



EPAM Systems (Nordic) AB

Non-financial Report 2025



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Glossary of abbreviations, terms and definitions used

Term / Abbreviation	Definition
AAA	Swedish Annual Accounts Act (Årsredovisningslag 1995:1554, as amended)
AI	Artificial Intelligence
BCP	Business Continuity Plan; procedures designed to maintain operations during disruptions
CEO	Chief Executive Officer
COSO	Committee of Sponsoring Organizations of the Treadway Commission; developer of the Internal Control – Integrated Framework
CSAT	Client Satisfaction program used to measure client experience and satisfaction
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive of the European Union
DMA	Double Materiality Assessment; assessment of both business impacts and sustainability impacts
EcoVadis	Third-party sustainability assessment platform used for supplier evaluations
EHS	Environment, Health & Safety
Emissions Digital Platform	EPAM platform used to collect, manage, and monitor greenhouse gas emissions data
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse Gas
GHG Protocol	Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
ISO	International Organization for Standardization
NFRD	Non-Financial Reporting Directive (Directive 2014/95/EU)
Net Promoter Score (NPS)	Metric used to assess client loyalty and likelihood to recommend services
QBR	Quarterly Business Review; structured review process with clients
R&D	Research and Development
Scope 1 emissions	Direct greenhouse gas emissions from sources owned or controlled by the organization
Scope 2 emissions	Indirect greenhouse gas emissions from purchased electricity, heating, or cooling
Scope 3 emissions	Other indirect greenhouse gas emissions occurring throughout the value chain
SDGs	United Nations Sustainable Development Goals
SBTi	Science Based Targets initiative
SOC 1, SOC 2, SOC 3	Independent assurance reports evaluating controls related to financial reporting, security, availability, confidentiality, privacy, and processing integrity
TCO _{2e}	Tonnes of carbon dioxide equivalent; standard unit for measuring greenhouse gas emissions
UNGC	United Nations Global Compact
Women in Tech	Initiatives supporting participation, development, and advancement of women in technology-related careers

References

Årsredovisningslag (1995:1554), Annual Accounts Act (ENG)

1. INTRODUCTION

1.1 About the report

This Non-Financial Information Report ("NFIR") has been prepared by EPAM Systems (Nordic) AB ("EPAM Sweden") – a subsidiary of EPAM Systems, Inc. ("EPAM Group" or "the Company") – for the financial year ending 31 December 2025.

The report complies with **Chapter 6, Sections 10–16 and Chapter 7** of the Swedish Annual Accounts Act (Årsredovisningslag 1995:1554, as amended by Act 2024:347) ("AAA").

It is prepared as a separate report under Article 19a(4) of Directive 2013/34/EU (as amended by the NFRD) and Chapter 6, Section 10 of the AAA.

1.1.1 Swedish Årsredovisningslagen (AAA) Applicability Analysis

The AAA contains non-financial reporting obligations under:

- Section 10 (Ch. 6, §10) – Sustainability Report
- Section 16 (Ch. 6, §16) – Large Undertaking Threshold.

Criterion	AAA Thresholds
Average number of employees	More than 250 in each of the last two financial years
Balance sheet total exceeds	SEK 280 million for each of the last two financial years
Net turnover exceeds	SEK 550 million for each of the last two financial years

EPAM Sweden exceeds two thresholds in two consecutive financial years.

1.1.2 Reporting Period

This report covers 1 January 2025 to 31 December 2025 (the "reporting period").

1.1.3 Frameworks referenced

In preparing this report, the following international standards, frameworks, and initiatives were considered:

- **UN Global Compact (UNGC):** Through its Code of Ethical Conduct, Corporate Social Responsibility Policy, and Modern Slavery Statement, EPAM commits to human rights, labor standards, ethical business practices, fair working conditions, and prevention of forced and child labor.
- **UN Sustainable Development Goals (SDGs):** EPAM's ESG initiatives support SDGs 3, 4, 5, 8, 9, 10, 11, 13, and 17, integrating ESG considerations into its business strategy and operations.
- **Science Based Targets initiative (SBTi):** EPAM has SBTi-validated greenhouse gas emissions reduction targets and annually measures and reports Scope 1, Scope 2, and Scope 3 emissions under the GHG Protocol, with third-party verification.
- **ISO certifications:** EPAM Sweden holds ISO 9001:2015 and ISO 14001:2015 certifications covering software development and related services.

