

NICE



ESG REPORT

2021-2022





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A MESSAGE FROM THE CEO

Dear stakeholders,

For almost four decades, NICE has been going on a journey to turn into a company that is built to transform. With a clear long-term strategy and coordinated execution, we went through multiple transformations, growing and cementing our leadership in the markets in which we operate. We have been passionately empowering change, one transformation at a time. Our mission is transforming experiences to be extraordinary and trusted, and we do that by providing cloud platforms for AI-driven digital business solutions. As part of our core mission to make the world a better place, we keep people secure with our Public Safety first-responder solutions, prevent financial fraud & crime with our Compliance solutions and create better consumer experiences with our Customer Engagement solutions.

In the **environmental** realm, we are pleased to report a decrease in CO₂ emission intensity and an increased focus on sustainability in our products that reduce carbon emissions as a result of minimizing dark data. We are also proud to have chosen data center providers that mainly consume electricity sourced from renewable energy, resulting in low data center emissions, and we continue to collect data on carbon emissions and water consumption to increase transparency.

When it comes to **social** activity, we understand that our employees and communities are essential to our success, and we are committed to supporting them. During 2020-2022, despite the COVID-19 pandemic, we increased our employee headcount and shifted to a hybrid working model, providing flexibility for employees. Furthermore, we are proud to have launched several leadership

development programs such as Lead2Win, Growing Peas in Space, and the Accelerated Leadership Program in 2022, which have been proven successful in providing our managers with new skills and knowledge, leading to better decision-making and increased effectiveness in managing teams.

We renewed diversity and inclusion policies, and focused on Women in Tech (WIT), among which we highlighted our NICE's female employees through monthly newsletters. Moreover, we published our first Gender Pay Gap report in Israel, showcasing our remuneration policy and weighted average gender gap across ten different groups.

For our communities, we renewed our Global Community Month, resulting in 40,000 hours of volunteering around the world, and gladly contributed as a corporate citizen.

In the area of **corporate governance**, we continue to maintain high ethical standards for our employees and partners. Our Code of Conduct for employees, partners and suppliers provides ethical guidelines, including with respect to the representation of NICE in the sale of products and services, while our robust anti-bribery and corruption training program, tailored to roles and responsibilities for all employees and subcontractors globally and partners in high-risk regions, ensures compliance with legal and ethical responsibilities.

Finally, at NICE, we recognize that ESG issues are fundamental to our long-term success and are committed to integrating them into our business strategy. In line with this commitment, we have established an ESG steering committee comprising of managers from different departments to oversee all ESG topics throughout our business.

The committee is tasked with identifying significant ESG risks and opportunities, developing a holistic ESG strategy, and encouraging the integration of ESG into our overall business strategy.

As a result of NICE's ESG-related policies and performance, an increase in our ESG ratings is evident, placing the company on par with other leading companies in our space, and better reflecting our commitment to sustainability and responsible business practice.

Along with our 8,000 dedicated and talented employees, we will continue creating a positive impact on people around the world and make it a better place. I have always held that it is imperative for CEOs to use their voice publicly – and I intend to continue doing that at opportune moments of profound impact, promoting those values I care for with passion: freedom, human rights, and the uncompromising criticality of preserving democracy. I want to thank our stakeholders for your continued trust, confidence and motivation to be part of our journey.

