP training hours	1,746		3,619	4,600	1,310	977	1,614	2,136	450	525
<b>Total employees trained in LEAP</b>	<b>175</b>		<b>472</b>		<b>165</b>		<b>266</b>		<b>66</b>	
<b>Total LEAP training hours</b>	<b>4,470</b>		<b>8,219</b>		<b>2,287</b>		<b>3,750</b>		<b>975</b>	
Employee percentage by gender	41.1%	58.9%	50.4%	49.6%	48.5%	51.5%	39.8%	60.2%	45.5%	54.5%
Hour percentage by gender	39.1%	60.9%	44.0%	56.0%	57.3%	42.7%	43.0%	57.0%	46.2%	53.8%

Through LEAP, 66 employees were trained, of which 45% were women and 55% were men.

975 hours of training were achieved with this program.

## Extracurricular courses

These courses are offered to all employees in order to improve their language skills in English, Portuguese and Japanese. Enrolled employees get three weekly hours during each quarter. In 2019, we opened 49 groups: 13 in English and 36 in Portuguese. Compared to 2018 were 58 groups, 2017 were 63 groups and 2016 were 73 groups.

- **556 employee students in 2019:** 196 in English and 360 in Portuguese
- **537 employee students in 2018:** 149 in English, 365 in Portuguese and 23 in Japanese
- **698 employee students in 2017:** 217 in English, 375 in Portuguese and 57 in Japanese.
- **433 employee students in 2016**
- **306 employee students in 2015**





## Dedicated Resources

To complement our employee's learning, our talent development department has resources dedicated to look for language improvement points in our agents and employees in general in order for them to better communicate with our customers. Our employees are our main resource and their communication skills are essential to provide a quality service.



Assignments	Descripción	Amount 2018	Amount 2019
Coaching sessions	Nesting: side to side supervision (1h sessions). Operations: group sessions (1h or 1h and 30 min).	1338	721
Validations	The agent's calls are listened to, in order to improve the language used.	904	240
Training group visits	The groups that are in training to become customer service and sales agents are visited in order to detect improvement opportunities in time, before they move on to operations.	117	26
Projections	Agents are reevaluated applying to internal promotions, LEAP, account requirements or others, to measure the English level.	198	345



## Performance Appraisal

GRI 404-3

Each direct leader sets monthly performance objectives to their direct and indirect agents. Both parties sign the objectives in our virtual platform. Each objective is given a different weight, until reaching 100%. On the other hand, support area employees are assigned objectives biannually, using the same procedure.

At the end of each month or semester, objectives are evaluated on a scale of 1 to 4, as follows:

1. Unacceptable performance
2. Needs to improve
3. Met expectations
4. Exceeded expectations

Each objective has compliance levels in the four scales mentioned. It's worth mentioning that the objectives and results are established by the employees and discussed and agreed upon with the direct manager. The employees evaluate their own objectives, showing the results achieved.

	1	2	3	4	5	6
WHAT?	HRIS Performance Management Inductions	<b>Performance Criteria:</b> Objectives are set	<b>Performance Criteria Validation:</b> Manager validates objectives set	<b>Employee Self-evaluation:</b> Employee evaluates own objective	<b>Manager's evaluation:</b> Final evaluation of objectives	<b>Curve Calibration Sessions:</b> PA Curve is reviewed and adjusted
WHO?	Manager	Employee	Manager	Employee	Manager	Manager

**Manager:** Person who is responsible for evaluating his/her direct reports.

**Employee:** Person who will be evaluated by the Manager.

This evaluation has a maximum score of 4 points, and it's taken into consideration for pay raises, internal promotions and recognitions.

3.39 women's average performance 2019

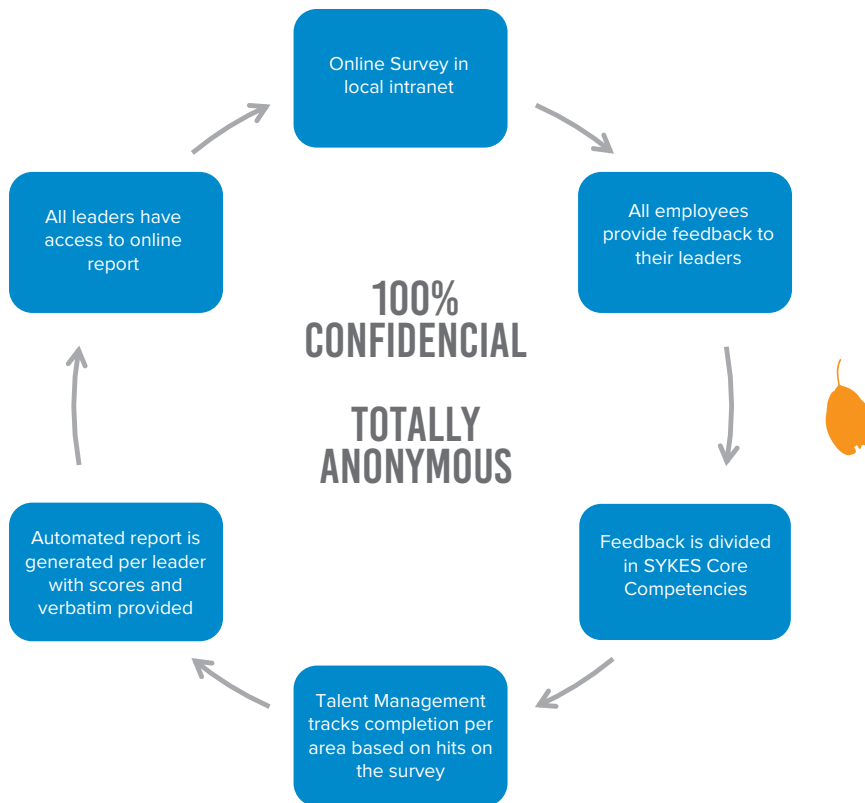
3.36 men's average performance 2019

**Performance Appraisal**

Detail	2015	2016	2017	2018	2019
Average women's performance	3.34	3.38	3.33	3.49	3.39
Average men's performance	3.28	3.25	3.25	3.41	3.36

**Leader Satisfaction Survey**

All leaders in the company (shown on page 56) are evaluated by the employees that report to them through a survey in order to receive feedback from them. Communication, teamwork, focus on results, collaboration and support are evaluated. The general satisfaction of the collaborators with their leaders is included obligatorily, like the IDP, in the performance evaluation objectives of all our leaders.



This survey is made at the end of each semester. In the first semester of 2019, there was a response rate of 89%, and in the second semester of 91%. Our leaders were evaluated as follows (the closer to 100%, the happier our employees are with the organization's leadership):

**First semester 2019:**

- 93% satisfaction of our women leaders
- 88% satisfaction of our men leaders
- 89% overall SYKES Costa Rica

**Second semester 2019:**

- 93% satisfaction of our women leaders
- 92% satisfaction of our men leaders
- 93% overall SYKES Costa Rica

## Internal Promotions

“Work, learn, grow” is the work value proposition motto we offer our employees. From our academies, our way of training and transparent performance measuring, we seek growth in our employees.

In 2019, there were 1267 openings to opt for a promotion internally, of which 853 employees completed the process and were promoted to a better position. The rest 414 were hired externally because the needed profile was not found in-house. These indicators tell us that 67% of promotions are filled with active employees that comply with the requirements, while 33% had to be looked for outside the company.

Indicator	2015		2016		2017		2018		Total	2019		Total
	Women	Men	Women	Men	Women	Men	Women	Men		Women	Men	
Internal promotions	146	299	238	372	173	308	188	444	<b>632</b>	269	584	<b>853</b>
External hires	No data	No data	3	3	15	15	58	261	<b>319</b>	116	298	<b>414</b>
Internal promotions vs external hires rate	N/A	N/A	98.8%	99.2%	92.0%	92.0%	76.4%	63.0%	<b>66.5%</b>	69.9%	66.2%	<b>67.3%</b>

Of the 853 internal promotions, 32% were women and 68% were men. In 2019, 18% of our total employees (4725) were promoted.

Indicator	2015	2016	2017	2018	2019
Women promoted per year	146	238	173	188	269
Men promoted per year	299	372	308	444	584
Total internal promotions per year	445	610	481	632	853
Annual percentage of promoted women vs total women	9.71%	12.00%	9.50%	11.25%	15.7%
Annual percentage of promoted men vs total men	11.92%	12.14%	10.01%	15.16%	19.4%
Total Promotion rate	11.09%	12.08%	9.82%	13.74%	18.1%
Percentage of promoted women vs promoted men	32.8%	39.0%	36.0%	29.7%	31.5%





# SOCIAL INVESTMENT AND ACTIVE COMMUNITY INVOLVEMENT

GRI 413-1, GRI 413-2

SYKES has the goal to contribute with over 5,500 hours of volunteering and participation from 30% of employees. Our focus is integrated with the company's core business, based on education and promotion of the English language and technical development.

On 2019, we achieved 8992 hours with 1566 participating corporate volunteers. This represents a 35% participation rate from the total employee population.



Volunteering dimension	Volunteering activities	Volunteers	Volunteering hours	investment
Environmental	15	437	3193	¢ 13,693,707
Social	35	1129	5799.5	¢ 13,517,000
<b>Total</b>	<b>50</b>	<b>1566</b>	<b>8992.5</b>	<b>¢ 27,210,707</b>

Volunteering dimension	Volunteering activities	Volunteers	Volunteering hours	investment
Environmental	30%	28%	36%	50.3%
Social	70%	72%	64%	49.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



## SOCIAL DIMENSION

- 1129** volunteers
- 5799.5** volunteer hours
- 35** volunteering activities
- 6** educational tours to single-teacher schools
- 55** single-teacher schools and **743** students benefited

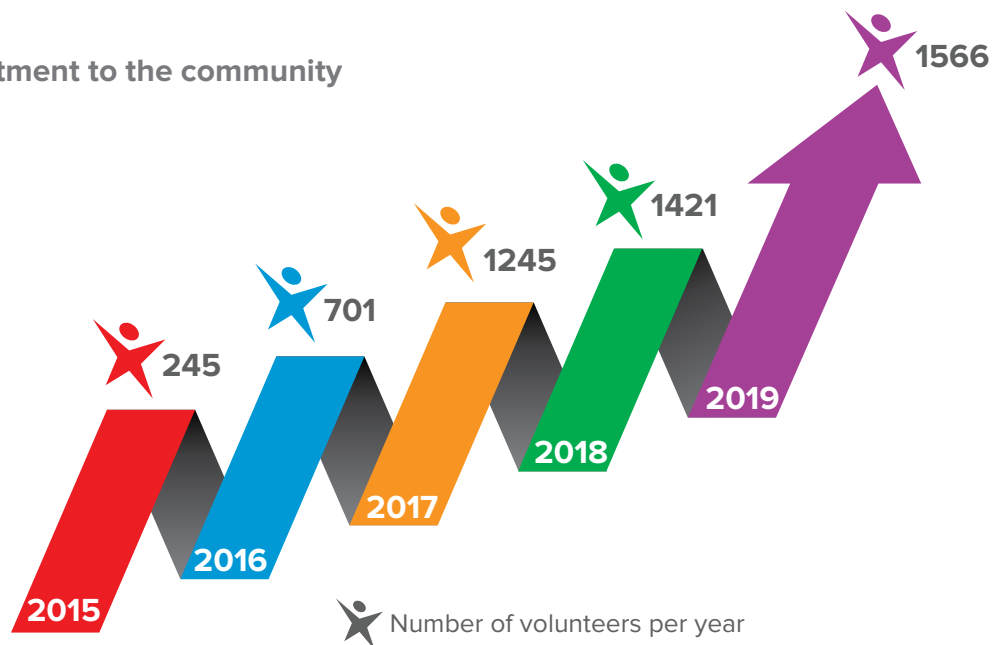


## ENVIRONMENTAL DIMENSION

- 437** Volunteers
- 3193** volunteer hours
- 15** volunteering activities
- 600** trees planted
- 2400kg** of waste collected



### Our commitment to the community







## Wellness 360

SYKES aims for its employees to achieve work-life balance. Our 360 program offers employees, free of charge: fitness programs, zumba and strong, in house nutritionist consultation, cycling team, movie club, art classes and bicycles as means of sustainable mobility. Entrepreneurs and civil society organizations carry out these activities with the purpose of promoting growth.