1.2 Value Chain

EPAM's value chain encompasses the full lifecycle of delivering digital solutions, from concept to ongoing support. Key stages of our value chain are described below.

- **Upstream:** Key inputs include human capital, intellectual property, and IT infrastructure. Suppliers are expected to comply with the Supplier Code of Conduct covering labor rights, health and safety, environmental responsibility, and ethics.
- **Core operations:** EPAM designs, builds, and delivers solutions using established management frameworks and global standards. Internal R&D and Centers of Excellence develop innovations, including AI and reusable components.
- **Downstream:** EPAM provides ongoing client support and co-development, while helping clients reduce environmental impacts through digitization, Sustainability by Design principles, and ESG consulting services.
- **Stakeholder engagement:** EPAM engages employees, communities, investors, and regulators through an inclusive workplace, CSR initiatives, and ESG disclosures to support sustainability, trust, and talent retention.

1.3 Materiality Analysis

EPAM conducted a Double Materiality Assessment (DMA) aligned with CSRD and ESRS. Internal and external stakeholders, including employees, customers, and suppliers, assessed topics based on financial and impact materiality criteria.

Material topics identified:

- Climate change
- Own workforce
- Consumers and end-users
- Business conduct (including technologies, IT trends, and Responsible AI)

Climate change was included to maintain consistency with EPAM's sustainability commitments despite its lower materiality for EPAM Sweden.

The following ESRS topics and sub-topics were omitted due to low applicability to EPAM's business: pollution, water and marine resources, biodiversity and ecosystems, resource inflows and outflows, affected communities, personal safety of consumers/end-users, animal welfare, and political engagement and lobbying.

2. BUSINESS MODEL

2.1 EPAM Overview

EPAM is a leading global provider of digital engineering, cloud, and AI-enabled transformation services, as well as a business and experience consulting partner for enterprises and startups. Founded in 1993 in Princeton, New Jersey, and headquartered in Newtown, Pennsylvania, EPAM has been listed on the New York Stock Exchange since 2012.

EPAM is a global technology services organization operating across 55+ countries and regions. As of 31 December 2025, it employed more than 62,000 professionals, including 56,600+ delivery professionals.

As part of the EPAM Group, EPAM Sweden focuses on client engagement, business development, and advisory services in the Nordic region. It serves as a local interface to global clients, coordinating with EPAM's international delivery organization to provide end-to-end technology solutions, including cloud, data, and AI-driven services.

2.2 Brief description of EPAM business model

EPAM is a global leader in AI transformation engineering and integrated consulting, serving Forbes Global 2000 companies and ambitious startups. With over thirty years of expertise in

custom software, product and platform engineering, EPAM empowers organizations to become AI-Native enterprises, driving measurable value from innovation and digital investments. Recognized by industry benchmarks and leading analysts as a leader in AI, EPAM delivers globally while engaging locally, making the future real for clients, partners, and employees.

EPAM is proud to be recognized by Forbes, Glassdoor, Newsweek, Time Magazine, Great Place to Work and kununu as a Most Loved Workplace around the world.

Through industry specialization and strategic partnerships, EPAM delivers end-to-end technology transformation services using agile methodologies, established collaboration frameworks, engineering excellence tools, hybrid teams, and its proprietary global delivery platform.

Clients rely on EPAM to solve complex technical challenges through expertise in engineering, advanced technologies, digital design, and intelligent enterprise development. The Company combines its software engineering heritage with business and innovation consulting, design thinking, and physical-digital capabilities to deliver end-to-end digital transformation services and build long-term client partnerships.

EPAM's global delivery model and centralized support functions enhance operational efficiency and scalability. Its applications, tools, methodologies, and infrastructure enable seamless delivery of services and solutions through global delivery centers, supported by teams of consultants, designers, architects, engineers, and trainers.