Sincerely,



Barak Eilam
Chief Executive Officer



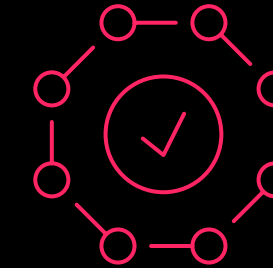
NICE'S PERFORMANCE 2021-2022



25% of the Board members are women



100% compliance in employee ethics training



25M+ separate pieces of evidence managed daily through Evidential to protect society



3B+ financial transactions



\$6T+ protected every day through our products to financial services



>400 patents



7,926 employees*



2,643 R&D professionals



40,000 volunteer hours during 2022 global community month



31% reduction in CO₂e emission intensity vs. 2020

*Full-time employees as of December 31st, 2022

Evaluated by ESG agencies

Bloomberg

ecovadis

ISS ESG



ESG Risk Rating
15.1
Low Risk

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ABOUT NICE

Power numbers:



NICE is a global enterprise software leader, providing cloud platforms for AI-driven digital business solutions that serve two main markets: Customer Engagement and Financial Crime and Compliance. Founded in 1986, the company is traded on the Nasdaq and Tel Aviv Stock Exchanges, has 35 local offices and delivers its products and services to customers in over 150 countries around the world. Our core mission is to transform experiences to be extraordinary and trusted, and create a frictionless and safe digital-first consumer reality where every interaction is intelligent, meaningful and effortless.

In the Customer Engagement market, we enable organizations to transform experiences with solutions aimed at meeting consumers wherever they choose to begin their journey, providing digital-centric AI-enabled self-service capabilities, understanding consumers' journeys, creating smarter hyper-personalized connections, and guiding continuous omnichannel interactions. We help organizations transform their workforce experience with solutions aimed at engaging employees, optimizing operations, and automating processes to create a better agent-assisted customer service. For Public Safety and Criminal Justice agencies, we are digitally

transforming the way they manage and share evidence and cases, providing them with single, streamlined view of the truth from incident to court. In the Financial Crime and Compliance market, we protect digital banks, financial services organizations and their customers' accounts and transactions, with solutions that identify risks and help prevent money laundering and fraud, as well as help lead to compliance in real-time. With our holistic, data-centric approach to Customer Lifecycle Risk Management (CLRM), we help them conquer the dynamic new financial crime threats.

NICE is at the forefront of several industry technological disruptions that have greatly accelerated in the last several years: the adoption of cloud platforms by organizations of all sizes and verticals, the shift of consumer and organizational preferences towards digital-centric services and experiences, the growing acceptance and adoption of AI, an increase in consumer self-service usage and the need to manage, optimize and engage a diverse workforce while retaining and attracting top talents. Our suite of integrated solutions, based on our unique domain expertise, enables customer service, financial crime prevention and public safety organizations to innovate and thrive.



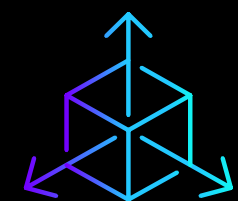
*For reconciliation between GAAP and Non-GAAP data [click here](#).

OUR STRATEGY

Our long-term strategy is to further establish industry leadership in every market segment in which we operate. We intend to continue to expand our digital leadership and AI capabilities, across all our markets, to provide smarter business solutions that are based on our deep domain expertise and best talents. We leverage several major industry trends and are evolving our offering to meet our customers' current and future needs while focusing on key strategic pillars:



Cloud Foundation – we provide cloud-native open platforms for our Customer Experience, Financial Crime & Compliance, and Public Safety & Justice offerings. This allows our customers to accelerate innovation and reduce operational efforts.



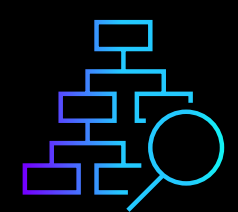
Complete Suite – we provide one of the industry's most comprehensive set of integrated, scalable, world class applications, across all our markets. Our ability to provide our customers with a full range of capabilities that can answer their various needs using a single vendor unified suite, provides us a strong market differentiation.



Digital – we enable organizations to deliver digital-first omnichannel experiences, responding to consumer needs on their preferred channel of choice wherever their experience journey begins, including the ability to service customers across multiple digital channels, provide secure digital banking and help public safety organizations shift to digital interactions and digital evidence environments.