**BIKES SYKES:** Free loan of bicycles to employees to encourage exercise during working hours and sustainable mobility without generating emissions

**EAP:** Employee Assistance Program for the employees and his family. Employees can attend to their family, work, psychological, legal, financial and nutritional problems.

**Foosball tournament**

**Soccer Cup 5**

**Movie Club**

**Hiking**



## “Vivir la integración” Program (Live Integration)

Since the end of 2013, SYKES actively contributes with “Vivir la integración” program, of the United Nations High Commissioner for Refugees (UNHCR, or ACNUR in Spanish), which promotes training and employability to refugees. Thanks to this effort, we have evaluated over 250 candidates and achieved 50 new hires. On 2017 and 2018, with honor we received the seal “Vivir la Integración” from the Costa Rican Presidency.



## WEALTH AND INCOME GENERATION

### Local Provider Expenditure Ratio

GRI 204-1

SYKES seeks to further contribute to the Costa Rican economy through its local purchasing practices of products and services.

This resulted in 97% of supplier expenses spent in national suppliers, thus supporting local trade. We contributed with a total of \$27.4 million or ₡18,089 million colones to these suppliers.

Contribution	2015	2016	2017	2018	2019
Local purchases amount in colones	₡ 7,579,042,725	₡ 8,608,592,601	₡ 10,108,502,903	₡ 9,629,309,684	₡ 9,500,630,337
Local purchases amount in dollars	\$ 8,167,709	\$ 6,207,697	\$ 4,992,818	\$ 9,699,036	\$ 14,626,609
Foreign purchases amount in dollars	\$ 1,150,109	\$ 8,409,507	\$ 1,064,663	\$ 1,014,961	\$ 845,390
Percentage of local purchases	97%	91%	94%	96%	97%

Average dollar exchange rate, 2019: ₡587.24

Average dollar exchange rate, 2018: ₡578.56

## FREE TRADE ZONES REGIME

GRI 207-1, GRI 207-2, GRI 207-3, GRI 207-4

SYKES operations in Costa Rica are under the Free Trade Zone Regime. This regime is granted the objective of incentivizing Direct Foreign Investment (IED for the initials in Spanish) commercial exchange and job creation in our country. The Costa Rican Government offers this Free Trade Zone (ZF for the initials in Spanish) Regime to domestic and foreign companies desiring to develop operations in the country.

Legislation: Free Trade Zone Regime Law No. 7210

Regulatory body: PROCOMER - Costa Rican Foreign Trade Promoter

Benefits:

- Exención en la importación de mercancías necesarias para la operación y administración de la empresa
- Tax exemptions on domestic purchases of goods and services
- Tax exemptions on exports
- Exemption on remittances
- Exemption from all taxation on profit



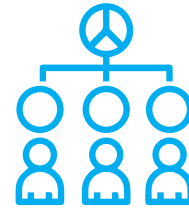
Our tax strategy is to maintain operations in Costa Rica under the free trade zone regime in order to enjoy the aforementioned benefits. With these benefits we offset the high employer burdens that by law we must pay and high operating costs such as electricity. In addition, this allows us sustainable development to be able to invest in Costa Rican human talent through our academies, and it has allowed us to locate ourselves in different locations within the GAM so that our employees do not have to travel long distances and thus, be able to reactivate different local microeconomics.

The person in charge of executing the requirements and requirements of this regime is the Director of Finance, this review of documents is done quarterly and is reported to PROCOMER annually.

## Tax governance, control, and risk management



## Stakeholder engagement and management of concerns related to tax



### Paid taxes

Corresponding to the activity of feeding employees that we have in our buildings. This activity is not exempt by the free trade zone regime, therefore, it is the only activity in the business that pays taxes.

Year	Value-added Tax Paid
2015	¢ 151,575,323
2016	¢ 159,369,845
2017	¢ 187,605,952
2018	¢ 192,382,304
2019	¢ 223,947,027





# INFRASTRUCTURE INVESTMENTS



GRI 203-1, GRI 203-2

## Buildings rented to local suppliers

Our five sites are rented to local providers. We sign long term contracts, according to the site's square footage.


Site	Provider	M <sup>2</sup>
Main	Improsa Fondo de Inversión Gibraltar, S.A.	9,255
Annex	Improsa Fondo de Inversión Gibraltar, S.A.	4,000
Hatillo	Condominios de Comercio, S.A.	4,565
Moravia	Ramsgate	3,575
San Pedro	Plataforma Mercantil, S.A.	6,070
<b>SYKES Costa Rica</b>		<b>27,465</b>

## Expenses in buildings rented to local providers




Site	Main building and annex	Hatillo	Moravia	San Pedro	TOTAL
2015	\$1,966,723	\$792,413	\$266,958	\$145,680	<b>\$3,171,774</b>
2016	\$1,982,308	\$832,348	\$274,966	\$1,165,440	<b>\$4,255,062</b>
2017	\$2,000,685	\$840,671	\$288,823	\$1,175,921	<b>\$4,306,101</b>
2018	\$2,023,049	\$845,379	\$291,645	\$1,185,768	<b>\$4,345,842</b>
2019	\$2,083,209	\$817,447	\$301,950	\$1,233,868	<b>\$4,436,474</b>

## Investment on rented building improvements



Site	Year	Infrastructure Improvements	Amount invested
Anexo	2019	Breastfeeding area	\$ 2,000
Anexo	2019	Front bathroom	\$ 2,500
Hatillo	2019	Remodeling reception and administration	\$ 30,000
Hatillo	2019	Remodeling training rooms floor 1	\$ 35,000
Hatillo	2019	Replacement for VRV floor 2 units	\$ 101,000
Principal	2019	Replacement Air Precision Datacenter	\$ 70,000
Principal	2019	Breastfeeding area	\$ 1,000
Principal	2019	Porcelain floor in operations areas	\$ 5,000
Principal	2019	Remodeling of Block A account	\$ 2,000
Principal	2019	Electric room doors	\$ 4,500
Principal	2019	Automation rain water system	\$ 6,000
Principal	2019	Replacement HVAC	By landor
Principal	2019	Replacement cassette HVAC TR Tenorio	By landor
Moravia	2019	New Account A, B	\$ 16,000
Moravia	2019	Business Partners hallway improvement	\$ 9,000
Moravia	2019	Remodeling training rooms	\$ 50,000
Moravia	2019	Kitchen suppression system	\$ 4,500
Moravia	2019	Replacement HVAC UPS Room	\$ 3,000
San Pedro	2019	Recruitment area adjustment	\$ 20,000
Todos	2019	BMS project to control electrical demand for buildings	\$ 20,000
<b>Total</b>			<b>\$ 381,500</b>



Note: Infrastructure improvements and investment of 2015, 2016, 2017 can be found on the 2017 Sustainability Report, pages 50 and 51. Infrastructure improvements and investment of 2018 can be found on the 2018 Sustainability Report, page 86.





# ENVIRONMENTAL DIMENSION

GRI 103-1, GRI 103-2, GRI 103-3

Committed to improving our corporate environmental performance, SYKES makes an annual environmental plan to manage the business' most important impacts towards society and its stakeholders.

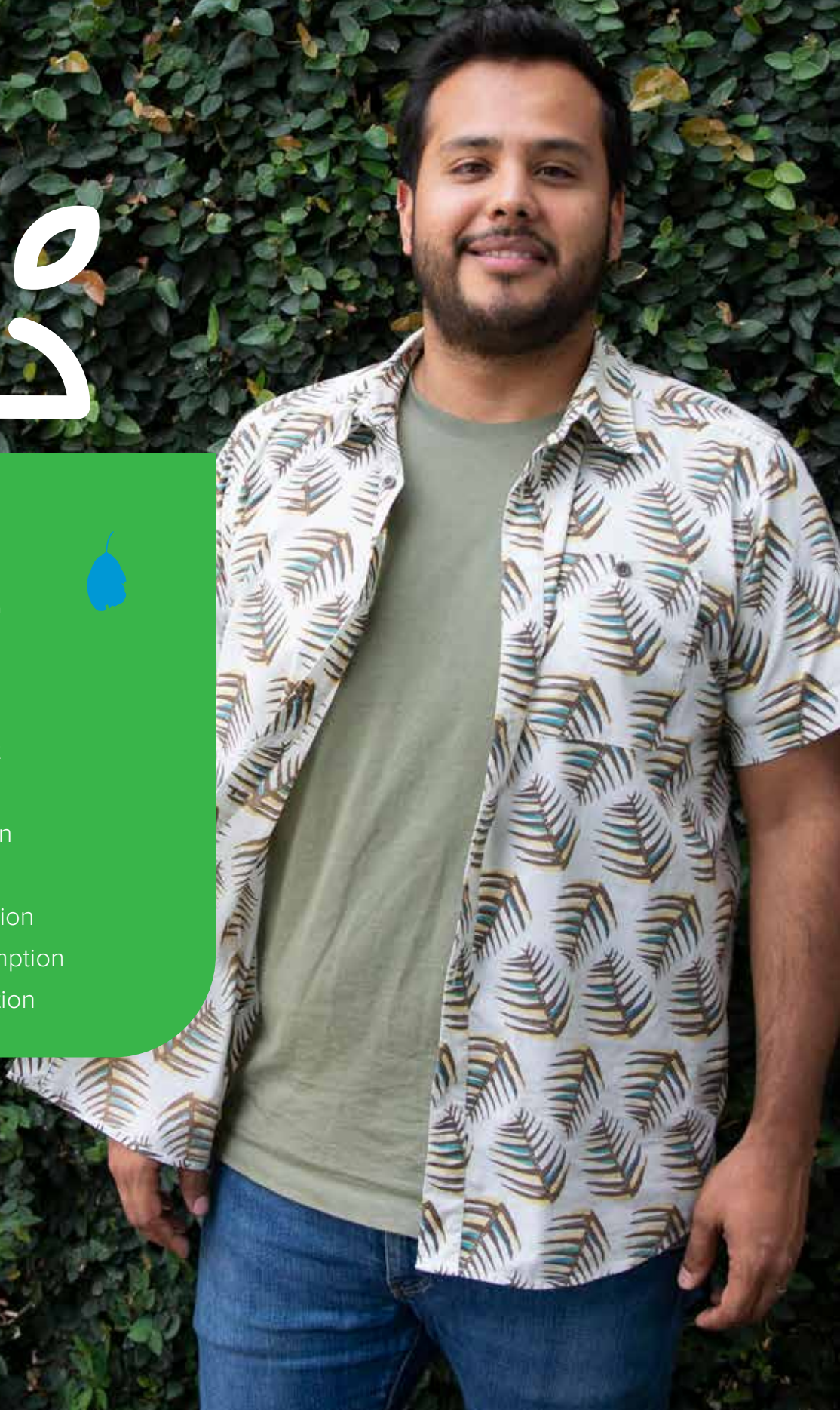
Our strategy is based on our material topics and the Global Reporting Initiative (GRI) indicators: material management, waste and effluents, energy, water, emissions management and supplier environmental evaluation. These indicators are managed through local and international standards: Carbon Neutrality Certification (ISO 14064), Bandera Azul (Costa Rican Government), Energy Management System (ISO 50001) and Environmental Management (ISO 14001).



## MATERIAL TOPICS



1. Emission Control
2. Waste Management
3. Sewage Treatment
4. Energy Consumption
5. Water Consumption
6. Materials Consumption
7. Fossil Fuels Consumption
8. Climate Change Action







For 2021, we commit to:

1. Generate 8% of the energy consumption of our buildings through our solar plant..
2. 90% of our supplies will be environmentally friendly.
3. Reduce water consumption by 60% vs base year 2008.
4. Reduce paper consumption by 75% vs base year 2008.
5. Reduce LP gas consumption by 20% vs base year 2008.
6. Reduce energy consumption by 35% vs base year 2008.

**Our current certifications:**



GREENHOUSE GASES



ENVIRONMENTAL MANAGEMENT SYSTEM



ENERGY MANAGEMENT SYSTEM



CARBON NEUTRALITY



BANDERA AZUL ECOLÓGICA: CATEGORY CLIMATE CHANGE





## MATERIALS CONSUMPTION

GRI 301-1

SYKES manages the materials used in its operations, even though these aren't used as inputs for the final service, as well as its packaging and wrapping materials.

The materials considered to be more relevant, which are kept in record are: paper reams (renewable material) and plastic bags (renewable material).