2.3 Core products and services, main customer segments

EPAM's service offerings continuously evolve to provide more customized and integrated solutions to clients. The Company combines software engineering with customer experience design, business consulting, strategy, and technology innovation services in areas such as cloud platforms, cybersecurity, and artificial intelligence. EPAM's strategy is increasingly focused on delivering end-to-end AI-native transformations, requiring deep expertise across the following service lines:

- Engineering
- Cloud
- Data
- Analytics and Artificial Intelligence
- Customer Experience
- Marketing
- Cybersecurity
- Industry Expertise

Strong industry-specific knowledge, combined with extensive experience integrating technology into clients' business processes, enables EPAM to deliver tailored solutions across multiple industry verticals. The Company serves clients in five primary industry verticals, as well as a number of emerging sectors where it continues to expand its presence:

- Financial Services
- Consumer Goods, Retail and Travel
- Software and Hi-Tech
- Business Information and Media
- Life Sciences and Healthcare
- Emerging Verticals, include clients in multiple industries such as automotive, energy, industrial materials, manufacturing, telecommunications and several others

In the Nordic region, EPAM Sweden applies these global capabilities with a strong specialization in the energy sector, which accounts for the largest share of local revenue. The Company also

maintains a significant presence in the automotive manufacturing, telecommunications, and life sciences & healthcare sectors, delivering critical digital solutions to clients.

2.4 Key markets and regions

EPAM operates a globally integrated delivery model, with client-facing commercial operations concentrated in North America and Europe, supported by a diversified global delivery network.

EPAM Sweden's key markets encompass Sweden, Denmark, and Norway.

3. ENVIRONMENTAL MATTERS

3.1 Environmental Policy

EPAM, a technology services and consulting organization, considers responsible environmental management an integral part of its operations and continually seeks to improve its environmental performance. At the Group level, the Environmental and Health & Safety (EHS), Corporate Social Responsibility (CSR), and Sustainable Procurement policies establish the framework for environmental management across the Company and its subsidiaries.

These policies include commitments to promote energy efficiency, implement sustainability and carbon reduction measures, mitigate environmental risks, comply with applicable laws, engage and train employees, collaborate with clients on sustainability initiatives, responsibly manage end-of-life electronics, and continuously improve environmental management systems.

EPAM's environmental risk management approach is aligned with ISO 14001 requirements. The most significant (though not yet critical) environmental aspects identified are electricity consumption, water consumption, electronic waste, and domestic waste.

3.2 Climate-related impacts, risks and opportunities

EPAM operates through remote, home-based, and hybrid working arrangements and manages more than 100 offices worldwide. Most offices are rented or leased and have a limited environmental impact. The environmental footprint of EPAM Sweden arises primarily from:

- electricity consumption in office facilities
- business travel by delivery and client-facing personnel
- employee commuting

As EPAM Sweden does not own its office facilities, it does not control building-level utility infrastructure, limiting the availability and granularity of certain environmental data.

Further details are provided below in this section of the report.

3.2.1 Risks to the Company from the environmental factors

Physical climate risk: EPAM Group identifies the increasing frequency and severity of extreme weather events, such as flooding, wildfires, and storms, as a potentially material risk. Such events may disrupt operations, cause utility outages, and affect service delivery, including the temporary or permanent loss of a delivery centre.

EPAM Sweden's offices are located in urban commercial premises. Based on their location, historical data, and projected short- and medium-term climate scenarios, the likelihood of such risks affecting the Company is considered low.

Transition and regulatory risk: EPAM Group identifies evolving ESG disclosure and climate-related requirements as a potential compliance risk that could increase operational costs or limit market access. EPAM Sweden monitors and complies with applicable sustainability reporting and environmental requirements, which is reflected in this report and its environmental disclosures.

Based on current monitoring and compliance activities, these risks are considered unlikely to materialize in the short and medium term.

Risk management: At the Group level, mitigation measures include Business Continuity Plans (BCPs) for global locations, remote working arrangements, geographical distribution of data centre partners, and monitoring of ESG regulatory developments by Legal and Compliance functions.