AI – we accelerate business transformation with AI embedded natively across our platforms, making our applications and business processes smarter. Our domain expertise, advanced technology, and pre-built AI models create industry-leading solutions for all our market segments.



Data – recognizing the power of data, we consider data as a key component and a strategic asset across our portfolio and leverage it for creating frictionless experiences for consumers. We manage our customer data with security and compliance measures while leveraging it to equip our customers with a data-driven approach to manage their business, improve performance and identify customer insights.



ESG AT NICE

NICE is guided by a deep commitment to social contribution, environmental sustainability and good corporate citizenship. Our responsibility to the environment that we live in and the communities we serve is based on an alignment between our business and corporate responsibility strategies. Whether through delivering sustainable, cloud-based environmentally friendly products to the marketplace or our employees' amazing volunteer work with local communities, we are proud to uphold responsible business conduct.



Impact Through Our Products

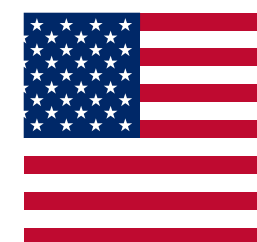
NICE promotes user-friendly products that can improve employee well-being in organizations and increase personal accessibility, allowing work for people with disabilities. NICE's solutions also enhance and enable a better society, such as strengthening the relationship between consumers and organizations, providing accessible self-service, fighting financial crimes and improving public safety & justice.

Delivering Extraordinary Experiences

With the growing complexity, demand and urgency of customer service needs, organizations are required to adapt new operating models to maintain a holistic relationship with their customers. NICE is at the forefront of shaping these relationships, helping our

customers deliver extraordinary experiences. We leverage AI and analytics to help our customers better understand and predict their own customers' intent and enable them to engage and interact with every individual throughout the entire journey. With a broad array of solutions, designed to improve the connection between consumers and their service providers, we create a better environment, with lower friction and frustration, and higher customer satisfaction.

To fully accomplish this new era of a holistic relationship between consumers and organizations, we offer our customers a broad array of smart digital solutions. Our conversational AI engines are enabling us to build truly intelligent virtual agents that are able to understand consumers' needs and meet them wherever they choose to start their journeys. These digital self-service channels are extremely important to support consumers' needs, especially those struggling to use the traditional channels such as voice.