**Paper reams:** SYKES has a monthly indicator for paper reams used at each of its sites, in order to achieve a reduction in the next months and contribute to the annual reduction goal. These have been our results:

Year	Commitment	Consumption	Per capita
2012	2,376	1,508	0.44
2013	2281	1,505	0.42
2014	2195	1,647	0.42
2015	2183	1,415	0.32
2016	2,075	1,800	0.37
2017	1,658	1,692	0.35
2018	1,476	1,370	0.30
2019	1,266	1,216	0.26

SYKES has sought and implemented initiatives to achieve a reduction in the impact of consumption of reams of paper per capita, where the purchase of reams of paper made from 100% sugar cane stands out.

**Plastic Bags:** SYKES uses almost only biodegradable plastic bags for waste collection at its five sites. In 2019, 21,100 kilos of plastic bags were used.

Plastic bags		
Year	Consumption in kg.	Per capita
2016	13,887	2.75
2017	15,951	3.26
2018	14,157	3.08
2019	21,100	4.47

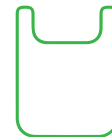


### Summary of materials used in 2019

THE TOTAL AMOUNT OF RENEWABLE MATERIALS USED IN 2019 WERE:



1,216 PAPER REAMS



21,100 KILOS OF PLASTIC BAGS

## RECYCLED MATERIALS USED

GRI 301-2, GRI 301-3

Our waste control improved in 2018 and 2019 due to the environmental management system and a new waste classification method. This made us considerably increase the amount compared to previous years. Our waste is composed of cardboard, white paper, colored paper, newsprint, plastic, plastic bottles, plastic galon containers, aluminum cans, wood pallets, tetra Brik, glass, donations, organics and sale. For 2019, the total amount of residue was 243 tons, of which 98 were recoverable and 145 were not recoverable.

### Recycled materials used– Recoverable waste in kilograms (kg)

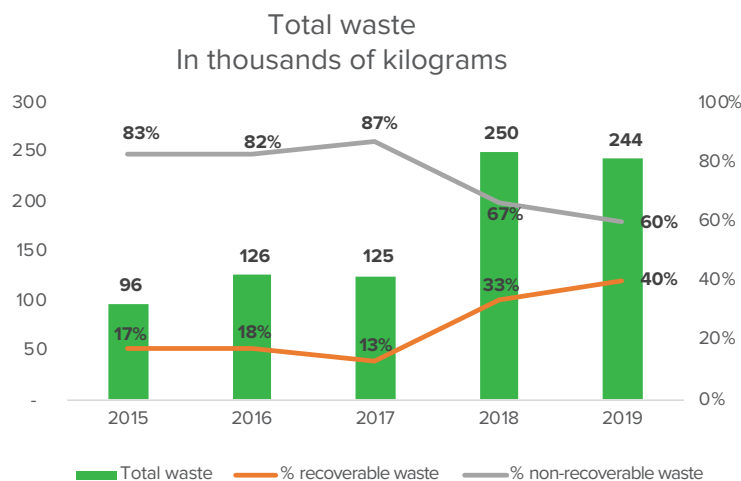
Building	Year				
	2015	2016	2017	2018	2019
Main and annex	10,911	8,225	6,228	59,688	71,676
Moravia	2,668	3,639	1,344	10,011	8,881
San Pedro	0	3,863	3,513	4,800	4,993
Hatillo	2,915	6,499	5,053	8,935	12,719
<b>Annual total</b>	<b>16,494</b>	<b>22,225</b>	<b>16,138</b>	<b>83,434</b>	<b>98,269</b>

### Non-recycled materials used– Non-recoverable waste in kilograms (kg)

Building	Year				
	2015	2016	2017	2018	2019
Main and annex	53,995	51,433	46,012	88,800	68,857
Moravia	9,796	20,852	3,110	17,110	11,688
San Pedro	0	10,478	45,729	49,302	52,929
Hatillo	16,165	21,462	14,047	11,348	11,885
<b>Annual total</b>	<b>79,956</b>	<b>104,226</b>	<b>108,898</b>	<b>166,559</b>	<b>145,360</b>

### Total materials used in kilograms (kg)

Type	Year				
	2015	2016	2017	2018	2019
Recoverable	16,494	22,225	16,138	83,434	98,269
Non-recoverable	79,956	104,226	108,898	166,559	145,360
<b>Annual total</b>	<b>96,450</b>	<b>126,451</b>	<b>125,036</b>	<b>249,993</b>	<b>243,629</b>
% Recoverable	17.1%	17.6%	12.9%	33.4%	40.3%
% Non-recoverable	82.9%	82.4%	87.1%	66.6%	59.7%







# ENERGY CONSUMPTION

GRI 302-1, GRI 302-2

The following sources of energy consumption were identified:

1. Energy consumption in buildings from the public energy services
2. Energy consumption from photovoltaic systems in buildings
3. Diesel consumption in backup generators for events, when public energy is not available
4. Diesel and gasoline in company's vehicles
5. LP gas in kitchen equipment for food preparation within the company



## Energy Consumption from Non-renewable Sources

Our non-renewable energy sources include diesel, gasoline and LP gas. We were able to decrease total consumption by 0.0764 Terajoule in 2019. We achieved 5 consecutive years of reduction in energy consumption from non-renewable sources.

Non-renewable sources	Consumption (Terajoule [TJ])					Reduction 2019 vs 2018
	2015	2016	2017	2018	2019	
Diesel for generators	0.1760	0.2342	0.1934	0.1195	0.1334	0.0140
Diesel for vehicles	0.1139	0.1591	0.1217	0.1825	0.1846	0.0021
Gasoline for vehicles	0.0635	0.0286	0.0445	0.0279	0.0184	-0.0095
LP Gas	1.8295	1.6348	1.5825	1.3858	1.2999	-0.0859
<b>Total</b>	<b>2.1829</b>	<b>2.0567</b>	<b>1.9421</b>	<b>1.7157</b>	<b>1.6363</b>	<b>-0.0794</b>

## Energy Consumption from Renewable Sources

Our non-renewable energy sources include diesel, gasoline and LP gas. We were able to decrease total consumption by 0.0764 Terajoule in 2018. We achieved 5 consecutive years of reduction in energy consumption from non-renewable sources.

Renewable sources	Consumption (Terajoule [TJ])					Reduction 2019 vs 2018
	2015	2016	2017	2018	2019	
Solar Energy	0.2987	0.7070	0.9841	1.0037	1.0437	0.0401
Electricity	30.0067	29.7301	28.0829	25.0560	23.2382	-1.8179
<b>Total</b>	<b>30.3054</b>	<b>30.4371</b>	<b>29.0670</b>	<b>26.0597</b>	<b>24.2819</b>	<b>-1.7778</b>

## Energy Consumption from Renewable Sources

Through the above-mentioned sources, our total energy consumption in 2019 was 25.9182 Terajoule. This represents a reduction of 1.8573 Terajoule, or 6% less than 2018.

Sources	Consumption (Terajoule [TJ])					Reduction 2018 vs 2017
	2015	2016	2017	2018	2019	
Non renewable	2.1829	2.0567	1.9421	1.7157	1.6363	-0.0794
Renewable	30.3054	30.4371	29.0670	26.0597	24.2819	-1.7778
<b>Total</b>	<b>32.4883</b>	<b>32.4938</b>	<b>31.0091</b>	<b>27.7754</b>	<b>25.9182</b>	<b>-1.8573</b>

## Energy Intensity

GRI 302-3

Since the beginning of its operations, SYKES has consumed considerable amounts of energy. Its main sources of consumption are air conditioning, lighting and the computers used in the operation, which are powered and protected by UPS. Energy intensity at SYKES is measured depending on the number of employees in the year, so we know how much is consumed per employee per year.

Energy consumption per employee



## Energy consumption reduction

GRI 302-4

SYKES had an overall reduction in energy consumption in 2019 versus 2018. Also, there was a reduction in energy intensity of 0.00055TJ per employee.

### Energy intensity according to the number of employees

	2015	2016	2017	2018	2019
Energy Consumption	32.4883	32.4938	31.0091	27.7754	25.9182
Total employees	4,012	5,049	4,898	4,599	4725
Per capita consumption	0.00810	0.00644	0.00633	0.00604	0.00549
<b>Reduction, 2019 vs 2018</b>	<b>-0.00055TJ per capita</b>				

Energy consumption according to the original unit of measure

1. We are consuming less liters of fossil fuels and gas
2. We are consuming more solar energy and less electricity

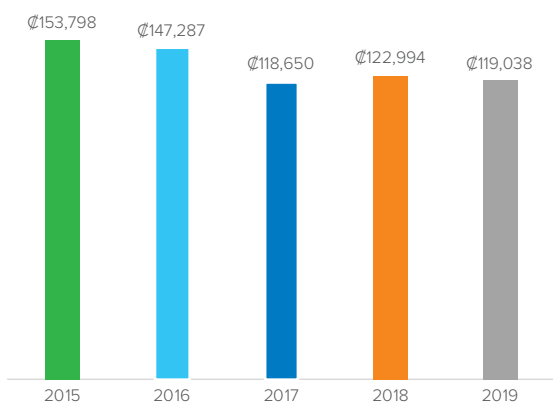
### Consumption Liters

Non-renewable sources	2015	2016	2017	2018	2019	Reduction 2019 vs 2018
Diesel for generators (liters)	4,512	6,005	7,737	3,063	3,421	358
Diesel for vehicles (liters)	3,054	4,191	3,167	5,029	4,733	(296)
Gasoline for vehicles (liters)	1,993	898	1,327	865	537	(327)
LP Gas (liters)	73,182	65,392	63,301	55,432	51,995	(3,437)
<b>Total liters</b>	<b>82,741</b>	<b>76,487</b>	<b>75,531</b>	<b>64,388</b>	<b>60,687</b>	<b>(3,702)</b>

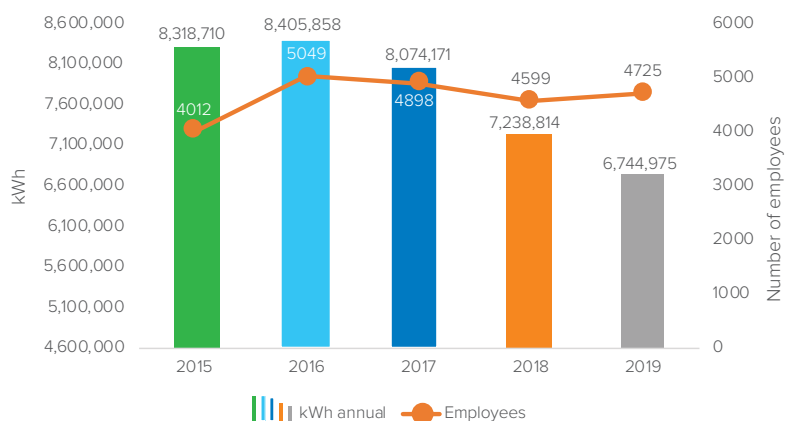
### Consumption kWh

Renewable sources	2015	2016	2017	2018	2019	Reduction 2019 vs 2018
Solar Energy	82,967	196,386	273,373	278,801	289,930	11,128
Electricity	8,335,186	8,187,334	7,800,798	6,960,013	6,455,045	(504,968)
<b>Total Kwh</b>	<b>8,418,153</b>	<b>8,383,720</b>	<b>8,074,171</b>	<b>7,238,814</b>	<b>6,744,975</b>	<b>(493,840)</b>

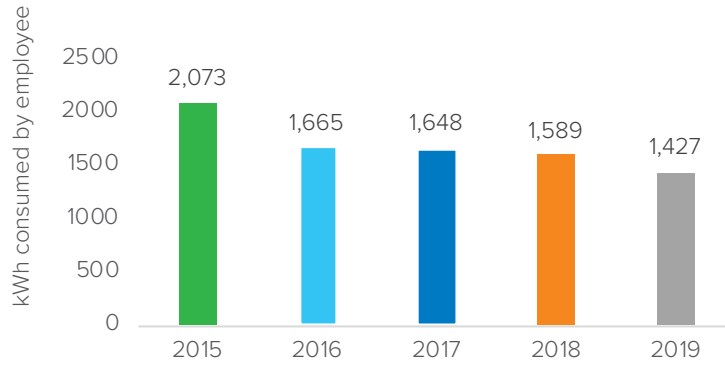
Annual electricity paid per employee



Annual electricity consumed and number of employees



Annual electricity consumed per employee



Monthly electricity paid by collaborator





# WATER CONSUMPTION

GRI 303-1, GRI 303-2, GRI 303-3

The main source of water comes from the municipal system, so actual consumption is taken from the monthly bills.