EPAM Sweden applies these Group measures locally and complements them with local facility management practices. Physical climate risks are managed through the Group’s BCPs, which include relocation strategies, backup sites, and communication protocols.

3.2.2 Risks arising from the Company's activities

EPAM Sweden’s activities generate:

- GHG emissions from office energy use and business travel, managed through EPAM’s SBTi-aligned emissions reduction program and tracked via the Emissions Digital Platform
- electronic waste from IT hardware refresh cycles, managed through appropriate disposal and recycling processes
- general office waste, managed through building-level waste collection systems

Business travel represents a material Scope 3 emission source inherent to the consulting business model. EPAM Sweden, as well as EPAM Group, promotes virtual meetings as an alternative to physical travel where operationally feasible.

3.3 Climate change

EPAM Group is committed to minimizing its environmental impact in the near, medium, and long term through structured emissions reduction targets and comprehensive monitoring programs.

EPAM Sweden carbon footprint for the fiscal year 2025 is presented below, structured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

As this is EPAM Sweden’s first reporting period, no comparative prior-year figures are available.

3.3.1 Scope 1: Direct Emissions

In 2025, Scope 1 GHG emissions amounted to zero tCO₂e.

3.3.2 Scope 2: Indirect Emissions from electricity consumption

In 2025, Scope 2 GHG emissions amounted to 0.39 tCO₂e (location-based) and zero tCO₂e (market-based).

3.3.3 Scope 3: Other indirect emissions

GHG emissions derived from different sources, tCO ₂ e	FY2025
Category 1 (Purchased Goods and Services)	9.44
Category 2 (Capital Goods)	3.96
Category 3 (Fuel- and energy-related activities)	0.20
Category 4 (Transportation and Distribution)	0.02
Category 5 (Waste)	0.00
Category 6 (Business Travel)	17.00
Category 7 (Employee Commuting)	4.26
Category 8 (Leased Assets)	0.00
Total Scope 3	34.88

Table 1. Other indirect emissions

As part of EPAM climate transition plan to reduce value chain emissions in line with the SBTi, EPAM is actively addressing our Scope 3 footprint. While in-person engagement remains vital to Company’s business delivery, they historically contribute to a high volume of Business Travel

emissions. To address this impact, EPAM is targeting a 25% absolute reduction in our Business Travel emissions by 2030 (against our 2023) by optimizing our travel practices.

3.4 Energy

Electricity is the principal source of energy consumed by EPAM Sweden offices. Total energy consumption for FY2025 was 15,037.5 kWh. Most of the electricity consumed by EPAM Sweden is sourced from renewable energy. EPAM Sweden does not use or report consumption of other energy sources, including natural gas, district heating, or fuel oil.

EPAM Sweden implements energy efficiency practices in its office facilities, including employee awareness programmes promoting responsible energy use. The hybrid working model contributes to reduced on-site energy.

3.5 Water

EPAM Group has identified water consumption as a common environmental aspect across its global operations through its environmental risk management procedures. Given the nature of its technology services activities and the absence of water-intensive processes, water consumption is not currently assessed as a material environmental impact.

EPAM Sweden operates from office premises that it does not own and does not control building-level water infrastructure. As a result, mains water consumption data is not available.

3.6 Resource (materials) use

EPAM's Environment and Health & Safety Policy and Corporate Social Responsibility Policy include commitments to the responsible reuse and recycling of end-of-life electronics, sustainable procurement of environmentally certified products, and waste classification across operations.

EPAM Sweden implements these commitments through waste classification initiatives, employee guidance on recycling, avoidance of single-use plastics, and procurement office consumables carrying ecolabels, including 100% recycled paper.

Given the nature of EPAM Sweden's operations, material consumption and waste generation are not considered material.

3.7 Pollution

EPAM Sweden's activities do not involve manufacturing processes, industrial combustion, or chemical handling. Consequently, direct air pollution from operations is assessed as non-material.