The consumption ratio in 2019 vs 2018 according to water consumption billing records had a increase of 1504 cubic meters in total and of 0.20 cubic meters per person in 2019:

**Water consumption, according to municipal billings (m<sup>3</sup>)**

Year	Annex	Hatillo	Moravia	Main	San Pedro	Total
2015	14,980	10,605	8,219	20,334	0	<b>54,138</b>
2016	14,996	8,582	10,486	17,196	2,608	<b>53,868</b>
2017	13,553	9,216	7,254	19,272	4,955	<b>54,250</b>
2018	2,797	6,043	5,842	17,114	4,977	<b>36,773</b>
2019	5,432	3,506	3,638	19,193	6,508	<b>38,277</b>
Reduction 2019 vs 2018	2,635	-2,537	-2,204	2,079	1,531	<b>1,504</b>

Rain water harvesting system

**Harvested Water Project Main Building**

Year	m <sup>3</sup>
2015	2419
2016	2376
2017	2460
2018	2297
2019	2829

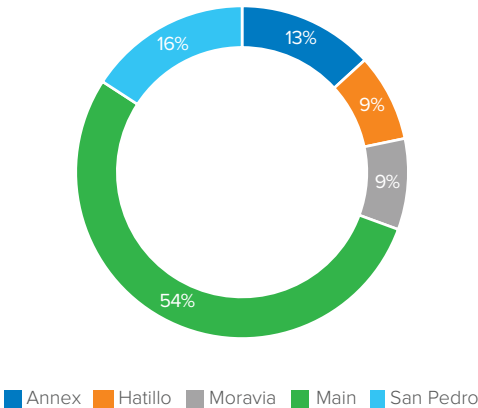


## Total water consumption

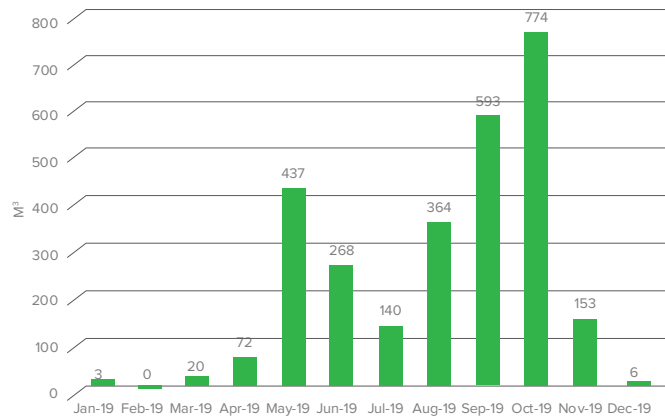
Our operations during 2019 consumed 2036 cubic meters than the previous year. Also reflecting an increase of 0.20 m<sup>3</sup> per employee.

Year	Annual m <sup>3</sup>	Employees at the end of year	Annual water consumption/ employees per year
2015	56,557	4,012	14.10
2016	56,244	5,049	11.14
2017	56,710	4,898	11.58
2018	39,070	4,599	8.50
2019	41,106	4,725	8.70
<b>Increase</b>		<b>0.20</b>	<b>m<sup>3</sup> per capita</b>
<b>Total increase 2019 vs 2018</b>		<b>2036</b>	<b>Total m<sup>3</sup></b>

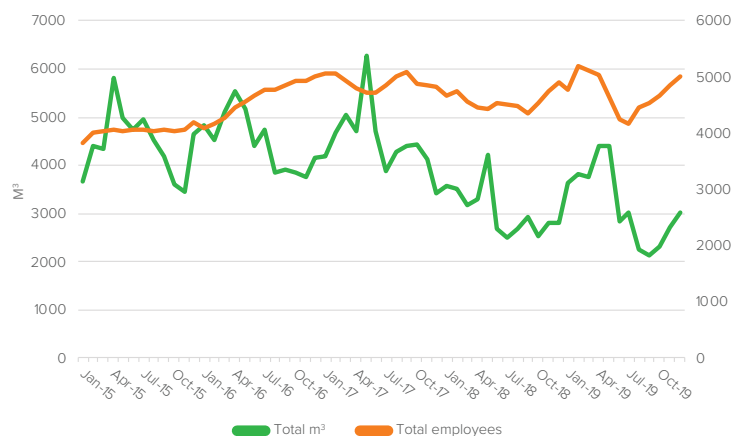
Water consumption by building 2019



Monthly rain water harvesting recolected 2019 (m<sup>3</sup>)



Water consumption (m<sup>3</sup>) vs employees 2015-2019



## Rain Water Harvesting System

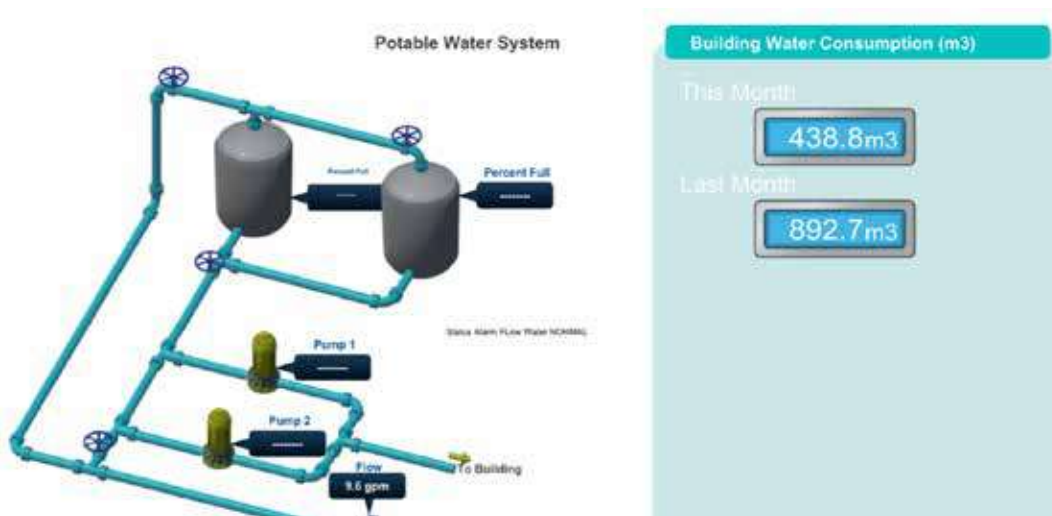
Water consumption at SYKES is related to three main uses:

1. Kitchens
2. Bathrooms and lavatories
3. General consumption in water dispensers

Over time, we've implemented water optimization tools that help reuse, control and follow up on its use, helping us determine the best possible use of this resource.

In 2016, a pilot program was implemented in one of the sites to control and monitor water use. It generates daily curves that help estimate daily and hourly consumption. During 2017, the system was implemented in the other sites, integrating an additional automatic report system and an alarm system that warns about unusual readings caused either by sudden leakages or events in the pump systems.

### Automatic water monitoring in Hatillo.



## Sewage treatment

Water discharge, according to quality and destination

GRI 306-1

Discharged water is not reused by another organization, and the report does not include the amount of rainwater collected. Now we extract water from grease traps through a specialized truck that removes these types of residues, only at our Main Building.

Detalles	Annex	Main	Hatillo	Moravia	San Pedro
Supplier	Empresa de servicios públicos de Heredia	Empresa de servicios públicos de Heredia	Instituto Costarricense de Acueductos y Alcantarillados	Instituto Costarricense de Acueductos y Alcantarillados	Instituto Costarricense de Acueductos y Alcantarillados
Origin	Pozo Malinches Water Treatment Plant	Pozo Malinches Water Treatment Plant	Tres Rios and Puente Mulas Water Treatment Plant	Los Sitios de Moravia and Guadalupe Treatment Plants	Tres Rios Water Treatment Plant
Treatment method	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
Método de tratamiento	Grease traps and treatment by means of plant provided by the tenant.	Grease traps and treatment by means of plant provided by the tenant.	Grease traps and a provider gives you treatment.	Traps of grease and wastewater is not given treatment before reaching the destination.	Grease traps and treatment by bacteria.
Destination	Treatment Plant	Treatment Plant	Municipal Sewer System	Municipal Sewer System	Municipal Sewer System
Destination River	Burío River	Burío River	Virilla and María Aguilar Rivers	Virilla and María Aguilar Rivers	Virilla and María Aguilar Rivers
Quality	Treated, non-potable water	Treated, non-potable water	Treated, non-potable water	Treated, non-potable water	Treated, non-potable water
Amount (m <sup>3</sup> /year)	5,432	22,022	3,506	3,638	6,508
<b>Total</b>		<b>41106</b>			

## EMISSION CONTROL

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5

The path towards carbon neutrality has helped SYKES restate its initiatives and execute projects focused on reduction and compensation in order mitigate the CO<sub>2</sub> footprint. There is a sustained commitment to include and motivate more employees to contribute with ideas obtained in courses and training programs. The Environmental Committee is in charge of monitoring the GHG (Green House Gas) inventory and of implementing the yearly environmental management plans.

The first CO<sub>2</sub> measurement (in 2011) was 1,275 tons. The results from 2015 to 2019 by scope and intensity, are shown in the following table:

### Total GHG Emissions and total intensity by building

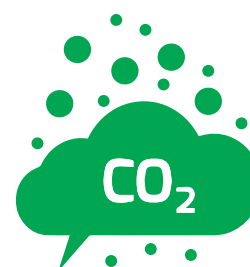
Building	Absolut GHG Emissions (tCO <sub>2</sub> e)						GHG emission intensity (tCO <sub>2</sub> e / total employees by building)					
	2015	2016	2017	2018	2019	Reduction 2019 vs 2018	2015	2016	2017	2018	2019	
Main	1061.28	407.30	321.78	379.98	293.73	-86.25	0.52	0.21	0.07	0.22	0.14	
Annex	364.20	153.47	113.69	158.55	113.70	-44.85	0.74	0.26	0.02	0.24	0.14	
Moravia	153.98	104.79	82.22	113.15	31.47	-81.68	0.16	0.15	0.02	0.20	0.08	
Hatillo	180.45	97.74	89.44	114.82	81.78	-33.04	0.43	0.13	0.02	0.21	0.27	
San Pedro	0.00	32.09	74.41	78.94	53.45	-25.49		0.03	0.02	0.07	0.04	
<b>Total</b>	<b>1759.91</b>	<b>795.39</b>	<b>681.54</b>	<b>845.44</b>	<b>574.14</b>	<b>-271.31</b>	<b>1.85</b>	<b>0.78</b>	<b>0.15</b>	<b>0.24</b>	<b>0.12</b>	

## GHG emissions by scope and intensity by scope

Building	Scope I						Scope II						Scope III					
	2015	2016	2017	2018	2019	2019 vs 2018	2015	2016	2017	2018	2019	2019 vs 2018	2015	2016	2017	2018	2019	2019 vs 2018
Main	445.63	108.30	88.18	85.98	103.28	17.30	484.76	181.62	159.18	198.12	102.35	-95.77	130.89	117.38	74.42	95.88	88.10	-7.78
Annex	131.79	28.53	9.61	37.16	44.78	7.62	232.41	124.94	104.08	121.39	68.93	-52.46	0.00	0.00	0.00	0.00	0.00	0.00
Moravia	39.54	49.94	31.05	52.41	14.08	-38.33	114.44	54.85	51.16	60.74	17.38	-43.36	0.00	0.00	0.00	0.00	0.00	0.00
Hatillo	36.84	31.25	29.71	49.22	60.45	11.23	143.61	66.49	59.73	65.60	21.33	-44.27	0.00	0.00	0.00	0.00	0.00	0.00
San Pedro	0.00	0.00	14.06	0.01	8.48	8.47	0.00	32.09	60.35	78.93	44.98	-33.95	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>653.80</b>	<b>218.02</b>	<b>172.61</b>	<b>224.78</b>	<b>231.07</b>	<b>6.29</b>	<b>975.22</b>	<b>459.99</b>	<b>434.50</b>	<b>524.78</b>	<b>254.97</b>	<b>-269.81</b>	<b>130.89</b>	<b>117.38</b>	<b>74.42</b>	<b>95.88</b>	<b>88.10</b>	<b>-7.78</b>

### Intensity by scope (total ton tCO<sub>2</sub>e by scope / total employees)

Detalle	Total	Per capita
Scope I	231.07	0.05
Scope II	254.97	0.05
Scope III	88.10	0.02
<b>Total</b>	<b>574.14</b>	<b>0.12</b>