The Company promotes virtual meetings as an alternative to physical business travel where they are operationally feasible, contributing to reductions in transport-related emissions. EPAM's hybrid working model also reduces employee commuting frequency.

3.8 Biodiversity and ecosystems

Biodiversity and land use are assessed as non-material environmental topics for EPAM Sweden and EPAM Group, given the urban, office-based nature of operations.

3.9. Supply Chain Due Diligence

As part of its commitment to responsible and sustainable management, EPAM integrates environmental considerations throughout its supply chain due diligence process. This process is guided by four main elements: risk assessment, due diligence in supplier selection, contract structuring, and ongoing supervision.

During the initial risk assessment and due diligence phases, EPAM evaluates a supplier's environmental posture. This is achieved by obtaining information on a supplier's adherence to environmental standards (such as ISO), their knowledge of applicable environmental laws, and their internal controls for managing environmental impact.

A critical component of this process is ensuring compliance with the Supplier Code of Conduct. This code mandates that all suppliers recognize environmental responsibility as an integral part of their services. Specifically, suppliers must commit to:

- The responsible and efficient use of natural resources
- The reduction and elimination of unnecessary waste
- The adoption of practices to minimize adverse environmental effects, including the reduction of greenhouse gas emissions where applicable

Compliance with these environmental standards is embedded in the vendor onboarding process and is monitored through periodic sustainability assessments, which may be conducted using the EcoVadis platform or EPAM's internal ESG assessment framework.

Key supplier categories with potential environmental relevance for EPAM Sweden include IT hardware providers, office consumables suppliers, facility management services, and travel and logistics providers.

4. SOCIAL AND HUMAN RIGHTS MATTERS

EPAM Sweden has an average workforce of 36 employees during 2025 and a workforce at the end of 2025 of 39 employees. EPAM Sweden employees are based in Stockholm and Gothenburg and normally perform their work from these location's. With exception of two employees working remote only in Malmö.

4.1 Social and Human Rights Policies

The Group maintains a Code of Ethical Conduct applicable to all directors, officers, and employees. EPAM has also implemented a Supplier Code of Conduct requiring suppliers to respect human and labor rights, maintain safe working conditions, and comply with environmental requirements. The Company provides an anonymous and confidential EthicsLine platform accessible to employees and external parties without fear of retaliation.

EPAM Sweden applies the Group's Code of Ethical Conduct and Supplier Code of Conduct across its operations.

Employee consultation and reporting mechanisms include:

- people advisors
- manager escalation pathways
- the ServiceNow platform for incident reporting

Potential challenges related to social and human rights matters include attracting diverse talent in a competitive market, complying with evolving labor and human rights requirements, and maintaining workplace health, safety, and wellbeing standards across different operating locations.

These challenges are managed through due diligence processes, mandatory training, corporate regulations, anonymous reporting channels, supplier assessments using EcoVadis and internal ESG evaluations, and workplace health and safety management systems aligned with ISO standards.

4.2 Workforce Overview

The workforce comprises a senior team of experienced professionals with diverse skills, deep expertise, and strong business acumen, well-suited to the successful delivery EPAM projects and services.

The Company at the same time recognises that sustainable growth will require a balanced workforce structure. Accordingly, the Company is committed to increasing the representation of

women and early-career professionals in technology roles, and to building a clearly defined job seniority pyramid across all career levels.

This will be achieved through targeted recruitment, structured career development frameworks, and mentoring programmes designed to retain and advance underrepresented talent; and in line with the Company's broader ESG and delivery commitments.

EPAM Sweden recorded an average workforce of 36 employees during FY2025 and 39 employees at year-end, with an annual employee attrition rate of 5.4%. This figure comprised solely of two (2) involuntary exits due to redundancy. With no voluntary resignations during the same period, reflecting a stable and engaged workforce.

Distribution of the workforce by gender	FY2025
Men	32
Women	7
Total (No.)	39

Table 2. Staff as of 12/31/2025 by sex

Distribution of the workforce by age	FY2025
> 50 years	12
30 years - 50 years	27
< 30 years	-
Total (No.)	39

Table 3. Staff as of 12/31/2025 by age

Staff by professional category	FY2025
Senior managers	8
Higher degree	30
Administrative staff and others	1
Total (No.)	39

Table 4. Staff as of 12/31/2025 by seniority

Staff by contract modality	FY2025
Indefinite Full Time	38
Indefinite Part Time	1
Total (No.)	39

Table 5. Staff as of 12/31/2025 by contract type

4.3 Working conditions

EPAM is committed to respecting fundamental human rights at work as a participant in the United Nations Global Compact. The Group's Code of Ethical Conduct prohibits forced labor, child labor, discrimination, and unlawful physical abuse or harassment; requires compliance with local labor laws on minimum age and compensation; mandates provision of safe and healthy workplaces.

All employees at EPAM Sweden have access to:

- Private health care insurance
- Life Insurance (TGL), Occupational Injury Insurance (TFA), Medical Sickness Insurance
- Occupational Pension and advisory services
- Wellness benefit of SEK 2000 per year
- VDU/Computer Glasses Reimbursement
- In-house training and competence professional groups

4.4 Equal treatment and opportunities for all

EPAM's Code of Ethical Conduct and Anti-Harassment, Anti-Discrimination and Anti-Retaliation Policy prohibit discrimination based on protected characteristics including race, color, national origin, ethnicity, genetic information, sex, sexual orientation, gender identity or expression, age, religion, marital status, veteran/military status, citizenship, caste, political affiliation, union membership, medical condition, pregnancy, personal appearance, and physical or mental disability.

The Group has developed programs to identify, retain, mentor, and supply a pipeline of qualified candidates from all backgrounds at every level. Talent acquisition teams dedicate resources to identify and hire from underrepresented groups in engineering, IT, and business.

4.5 Equal pay for work of equal value

The Company remains committed to ensure employees are compensated fairly and without discrimination. This is done through:

- Annual salary reviews with gender pay equity as an explicit consideration
- Gender wage gap awareness embedded in the hiring- and promotion processes
- Dedicated pay gap review in preparation for the EU Pay Transparency Directive

Across comparable roles where both women and men are represented, we have not identified any unjustified or gender-based wage gaps. Any pay differences observed are assessed against objective factors such as role, responsibility, experience, performance, and market conditions.

4.6 Training and skills development

EPAM invests significant resources in employee training and development through a comprehensive learning ecosystem available to all employees. In FY2025, the Group completed 2.6 million learning hours through its learning and development programs.

Career development programs provide structured training paths that support the development of engineering skills, thought leadership, cultural contribution, and expertise in emerging technologies. Employees also have opportunities to obtain accreditations and certifications from leading software and cloud service providers.

Training offerings include:

- technical programs with mentoring support
- language courses
- soft skills training
- industry domain skills training
- leadership development programs
- e-learning through internal and external learning platforms
- mentor and trainer programs
- recognition programs for training and development achievements

The total number of training hours provided to the EPAM Sweden professionals in 2025 was 1,419 hours. Average training hours per employee: approximately 36,39 hours.

4.7 People with disabilities

EPAM's Code of Ethical Conduct prohibits discrimination based on physical or mental disability. The Group's Environment and Health and Safety Policy commits to providing reasonable accommodation to qualified individuals with disabilities. EPAM also dedicates resources to identifying, recognizing, and hiring talent from underrepresented groups.

EPAM Sweden did not employ any individuals with physical disabilities in 2025.

EPAM offices provide accessibility features for people with disabilities, including wheelchair-accessible routes, flat entrances and exits, elevators, wide doorways, designated parking spaces, visual alert systems for people with hearing impairments, and access ramps.

4.8 No violence and anti-harassment

Harassment, discrimination, and violence prevention are addressed through EPAM's Code of Ethical Conduct and Anti-Harassment, Anti-Discrimination and Anti-Retaliation Policy. The Group provides multiple reporting channels, including an anonymous and confidential telephone line and EthicsLine website, allowing employees and external parties to raise concerns without fear of retaliation.

All reports are reviewed and assessed by the Chief Compliance Officer's team, with appropriate responses provided where possible.