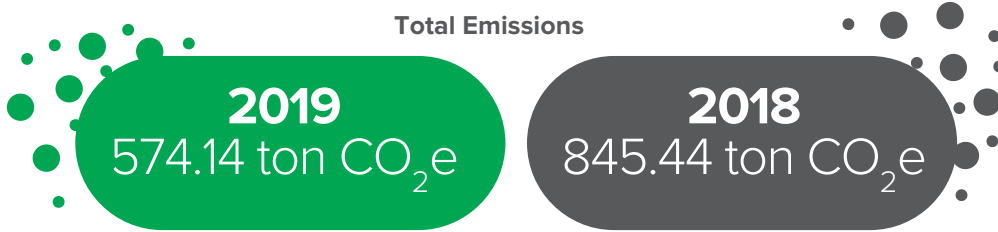


## GHG Emissions by gas type and scope

Scope	2015						2016					Absolut GHG	
	Absolut GHG Emissions (tCO <sub>2</sub> e)						Absolut GHG Emissions (tCO <sub>2</sub> e)					Absolut GHG	
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	HCFCs	Total	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	Total	CO <sub>2</sub>	CH <sub>4</sub>
<b>Scope I</b>	142.3	0.3	0.5	352.1	158.7	<b>653.8</b>	134.7	0.2	0.4	82.7	<b>218.0</b>	134.1	0.2
<b>Scope II</b>	975.2	0.0	0.0	0.0	0.0	<b>975.2</b>	460.0	0.0	0.0	0.0	<b>460.0</b>	434.5	0.0
<b>Scope III</b>	130.2	0.0	0.7	0.0	0.0	<b>130.9</b>	116.6	0.1	0.6	0.0	<b>117.4</b>	74.0	0.1
<b>Total</b>	1248.0	0.3	1.1	352.1	158.7	<b>1759.9</b>	711.3	0.4	1.0	82.7	<b>795.4</b>	642.5	0.3
<b>Total annual</b>	<b>1759.91</b>						<b>795.39</b>						

## Emissions Summary

### Total Emissions



Reduction de  
-271.30 ton CO<sub>2</sub>e - Reduction of 32% over previous year

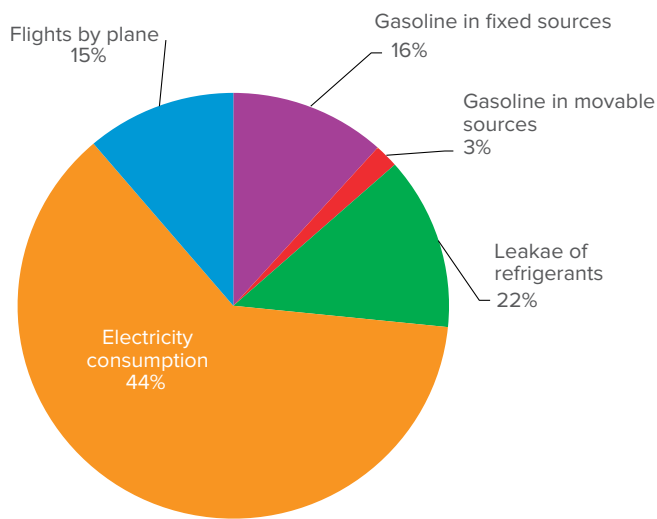
2017			2018						2019					
Emissions (tCO <sub>2</sub> e)			Absolut GHG Emissions (tCO <sub>2</sub> e)						Absolut GHG Emissions (tCO <sub>2</sub> e)					
N <sub>2</sub> O	HFCs	Total	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	HCFCs	Total	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	HCFCs	Total
0.4	37.9	<b>172.6</b>	113.3	0.2	0.4	110.9	0.0	<b>224.8</b>	107.2	0.2	0.3	123.4	0.0	231.07
0.0	0.0	<b>434.5</b>	524.8	0.0	0.0	0.0	0.0	<b>524.8</b>	255.0	0.0	0.0	0.0	0.0	254.97
0.4	0.0	<b>74.4</b>	95.4	0.0	0.5	0.0	0.0	<b>95.9</b>	87.7	0.0	0.4	0.0	0.0	88.10
0.7	37.9	<b>681.5</b>	733.5	0.2	0.9	110.9	0.0	<b>845.4</b>	449.8	0.2	0.8	123.4	0.0	574.1
<b>681.54</b>			<b>845.44</b>						<b>574.14</b>					



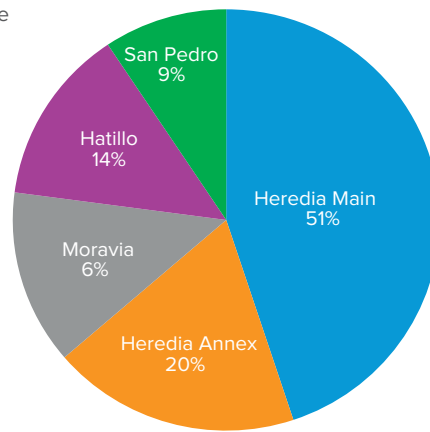
## Direct GHG Emissions

Electricity is the main source of emissions, which is why SYKES' focus is to reduce its energy consumption. The company decided to generate clean energy and installed 253 solar panels, which equates to 650m<sup>2</sup> and enough monthly energy to supply 1100 houses. Other measures that were implemented to reduce GHG emissions were: replacement of old lights to LED lights, efficient air conditioning equipment, programmed shut down of computer equipment and movement sensors, considering that in March 2016, new operations were started in San Pedro with around 1000 new employees.

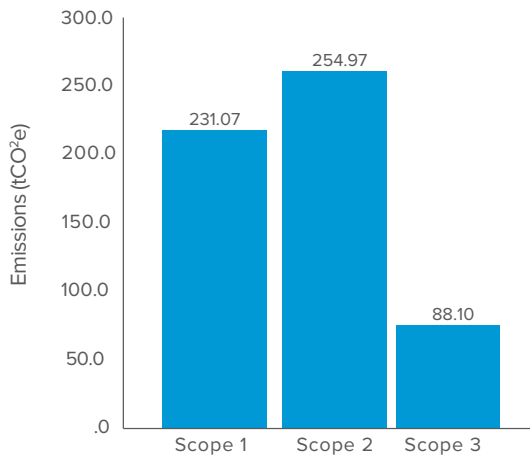
Distribution of CO<sub>2</sub>e emissions in SYKES Costa Rica, by emission source (year 2019)



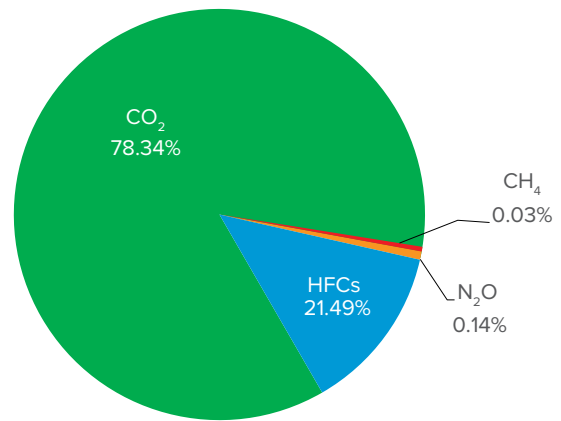
Distribution of CO<sub>2</sub>e emissions in SYKES Costa Rica, by building (year 2019)



Distribution of CO<sub>2</sub> emissions in SYKES Costa Rica, according to scope (year 2019)



Distribution of emissions in SYKES Costa Rica, according to type of GHG (year 2019)



The main sources of GHG emissions at SYKES Costa Rica are detailed in the following chart. The methodology used to quantify emissions and reductions were the ones proposed by INTE/ISO 14064-1:2006 and INTE 12-01-06:2011. Direct and indirect GHG emissions were calculated through the emission factors. The factors were taken from the Instituto Meteorológico Nacional (IMN), GHG Protocol and No Kyoto “R22”. In some cases where factors were unavailable from the IMN, other reliable sources were used such as DefraCarbon-Factors.

## GHG Emissions, detailed by scope



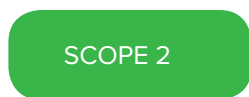
Direct Emissions from fossil fuels, from stationary sources

- Diesel for backup generators
- LP gas for kitchen use

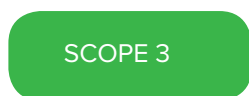
Direct Emissions from fossil fuels, from mobile sources

- Refilling of extinguishers
- Lubricants

Air conditioning and refrigerant leakages



Indirect Emissions from consumption of electrical energy



Indirect Emissions from air travel from work related activities

## Carbon Offsetting

In order to comply with the Government’s Carbon Neutrality Program, once the greenhouse gas emissions are calculated, we then proceed with purchasing compensation credits, which cost \$7.5 per ton of carbon. In our case, we needed to offset 574.14 credits. Yet, bought 580 credits in order to certify as a carbon neutral company.

### FONAFIFO Credits

	2015	2016	2017	2018	2019
Number of credits required to achieve certification	1759.91	795.39	681.54	844.01	574.14
Number of credits purchased	1760	800	700	850	580
Cost of credits purchased	\$ 13,200	\$ 6,000	\$ 5,250	\$ 6,375	\$ 4,350

## WASTE MANAGEMENT

GRI 306-2

SYKES Costa Rica has daily waste control. All waste data is registered in a log and in the internal SharePoint. The only hazardous waste is generated by the doctor's office, so we have partnered with companies such as MEDICLEAN to treat this type of waste. We have also partnered with other recycling providers to treat other kinds of materials. These companies are authorized to treat these materials and emit certifications to prove that waste is processed appropriately.

### Waste by type and disposal method in 2019, in kilograms and cubic meters

Edificio	Heredia	Hatillo	Moravia	San Pedro	Total
Reuse (kg)	4,760	550	335	-	5,645
Recycling (kg)	71,669	12,719	8,683	4,993	98,065
Non recoverable (kg)	68,743	11,885	11,688	52,929	145,245
Composting (kg)	34,110	7,553	4,657	-	46,319
Recovery		-	-	-	-
Incineration (burning)	-	-	-	-	-
Deep Well Injection (m <sup>3</sup> )	27,454	3,506	3,638	6,508	41,106
Landfill	-	-	-	-	-
On-site storage	-	-	-	-	-
Others (infirmary*) kg	80	3	15	325	423
<b>Total kilogramos (kg)</b>	<b>179,362</b>	<b>32,710</b>	<b>25,378</b>	<b>58,248</b>	<b>295,697</b>
<b>Total metros cúbicos (m3)</b>	<b>27,454</b>	<b>3,506</b>	<b>3,638</b>	<b>6,508</b>	<b>41,106</b>

### Recoverable waste

Recoverable waste	Moravia	Hatillo	Sigma	Main	Annex	Total
Organic	4,798	7,553	-	33,643	473	46,467
Sale of assets and donation	329	-	-	3,577	-	3,906
Cardboard	1,453	2,836	1,531	13,552	2,708	22,079
Plastic	1,004	947	1,829	9,559	1,150	14,489
Paper	81	225	451	530	59	1,345
Aluminum cans	222	390	371	3,468	270	4,720
Tetrabrik	327	165	674	910	404	2,480
Oil	335	550	-	1,183	-	2,068
Glass	41	2	-	14	13	71
Wood	1	-	-	1	1	3
Coffee packaging	62	4	129	147	-	341
Styrofoam	18	45	-	1	-	64
Disinfectant	12	4	8	7	-	30
<b>Total</b>	<b>8,683</b>	<b>12,719</b>	<b>4,993</b>	<b>66,592</b>	<b>5,077</b>	<b>98,065</b>

In all our sites we have a total of 67 recycling stations identified according to the type of material to be recycled. The cleaning managers collect and identify the waste to be transferred to the recycling center, where they are weighed, recorded in a bin and placed in the containers designed for storage. This material is collected at least twice a week by the company "Servicios Ecologicos", and every month we receive a report on the quantity recycled.



# CLIMATE CHANGE ACTION

## Economic Performance

GRI 201-2

Committed to continuous improvement and impact management, we have generated climate change adaptation initiatives and efficient use of natural resources.