EPAM Sweden applies the Group's Code of Ethical Conduct and related policies across its operations.

4.9 Human rights

EPAM is committed to respecting the fundamental human rights of its employees and expects the same from suppliers, vendors, subcontractors, and other companies in its supply chain. The Company's Code of Ethical Conduct, Supplier Code of Conduct, and Corporate Social Responsibility Policy establish principles for respecting human rights across its operations and business relationships.

These commitments include prohibiting forced, bonded, involuntary prison, and child labor; preventing discrimination, harassment, retaliation, intimidation, threats of violence, and physical or mental harm; complying with applicable labor laws and minimum age requirements; providing compensation and benefits that meet or exceed legal requirements; ensuring appropriate time off; maintaining a safe and healthy workplace; and supporting employees' professional development.

4.10 Health & Safety, and wellbeing

EPAM invests in programs that support the physical, mental, and social well-being of employees, fostering a safe, welcoming, and productive workplace that promotes work-life balance and wellness. Health and safety programs are governed by the Group's Environment and Health and Safety Policy and are designed to support employees working remotely, from EPAM offices, or from client locations.

EPAM Sweden applies the Group's policy and maintains a health and safety management system. In the event of accidents, incidents, or occupational diseases, actions are taken in accordance with established procedures, including documentation, investigation, analysis of contributing factors, and implementation of preventive measures.

No health and safety incidents were recorded at EPAM Sweden in 2025.

The entire workforce reported a total of 20 days of sick leave during 2025, around 0,2% of available working hours. The company views this as a positive indicator of employee wellbeing, a healthy workplace culture, and effective preventive health initiatives across the business.

Employees with children reported a total of 304 days of extended parental leave (282d) and temporary care of child leave (22d).

The use of parental leave and care of child across genders is viewed as a positive indication that employees feel able to prioritise family responsibilities alongside their work commitments.

4.11 Suppliers

EPAM builds transparent and trusting relationships with its suppliers, requiring them to uphold fundamental human rights and labor standards. These expectations are formalized in the Supplier Code of Conduct, which is mandatory for all suppliers, their subcontractors, and affiliates.

In accordance with the Code, all suppliers must commit to upholding the human rights of workers and treating them with dignity. Key requirements in this area include:

- No Discrimination or Harassment
- Prohibition of Child and Forced Labor
- Safe and Healthy Working Conditions
- Freedom of Association and Representation
- Open Communication and Whistleblower Protection

Compliance with these social and legal standards is an integral part of the vendor onboarding process. EPAM reserves the right to assess suppliers, request compliance documentation, and conduct audits to verify adherence. Monitoring is carried out through periodic sustainability assessments using the EcoVadis platform or EPAM's internal ESG assessment framework.

4.12 Customers

Based on client requirements, EPAM maintains the following certifications and assurance reports: ISO 27001 (Information security), ISO 27701 (Privacy management), ISO 9001 (Quality management, maintained at EPAM Sweden), ISO 14001 (Environmental management, maintained at EPAM Sweden), and SOC 1, SOC 2, and SOC 3 reports for certain services.

The Company has made significant investments in people, processes, and technology to manage information security, confidentiality, privacy, and regulatory compliance.

Client satisfaction is measured through a global semi-annual Client Satisfaction (CSAT) program, which includes a Net Promoter Score and evaluates areas such as value, technical excellence, innovation, adaptability, communication, team quality, business impact, and industry knowledge. Results are reviewed by an executive steering committee and incorporated into business and delivery performance evaluations. In 2025, the Group collected feedback from a broad client base.

The Group also maintains a detractor resolution process to ensure timely follow-up and resolution of client concerns identified through the CSAT program.

EPAM Sweden applies the Group's client satisfaction and feedback management processes. Satisfaction is monitored through CSAT surveys, Quarterly Business Reviews (QBRs), ad-hoc client feedback, and complaint management.

Complaints may be reported through the Group's EthicsLine platform and are reviewed by the Regulatory Compliance function. At the project level, responsibility for complaint handling rests with the Account Manager.

4.13 Communities

EPAM is committed to making a positive impact in the communities where it operates through focused efforts in:

- Education and Digital Literacy
- Inclusive Culture and Community
- Environmental and Sustainable Practices
- Community Support and Disaster Response

EPAM Sweden applies the Group's community engagement principles, with a focus on:

- local hiring

- training and skills development
- career advancement opportunities
- Women in Tech initiatives

5. CORPORATE MATTERS

5.1 EPAM's Board of Directors

EPAM Systems, Inc. is governed by a Board of Directors that serves as the Company's ultimate decision-making and oversight body, responsible for overseeing management, financial reporting, and corporate governance.

The Board consists of 11 directors, 9 of whom are independent. Following a leadership transition effective September 1, 2025, Arkadiy Dobkin serves as Executive Chair and Balazs Fejes as President & CEO. The Board also appoints a Lead Independent Director to support Board independence and governance.

The Board operates through three committees composed exclusively of independent directors: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee, which also oversees ESG and sustainability matters.

EPAM Sweden operates under the supervision of its own Board of Directors. Most of EPAM Sweden Board members are also members of the EPAM Board of Directors, allowing seamless connection between corporate and local management levels.

5.2 Internal control management system

EPAM maintains a formal internal control management system designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

The system is based on the COSO Internal Control – Integrated Framework and includes financial reporting controls, disclosure controls and procedures, and an independent internal audit function. Together, these measures support accurate financial reporting, effective oversight, and compliance with reporting requirements.

The Audit Committee oversees the internal control framework, while management assesses its effectiveness annually. As of December 31, 2025, management concluded that EPAM's internal controls over financial reporting were effective. Additionally, the Company's independent auditor, Deloitte & Touche LLP, issued an unqualified opinion on the Company's internal controls over financial reporting.

For local reporting purposes in Sweden, EPAM prepares financial statements in accordance with applicable Swedish requirements, which are independently verified during the statutory audit conducted by Deloitte AB.

5.3 Risk management system

EPAM operates an Enterprise Risk Management (ERM) program with responsibilities shared between the Board, its committees, and management.

The Board of Directors has overall responsibility for risk oversight, including strategic and enterprise-wide risks. Supporting this oversight, the Audit Committee focuses on financial reporting, internal controls, financial risk management, and cybersecurity risks; the Compensation Committee oversees compensation-related and succession planning risks; and the Nominating and Corporate Governance Committee oversees governance, ethics, and sustainability-related risks.

Management is responsible for identifying, assessing, and mitigating risks across the enterprise, supported by internal audit, compliance, and legal functions. This risk management framework is applied across EPAM Group and serves as the basis for risk management activities within its subsidiaries, including EPAM Sweden.

5.4 Political influence and lobbying activities

EPAM maintains a restrictive approach to political contributions and lobbying, governed by its Anti-Corruption and Anti-Bribery Compliance Policy and Charitable Contributions Policy.

The Company prohibits contributions intended to obtain or retain business or secure any improper advantage. Contributions to political action committees, political candidates, political parties, and lobbying activities are prohibited under EPAM's policies.

5.5 Business ethics

EPAM's business ethics framework is anchored in its Code of Ethical Conduct, which applies to all directors, officers, and employees and is reviewed annually by the Board of Directors. Employees are required to acknowledge compliance with the Code on an annual basis.

The Code is built around four core principles: respecting and supporting people, acting with integrity, protecting EPAM's information and assets, and complying with applicable laws and regulations.

Core principles of the EPAM Code of Ethical Conduct:

- Respect, value and support people;
- Behave with integrity in all communications, records and business activities;
- Protect and enhance EPAM's information and assets; and
- Comply with laws

Employees must annually acknowledge compliance with EPAM's Code of Ethical Conduct.

This ethics and compliance framework applies across the EPAM Group and serves as the foundation for business conduct practices within its subsidiaries, including EPAM Sweden.

EPAM also maintains EthicsLine (ethics.epam.com), which provides employees and third parties with an anonymous and confidential channel to report concerns.

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