### Solar Panel Plant at SYKES Main Building

Detail	Stage 1: 2015	Stage 2: 2016
Investment	\$135,962	\$132,455
Power	76kWp	100kWp
Amount	4 investments, 256 panels	5 investments, 320 panels
ROI	8.5 years	6 years

### Renewable Energy Generation – Solar Panel Plant

Detail	2015	2016	2017	2018	2019
Total Power	76kWp	176kWp	176kWp	176kWp	176kWp
Solar Energy Generation	82,967kWh	196,386kWh	273,373kWh	278,801kWh	289,930kWh
Monetary Savings	\$16,978	\$22,707	\$36,406	\$37,595	\$42,589

## LED Luminary installation in SYKES Costa Rica's five sites

### LED Luminary installation in SYKES Costa Rica's five sites

Detalle	2017
Investment	\$ 19,280
Scope	Five sites' interiors
Amount	100% of LED lighting
ROI	1.3 years
Monetary Savings	\$ 14,465

A Building Management System (BMS) was implemented. It is an intelligent system that monitors energy, water, LP gas consumption and controls air conditioning.



### Investment in Building Management System

Detail	Stage 1: 2016	Stage 2: 2017	Stage 3: 2018	2019
Investment	\$45,188	\$19,021	\$32,288	\$25,318
Estimated Savings	\$17,389	\$19,104	\$16,098	\$19,937

SYKES contribution in efficient energy use

### SYKES contribution in efficient energy use

Detalle	2015	2016	2017	2018	2019
Energy savings	No data	465,602 kWh	565,273 kWh	458,573 kWh	64,601kWh
Monetary savings	No data	\$52,342	\$82,293	\$46,383	\$21,379

Other improvements and investments we made in 2019 to optimize the use of energy

Año	Edificio	Energy Conservation Opportunity (ECO)	Investment \$	Saving kWh/Año	Annual monetary savings	ROI (years)
2019	Main	Replacement Air Precision Datacenter Main B	\$69,930	71,061	71,061	3.9
2019	Annex	Replacement HVAC UPS Room Moravia	\$3,175	7,620	7,620	4.8
2019	Main	Replacement unidad HVAC	By landor	8,751	8,751	NA
2019	Hatillo	Replacement by unitis VRV piso 2	\$101,350	NA	NA	NA
2019	Main	Replacement cassette HVAC TR Tenorio	By landor	2,240	2,240	NA
2019	All	Building demand control project	\$19,937	NA	NA	1.0

## OTHER INDICATORS

GRI 102-8

### Number of employees by age range, 2015-2019

Age range	2015	2016	2017	2018	2019
15-17			5	5	15
18-19	213	353	367	475	1133
20-29	2588	3262	3037	2756	2792
30-39	847	995	1038	917	543
40-49	237	293	299	298	162
50-59	108	126	132	119	73
+ 60	20	20	20	30	7
<b>Total</b>	<b>4012</b>	<b>5049</b>	<b>4898</b>	<b>4599</b>	<b>4725</b>

### Percentage of employees by age range, 2015-2019

Building	2015	2016	2017	2018	2019
Main	50.05%	52.70%	57.17%	52.2%	65%
San Pedro	0.00%	21.21%	20.97%	23.6%	26%
Moravia	32.63%	11.93%	11.92%	12.1%	6%
Hatillo	17.32%	14.16%	9.94%	12.0%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



## Water consumption per month and building 2019

GRI 303-1

Month	Annex	Hatillo	Moravia	Main	San Pedro	Total per month
January	453	419	679	1,583	494	3628
February	456	444	718	1,608	601	3827
March	535	447	600	1,743	440	3765
April	537	453	672	2,247	557	4466
May	452	335	310	3,030	717	4844
June	460	146	111	1,827	557	3101
July	474	63	3	2,121	498	3159
Augusts	431	103	38	1,531	518	2621
September	396	168	41	1,625	483	2713
October	403	233	102	1,881	480	3099
November	416	326	147	1,469	499	2857
December	419	369	217	1,358	664	3027
<b>Total per building</b>	<b>5,432</b>	<b>3,506</b>	<b>3,638</b>	<b>22,022</b>	<b>6,508</b>	<b>41,106</b>

GRI 401-1

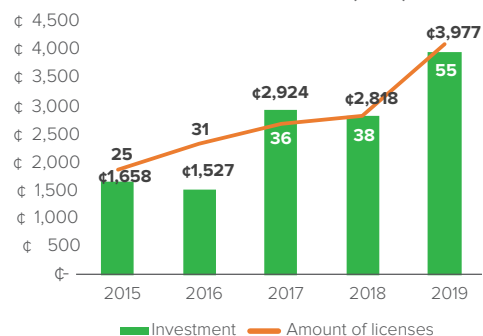
### Percentage of hires by age range and gender

Age range	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
15-17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	1.5%	0.9%
18-19	21.0%	21.0%	21.9%	21.9%	28.6%	28.6%	16.9%	17.2%	29.1%	25.2%
20-29	62.3%	62.3%	59.6%	59.6%	51.9%	51.9%	49.9%	55.6%	56.4%	59.6%
30-39	10.5%	10.5%	12.6%	12.6%	13.0%	13.0%	6.4%	11.1%	7.4%	9.6%
40-49	3.7%	3.7%	4.1%	4.1%	4.3%	4.3%	2.8%	3.7%	2.2%	3.2%
50-59	2.2%	2.2%	1.4%	1.4%	1.8%	1.8%	0.7%	1.3%	3.3%	1.3%
60+	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.0%	0.4%	0.1%	0.2%
Total hires women vs men	<b>42.2%</b>	<b>42.2%</b>	<b>42.6%</b>	<b>57.4%</b>	<b>42.8%</b>	<b>57.2%</b>	<b>33.0%</b>	<b>51.3%</b>	<b>41.1%</b>	<b>58.9%</b>
Total hires per year	<b>3475</b>		<b>4799</b>		<b>4802</b>		<b>4045</b>		<b>3955</b>	

GRI 401-3

Detalle	2015	2016	2017	2018	2019
Women	8	13	14	12	12
Men	17	18	22	26	43
Total leaves	25	31	36	38	55
Investment	¢ 1,657,741	¢ 1,526,866	¢ 2,923,668	¢ 2,818,074	¢ 3,977,371

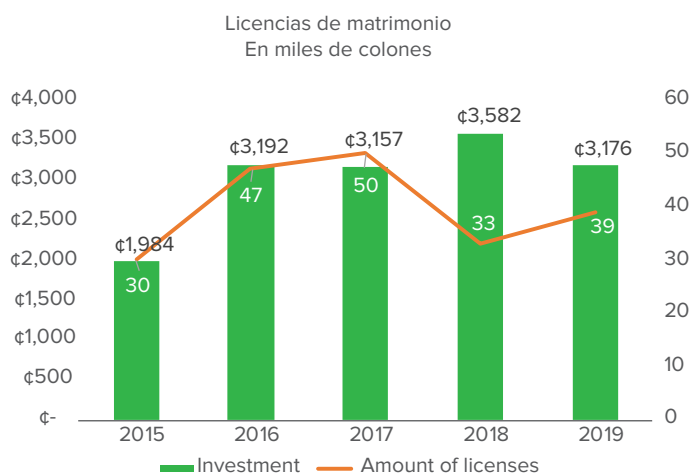
### Paid leave for Bereavement In thousands of colones (000')



### 3-day benefit leave for marriage

GRI 401-3

Detail	2015	2016	2017	2018	2019
Women	11	13	20	9	15
Men	19	34	30	24	24
Total leaves	30	47	50	33	39
Investment	¢ 1,983,702	¢ 3,191,509	¢ 3,156,965	¢ 3,581,965	¢ 3,175,508



GRI 401-3

#### Number of brigade members per site

Site	2015	2016	2017
Heredia-main building	9	10	4
Heredia-annex	6	7	9
San Pedro	6	5	3
Moravia	1	5	1
Hatillo	5	4	2
<b>Total</b>	<b>27</b>	<b>31</b>	<b>19</b>

#### Hours of training of brigade members per site

Site	2015	2016	2017
Heredia-main building	435	560	192
Heredia-annex	305	392	432
San Pedro	218	280	144
Moravia	218	280	48
Hatillo	174	224	96
<b>Total</b>	<b>1350</b>	<b>1736</b>	<b>912</b>



**SYKES<sup>®</sup>**  
**MANAGEMENT  
APPROACH**

GRI 103-1, GRI 103-2,  
GRI 103-3

## Management Approach

GRI 103-1, GRI 103-2, GRI 103-3

As established in SYKES Costa Rica's Social Responsibility Management System Manual, the material topics in the organization were identified by an initial review that included the following sources:

- GRI G4 Sustainability Reporting Standards.
- GRI 2016 Sustainability Reporting Standards.
- ISO 26000 international standard, including the seven key principles of social responsibility and the corresponding subjects.
- SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB).
- ROBECO SAM SUSTAINABILITY YEARBOOK 2017.
- GRI Sustainability Topics for Sectors.
- United Nations Global Compact
- Social Responsibility Reports of companies in the sector such as ATENTO, ATOS, Accenture and Convergys.
- Internal documentation: SYKES Costa Rica's Strategic Plan, Mission, Vision and SYKES' values.
- Stakeholder consultation.

This revision helped determined the relevant topics, described in page 21. Once identified, we evaluated each one with the criteria about impact and risk for the organization and relevance to stakeholders.



Question	Scale	Definition	Grade	Question weight
If we do not manage this topic, the economic risk to the business would be	Low	Low: the risk of monetary loss is <\$25,000	1	3
	Medium	Medium: the risk of monetary loss is more than \$25,000 and less than \$50,000	2	
	High	High: the risk of monetary loss is more than \$50,000	3	
Are there any legal requirements?	Yes	There is a document, contract or regulation to manage the topic	1	3
	No	There is no document, contract or regulation to manage the topic	0	
The stakeholders with whom the sector is related have shown concern about this issue	Little	Little: Only one or two stakeholders show concern	1	1
	Medium	Medium: Some stakeholders show concern	2	
	Much	Much: Most stakeholders show concern	3	
Not managing this topic could negatively affect the image and reputation of the sector	Little	Little: only local (community) scope	1	2
	Medium	Medium: cantonal and provincial scope	2	
	Much	Much: national scope	3	
Not managing this topic could have a negative impact on society or the environment	Yes	Yes: the company must manage the material topic in order to avoid a negative impact	1	1
	No	No: if the company omits management of this material topic, no negative impact would occur	0	
The scope of the impact of this topic is:	Low	Low: Affects only one stakeholder	1	2
	Medium	Medium: Affects several stakeholders	2	
	High	High: National scope	3	
The probability that this topic will have a negative impact is:	Low	Low: The impact happens under exceptional circumstances, there are not known precedents	1	2
	Medium	Medium: Has occurred sometimes but not does not happen regularly	2	
	High	High: The impact occurs repeatedly as a direct consequence of our operations.	3	
If we do not manage this topic, the severity of this impact would be:	Low	Low: It's reversible immediately when the activity stops.	1	2
	Medium	Medium: It's reversible in the medium term by executing an action plan.	2	
	High	High: Causes irreversible damage to society or the environment	3	
Our detection capacity of this impact is:	Low	Low: Minimal knowledge of the impact and no mechanisms to detect or monitor.	3	1
	Medium	Medium: We have knowledge of the impact and have detection mechanisms, but there is no periodic monitoring.	2	
	High	High: It is a known impact. We have formal detection mechanisms and periodic monitoring.	1	

## Explicación del motivo por el que el tema es material

Materiality		Explanation of why the topic is material										
Dimension	Material Topic	Economic Risk	Legal requirement	Stakeholders	Risk for Image and Reputation	Negative impact	Impact scope	Impact probability	Impact severity	Detection capability	Relevance to business	Relevance to stakeholders
Environmental	Waste management	Low	Yes	Little	Much	Yes	Medium	High	Low	Medium	70.59%	88.52%
	Wastewater treatment	Low	Yes	Little	Little	Yes	Medium	High	Low	Medium	62.75%	92.41%
	Emission control	High	Yes	Little	Little	Yes	High	High	High	High	84.31%	79.85%
	Water consumption	Medium	No	Little	Little	Yes	Medium	High	Medium	High	52.94%	92.63%
	Energy consumption	High	No	Medium	Little	Yes	High	High	Low	High	60.78%	94.16%
	Paper consumption	Low	No	Medium	Little	Yes	Low	High	Low	Medium	43.14%	86.97%
	Fossil fuel consumption	Low	No	Little	Little	Yes	Medium	Low	Low	High	35.29%	80.52%
Climate change action	Low	No	Little	Little	No						22.22%	84.54%
Economic	Anti-corruption and ethics	High	Yes	Much	Much	Yes	Medium	Medium	Medium	High	84.31%	88.60%
	Value chain sustainability	Low	No	Medium	Medium	Yes	Medium	Medium	Medium	Medium	50.98%	84.72%
	Fair marketing prices	High	Yes	Medium	Much	Yes	Medium	Medium	Medium	Medium	84.31%	93.62%
	Technical knowledge and customer service	High	Yes	Much	Much	Yes	Medium	Medium	Medium	Medium	86.27%	91.00%
	Data protection	High	Yes	Much	Much	Yes	Medium	Medium	Medium	High	84.31%	93.29%
	Competitiveness and innovation	High	No	Much	Medium	Yes	Medium	Medium	Medium	Medium	64.71%	78.79%
Social	Human rights	Medium	Yes	Much	Much	Yes	Medium	Medium	Medium	Medium	80.39%	79.50%
	Working conditions	High	Yes	Much	Much	Yes	Medium	High	Medium	High	88.24%	87.29%
	Occupational safety and security	High	Yes	Much	Much	Yes	Medium	High	Medium	High	88.24%	81.97%
	Talent development	High	No	Much	Medium	Yes	Medium	Medium	Medium	High	62.75%	79.40%
	Community and social investment	Low	No	Medium	Much	Yes	Medium	Low	Medium	Medium	50.98%	74.23%
	Job generation	High	No	Much	Much	Yes	Medium	Low	Medium	High	62.75%	92.09%
	Wealth and income generation	Low	No	Medium	Medium	Yes	Medium	Low	Medium	Low	49.02%	80.11%
Talent attraction and retention	High	Yes	Much	Much	Yes	Medium	High	Medium	High	88.24%	84.27%	

## Cobertura del tema material y el enfoque de gestión y sus componentes

Materiality		The Boundary for the material topic, which includes a description of:			The approach to management and its components	
Dimension	Material Topic	Where is the impact produced	The organization's implication in the impact	Any particular limitation regarding coverage of the topic	Goals and Objectives	Areas responsible for the commitment and resources they have
Environmental	Waste management	In the five sites of SYKES Costa Rica, where we have operations, all people, activities, operation and support areas, according to the current environmental declaration. See: <a href="http://sykescostarica.com/sustainability">sykescostarica.com/sustainability</a>	Caused - Internal / External	Awareness and culture of our stakeholders about recycling and waste collection and separation	Reduce 4% of waste per hour worked in 2020 vs 2019. Reduce 20% of single-use plastic in the cafeteria (in colones) by the end of 2020.	The Environmental Committee is in charge of all the environmental issues at SYKES. It is led by the Administration Director and composed by one or more representatives of these areas: Maintenance, Cafeteria, Finance, Social Responsibility, Site Coordination, Purchasing and Security.
	Wastewater treatment		Caused - Internal Related - External	Internal: equipment for control and treatment of wastewater. External: some of our building's landlords are in charge of the final treatment of wastewater.	Grease traps implemented in all our sites to reduce the negative impact of wastewater.	
	Emission control		Caused - Internal / External	Changes in the proposed indicators for the management of the defined scope, pages 99-101	Keep the carbon neutral certification. Reduce 10% in comparison to base year without affecting the emission factor in 2020.	
	Water consumption		Caused - Internal	Follow up and control of the indicators	Achieve \$50,000 in savings in electricity and water in 2020 vs 2019. Reduce 5% of water consumption per hour worked in 2020 vs 2019. Reduce 60% of water consumption by 2021 in comparison to base year 2008.	
	Energy consumption		Caused - Internal	Follow up and control of the indicators	Reduce 3% in energy per hour worked in 2020 vs 2019. Achieve \$50,000 in savings in electricity and water in 2020 vs 2019. Get the ISO 50001 energy management system certification in 2019. Generate 9% of the energy requirement of all sites through our solar plant by 2021. Reduce 35% of energy consumption by 2021, in comparison to base year 2008.	
	Material consumption		Caused - Internal	Follow up and control of the indicators	90% eco friendly supplies by 2021. Reduce 75% of paper consumption by 2021, in comparison to 2008 base year. +83% of eco friendly purchases in colones in 2020.	
	Fossil fuel consumption		Caused - Internal	Follow up and control of the indicators	Reduce consumption of LP gas by 1% in 2020 vs 2019. Reduce gas and diesel consumption by 1% in 2020 vs 2019. Reduce LP gas consumption by 20% by 2021 in comparison to base year 2008	
	Climate change action		Caused - Internal / External	Internal: results of our environmental management, budget External: generated impacts that could not be compensated or eliminated	Install 100% of the BMS modules in all sites by the end of 2020.	



Materiality		The Boundary for the material topic, which includes a description of:			The approach to management and its components	
Dimension	Material Topic	Where is the impact produced	The organization's implication in the impact	Any particular limitation regarding coverage of the topic	Goals and Objectives	Areas responsible for the commitment and resources they have
Economic	Anti-corruption and Ethics	All of our stakeholders are involved in this material topic.	Contributed - Internal Related - External	Internal: if any of our employees violates our Standards of Conduct. External: if any of our strategic partners causes an event and indirectly impacts us	Communication and training of the Code of Conduct to 100% of new hires. Keep the free zone benefit in the country. Compliance with all labor topics, especially the CCSS.	Senior Management, Agent Training, Commercial
	Value chain sustainability	Clients Suppliers Employees	Contributed - Internal	Assessment of our value chain's sustainability performance and their impacts.	Evaluate 10% of active suppliers in 2020. Implement the purchasing analysis (based on the three dimensions, not just commercial/financial) to 100% of purchase orders in 2020.	Purchasing and Social Responsibility
	Fair marketing prices	Employees Media Competitors	Contributed - Internal Related - External	Internal: use of the SYKES brand and trend follow up External: people's and organization's perception of the brand	Candidate applications through social media campaigns >=96%	Communications, Recruitment
	Technical knowledge and customer service	Employees Clients	Caused - Internal	Quality of the service offered to our customers through our employees	Increase revenue in \$157M by 2022 through the existing service portfolio. Increase the net profit percentage from 22 to 24% by 2022. Improve customer satisfaction from 89% to 90% or more by 2022.	Operations Directors, Vice-president of Operations in Costa Rica, all direct and indirect agents in the company, Quality and Productivity, Finance.
	Data protection	Employees Clients	Caused - Internal	Risk management for data protection and fraud mitigation.	Make at least one internal audit in all our accounts. Zero data protection incidents in the year. Implement 100% of the Security Model tools.	Risk and Security, Operation Directors.
	Competitiveness and innovation	Employees Clients	Caused - Internal	Training of our employees	Promote Innovation, Research & Development by deploying a Center of Excellence (CoE) 1 mapped project per business unit 6 projects deployed in 2020	Quality and Productivity

Materiality		The Boundary for the material topic, which includes a description of:			The approach to management and its components	
Dimension	Material Topic	Where is the impact produced	The organization's implication in the impact	Any particular limitation regarding coverage of the topic	Goals and Objectives	Areas responsible for the commitment and resources they have
Social	Human rights	Employees Suppliers Clients	Caused - Internal Related - External	Internal: no obstacles or limitations were identified External: traceability in our value chain, especially suppliers.	Zero cases of discrimination, harassment, or human rights violations against our employees or stakeholders.	Human Capital and Communications
	Working conditions	Employees Suppliers	Caused - Internal	Limited budget to meet all of our employee's needs	Compensation and salary ratio, SYKES vs market >=90%	Human Capital and Communications
	Occupational safety and security	Employees Suppliers	Caused - Internal	Compliance of all internal regulations by our employees.	Get the ISO 45001 occupational health and safety management system certification in 2020.	Administration
	Talent development	Employees	Caused - Internal	Limited budget to meet all of our employee's needs	>=85% graduation rate in customer service agents and sales trainings in 2020.	Human Capital and Communications
	Community and social investment	Community Employees Clients Media Government	Caused - Internal Contributed - External	Internal: limited budget and quantifying the long term impact of our initiatives. External: 2018 strike and political stability	30% participation of our employees in corporate volunteering. Compliance with the Ministry of Education work plan. Donations and sponsorships related to our focus: English improvement, technology and education development.	Social Responsibility, Corporate Affairs and all employees in the company.
	Job generation	Community Employees	Caused - Internal	Limited budget to reach more people with low English levels and low technical skills.	Achieve 40% of female participation in technical accounts by 2021. 30% of annual hiring must come from SYKES Academy in 2019. Success or graduation rate in SYKES Academy of >=80%. At least 500 students in Tech Academy per quarter in 2020.	SYKES Academy, Tech Academy, Human Capital and Communications, Corporate Affairs and Social Responsibility
	Wealth and income generation	Employees	Caused - Internal	Cost of some of the products and services offered by national suppliers.	More than 90% of purchases (in € and \$) must be local in 2020.	Purchasing, Finance and Accounting.
Talent attraction and retention	Employees Competitors	Caused - Internal Related - External	Internal: our business' sustainability: the more difficult it is to find the appropriate candidate's profile and the higher turnover is, the harder it is for us to grow and be profitable. External: aggressive competition in the job market for candidates of the same profile	Compliance of >=96% of required hiring. Hiring cost of each candidate equal to or less than \$417. Turnover rate in the first 30 days of a new hire of 11% or less. Turnover rate in the first 60 days of a new hire of 11% or less. Turnover rate in the first 90 days of a new hire of 22% or less.	Human Capital and Communications	

Note:

1. Stakeholder engagement and their identification of material topics is on pages 13 to 17, and the mapping of material topics in our value chain on page 30-31
2. The 2019 results are shown throughout the report, which is divided by dimension and material topic.
3. For all material topics we have policies, procedures and manuals, which are available in our tool SYKESPEDIA, accesible to all our employees. If any external stakeholder is interested, we can send them through any of the mechanisms specified below.
4. The formal grievance and/or complaint mechanisms for any material topic are the following:

### Internal

- Email: [ComprometeRSE@sykes.com](mailto:ComprometeRSE@sykes.com)
- Employee Services Office
- Ask Alejandro

### External

- Social media: @sykescostarica
- Email: [ComprometeRSE@sykes.com](mailto:ComprometeRSE@sykes.com)
- Any reception of our 5 sites
- Telephone: 800 SYKES CR
- Webpage: [sykescostarica.com](http://sykescostarica.com)

## Certificaciones



## Relacionamiento con Partes Interesas

GRI 102-21, GRI 102-43, GRI 102-44

Stakeholders	How do we listen?	What have they told us?	What do we do about it?
<b>Clients</b>	<ul style="list-style-type: none"> <li>Voice of the customer (VOC)</li> <li>Daily or weekly monitoring</li> <li>Monthly reviews</li> <li>Quarterly reviews</li> </ul>	<ul style="list-style-type: none"> <li>Nuestros clientes buscan servicio de clase mundial con los mayores estándares de calidad y compromiso a sus marcas.</li> </ul>	<ul style="list-style-type: none"> <li>We work under a culture of innovation and continuous improvement; we promote active participation in all levels of the organization in the identification of areas of improvement and innovative solutions.</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Donations and sponsorships</li> <li>Internal campaigns and in the community</li> <li>Meetings with associations and community committees</li> </ul>	<ul style="list-style-type: none"> <li>Our community asks us to share our English and technical development programs with the citizens where we operate, as well as grant donations, sponsorship and support to community schools.</li> </ul>	<ul style="list-style-type: none"> <li>We support the community schools with the “Bandera Azul” program.</li> <li>We participate in the meetings of the municipalities to support plans in the community.</li> <li>We support monetary and non-monetary projects of the community, especially in Hatillo and Moravia.</li> </ul>
<b>Internal Public</b>	<ul style="list-style-type: none"> <li>Open door policy</li> <li>Weekly sessions 1-1</li> <li>Global satisfaction survey</li> <li>Employee service offices</li> <li>Ask our VP</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>Our employees seek to grow and develop in a positive environment. They value having their friends at work and they care about their contribution to society and the environment.</li> </ul>	<ul style="list-style-type: none"> <li>We promote participation in activities of social impact and provide them with options for a balanced and healthy life.</li> <li>As talent trainers we offer possibilities to improve language skills and techniques for growth within the organization.</li> <li>We promote our referral program as the first candidate contributor.</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Email</li> <li>Events</li> <li>Telephone</li> </ul>	<ul style="list-style-type: none"> <li>The media tell us that we must position the brand more according to environmental and social practices for the sustainability of the industry.</li> </ul>	<ul style="list-style-type: none"> <li>We seek to share content in mass media, social networks and other media on the generation of employment and good business practices</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Bidding processes</li> <li>Visits and product offers</li> <li>Supplier registration process</li> </ul>	<ul style="list-style-type: none"> <li>Our suppliers recognize us as fair allies in the payment system, strict in our registration processes</li> </ul>	<ul style="list-style-type: none"> <li>We have generated forms and instructions to clarify the regulations. We schedule visits to evaluate their practices, we follow up and recommend them.</li> </ul>
<b>Government and regulatory entities</b>	<ul style="list-style-type: none"> <li>Periodic meetings</li> <li>Chambers and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>We share with the government the vision of developing the services sector by forming the Costa Rican human talent, to improve the country's competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Agreements where we join efforts for the development of English education and the transfer of knowledge of technologies.</li> </ul>
<b>Competitors</b>	<ul style="list-style-type: none"> <li>Sector Chambers</li> <li>Face-to-face and virtual meetings</li> </ul>	<ul style="list-style-type: none"> <li>Our main challenge in the sector is sustainability in the development of language and promotion of high technologies in the population.</li> </ul>	<ul style="list-style-type: none"> <li>We lead some chambers, councils and business associations for the development of the sector; We share good practices for the sustainability of the sector to which we belong</li> </ul>
<b>Partners and allies</b>	<ul style="list-style-type: none"> <li>Sector Chambers</li> <li>Face-to-face and virtual meeting.</li> <li>Events</li> </ul>	<ul style="list-style-type: none"> <li>Contribute in the social development in English language and high technical development. Communicate best practices to other companies</li> </ul>	<ul style="list-style-type: none"> <li>We maintain and reinforce our commitment through strategic alliances with all our allies.</li> </ul>







**SYKES<sup>®</sup>**  
**GRI**  
**CONTENT**  
**INDEX**

GRI 102-55

GRI STANDARD 2016	STANDARD NUMBER	PAGE	COMMENT / OMISSION
	102-1 Name of the organization	6	
	102-2 Activities, brands, products, and services	6, 10 y 36	
	102-3 Location of headquarters	3 y 7	
	102-4 Location of operations	3	
	102-5 Ownership and legal form	6	
	102-6 Markets served	10 y 36-38	
	102-7 Scale of the organization	3	
	102-8 Information on employees and other workers	53-55	
	102-9 Supply chain	30-31 y 34-35	
	102-10 Significant changes to the organization and its supply chain	32-34 y 34-35	
	102-11 Precautionary Principle or approach		Internal policies approved by our directors, according to the commitments acquired by the organization and national laws.
	102-12 External initiatives	22-25	
	102-13 Membership of associations	22-25	
	102-14 Statement from senior decision-maker	4-5	
	102-15 Key impacts, risks, and opportunities	43-48	
	102-16 Values, principles, standards, and norms of behavior	40-41	
	102-17 Mechanisms for advice and concerns about ethics	26	
	102-18 Governance structure	11 y 12	
	102-19 Delegating authority	19-20	
	102-20 Executive-level responsibility for economic, environmental, and social topics	12	
	102-21 Consulting stakeholders on economic, environmental, and social topics	16-17 y 121	
	102-22 Composition of the highest governance body and its committees	12	
	102-23 Chair of the highest governance body	11-12	
	102-24 Nominating and selecting the highest governance body	11-12	
	102-25 Conflicts of interest	40-41	
	102-26 Role of highest governance body in setting purpose, values, and strategy	19-20	
	102-27 Collective knowledge of highest governance body	4-5	
	102-28 Evaluating the highest governance body's performance	19-20	
	102-29 Identifying and managing economic, environmental, and social impacts	18	
	102-30 Effectiveness of risk management processes	43-48	
	102-31 Review of economic, environmental, and social topics	18	
	102-32 Highest governance body's role in sustainability reporting		The social responsibility department hands over the final draft of the sustainability report to the Vice-president of Operations in SYKES Costa Rica in order to get final comments and approval prior to the report's publication.
	102-33 Communicating critical concerns	26	
	102-34 Nature and total number of critical concerns	26	
	102-35 Remuneration policies		Compensation and Benefits Policy, approved by the director of Human Capital and Communications. Last revision: September 13, 2019. Not commented on the report for confidentiality reasons, but if any stakeholder is interested, we are willing to share it.
GRI 102: General Disclosures	102-36 Process for determining remuneration		It is established in the Compensation and Benefits Policy. Internally we call them VCS (Variable Compensation Structure), HPP (High Performance Plan) and Others (for example, workload). They are approved by senior management and we hired PWC and HAY Group consultants.
	102-37 Stakeholders' involvement in remuneration		According to the Compensation and Benefits Policy, there is no stakeholder involvement.
	102-38 Annual total compensation ratio		2019: Ratio of total annual compensation of the highest paid person in SYKES Costa Rica: 30% of annual salary.  2019: Median of the total annual compensation of all employees (excluding the highest paid person) in SYKES Costa Rica: 4.9% of the annual salary.
	102-39 Percentage increase in annual total compensation ratio		Highest paid person: 2019 = 30% 2018 = 30% 2017 = 20% Therefore there was 0% growth between 2019 & 2018  Median all employees excluding the highest paid: 2019 = 4.9% 2018 = 7.85% 2017 = 3.03% Therefore there was 60% decreased.
	102-40 List of stakeholder groups	13-15	
	102-41 Collective bargaining agreements	69	Currently SYKES Costa Rica does not have a workers' union, but it does have an "asociacion solidarista"
	102-42 Identifying and selecting stakeholders	13-15	
	102-43 Approach to stakeholder engagement	16-17 y 121	
	102-44 Key topics and concerns raised	16-17 y 121	
	102-45 Entities included in the consolidated financial statements	2	
	102-46 Defining report content and topic Boundaries	2	
	102-47 List of material topics	18	
	102-48 Restatements of information	19-20	
	102-49 Changes in reporting	2	
	102-50 Reporting period	2	
	102-51 Date of most recent report	2	
	102-52 Reporting cycle	2	
	102-53 Contact point for questions regarding the report	2	
	102-54 Claims of reporting in accordance with the GRI Standards	2	
	102-55 GRI content index	122-125	
	102-56 External assurance		Currently we do not have the budget to hire an outside verifier. We summoned several independent experts in sustainability and reports to review the contents, though.



## ECONOMIC STANDARDS

GRI STANDARD 2016	STANDARD NUMBER	PAGE	COMMENT / OMISSION
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	27 y 116-121	
	103-2 The management approach and its components	27 y 116-121	
	103-3 Evaluation of the management approach	27 y 116-121	The economic goals are updated each week in management team meetings and each quarter they are thoroughly reviewed to find opportunities or problems
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	39 y 59	
	201-2 Financial implications and other risks and opportunities due to climate change	111-112	
	201-3 Defined benefit plan obligations and other retirement plans	39 y 59	
GRI 202: Market Presence	201-4 Financial assistance received from government	73	
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	60	
GRI 203: Indirect Economic Impacts	202-2 Proportion of senior management hired from the local community	60	
	203-1 Infrastructure investments and services supported	91-92	
GRI 204: Procurement Practices	203-2 Significant indirect economic impacts	91-92	
	204-1 Proportion of spending on local suppliers	89	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	40-41	
	205-2 Communication and training about anti-corruption policies and procedures	40-41	
	205-3 Confirmed incidents of corruption and actions taken	40-41	
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There were no legal actions in this reporting period
GRI 207: Tax 2019	207-1 Approach to tax	89-90	
	207-2 Tax governance, control, and risk management	89-90	
	207-3 Stakeholder engagement and management of concerns related to tax	89-90	
	207-4 Country-by-country reporting	89-90	

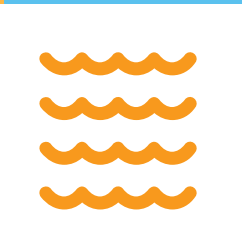
## ENVIRONMENTAL STANDARDS

GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	93 y	
	103-2 The management approach and its components	93 y 116-121	
	103-3 Evaluation of the management approach	93 y 116-121	Environmental goals are updated each week in management team meetings and each quarter they are thoroughly reviewed to find opportunities or problems
GRI 301: Materials	301-1 Materials used by weight or volume	96	
	301-2 Recycled input materials used	97	
	301-3 Reclaimed products and their packaging materials	97	SYKES does not have any packaging processes
GRI 302: Energy	302-1 Energy consumption within the organization	98	
	302-2 Energy consumption outside of the organization	98	
	302-3 Energy intensity	99	
	302-4 Reduction of energy consumption	99	
	302-5 Reductions in energy requirements of products and services	-	No cases were reported in this period
GRI 303: Water	303-1 Water withdrawal by source	102-104	
	303-2 Water sources significantly affected by withdrawal of water	102-104	
	303-3 Water recycled and reused	102-104	
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		SYKES does not own, rent or manage any operation centers located next or in protected areas or in high diversity areas outside of protected areas
	304-2 Significant impacts of activities, products, and services on biodiversity		SYKES does not report any significant impact in 2019
	304-3 Habitats protected or restored	Omission	Omission: not applicable, SYKES does not have a direct impact on protected or restored habitats
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omission	Omission: not applicable, SYKES does not have operations in the habit of species of the IUCN Red List
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	106-109	
	305-2 Energy indirect (Scope 2) GHG emissions	106-109	
	305-3 Other indirect (Scope 3) GHG emissions	106-109	
	305-4 GHG emissions intensity	106-109	
	305-5 Reduction of GHG emissions	106-109	
	305-6 Emissions of ozone-depleting substances (ODS)		SYKES did not have emissions of this kind
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		SYKES did not have emissions of this kind
GRI 306: Effluents and Waste	306-1 Water discharge by quality and destination	104-105	
	306-2 Waste by type and disposal method	110	
	306-3 Significant spills		SYKES did not have any significant spills
	306-4 Transport of hazardous waste		SYKES did not transport any hazardous waste
	306-5 Water bodies affected by water discharges and/or runoff		SYKES did not affect any water body by discharge or runoff
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations		SYKES did not have any non-compliance with environmental laws and regulations
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	34-35	
	308-2 Negative environmental impacts in the supply chain and actions taken	34-35	

SOCIAL STANDARDS

GRI STANDARD 2016	STANDARD NUMBER	PAGE	COMMENT / OMISSION
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	51 y 116-121	
	103-2 The management approach and its components	51 y 116-121	
	103-3 Evaluation of the management approach	51 y 116-121	Social goals are updated each week in management team meetings and each quarter they are thoroughly reviewed to find opportunities or problems
GRI 401: Employment	401-1 New employee hires and employee turnover	57 y 58	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60-64	
	401-3 Parental leave	64	
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes		Company policies establish a 4 week minimum
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	65	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	66	
	403-3 Workers with high incidence or high risk of diseases related to their occupation		None of the job descriptions of our workers have a high incidence or risk of disease according to accident and claim rates.
	403-4 Health and safety topics covered in formal agreements with trade unions	66-68	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	80-83	
	404-2 Programs for upgrading employee skills and transition assistance programs	80-83	
	404-3 Percentage of employees receiving regular performance and career development reviews	83-85	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	56	
	405-2 Ratio of basic salary and remuneration of women to men	60	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	68-69	There were no discrimination incidents in this period
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	69	
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	34-35	No cases of child labor were recorded in operations or suppliers
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	34-35	No cases of forced labor were recorded in operations or suppliers
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures		100% of security personnel trained in human rights policies or procedures
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples		No cases of human rights violations involving indigenous people were recorded
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments		No site has been subject of human rights reviews
	412-2 Employee training on human rights policies or procedures	68-69	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		No contracts or investment agreements were reported on this period
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	86-88	
	413-2 Operations with significant actual and potential negative impacts on local communities	86-88	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	34-35	
	414-2 Negative social impacts in the supply chain and actions taken	34-35	
GRI 415: Public Policy	415-1 Political contributions		There was no support to political parties or representatives on this period
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There were no cases of non-compliance on these subjects on the reporting period
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Omission	Omission: not applicable, SYKES does not have packaging processes
	417-2 Incidents of non-compliance concerning product and service information and labeling	Omission	Omission: not applicable, SYKES does not have packaging processes
	417-3 Incidents of non-compliance concerning marketing communications	Omission	Omission: not applicable, SYKES does not have packaging processes
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	40-41	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area		No penalty for non-compliance in 2019





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