Used by the
top 10 U.S. Banks



Used by the
top 10 EU Banks

>\$ 6 trillion protected each day

>5 billion transactions monitored every day

In a world
where you
can be
anything,
be NICE



Outsmarting Financial Crime

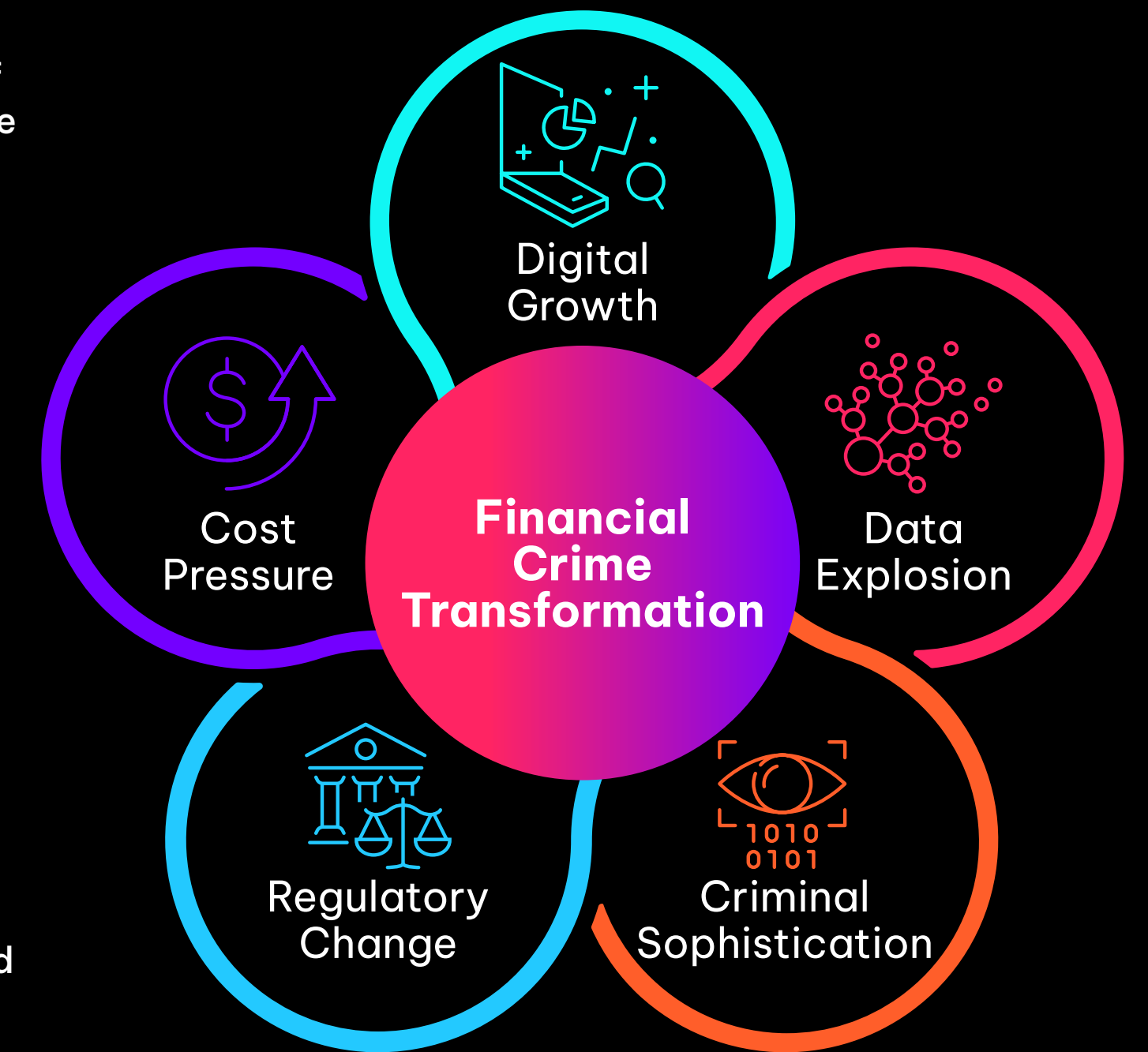
Financial criminals are savvy, and their impact goes beyond the global financial system – we see how they influence human trafficking, the illegal drug trade, elder financial abuse, terrorist financing, and more.

For financial institutions, failure to innovate and comply with regulations puts firms at risk for heavy penalties, reputational damage, and dissatisfied customers. With the speed of digital transformation, firms require innovative technologies that offer a holistic view of the customer, optimize resources, and mitigate risk to stay ahead of financial crime.

NICE Actimize, a subsidiary of NICE Ltd. operating in financial crime and compliance, which has been recognized with over 20 awards and leadership rankings, handles the entire process including detection, investigation, remediation and reporting (for more information, go to www.niceactimize.com). With the assistance of Actimize, NICE brings together sophisticated AI, advanced analytics, and intelligent data, empowering financial institutions to protect their customers and assets. Our portfolio of cross-channel fraud prevention, anti-money laundering and trading surveillance solutions enables fast and accurate decision making - allowing firms to quickly respond to market changes.

With the power of the industry and our global user community, we create a future where financial crime programs are more powerful, intelligent, and efficient than ever before.

Financial Crime Challenges



Driving Digital Transformation of Public Safety & Justice

Data overload, budget uncertainties, increased public expectations, lack of transparency, pressure to close more cases and disclose evidence faster, and a need to do more with less are the major challenges that transcend the entire criminal justice spectrum. These problems are compounded as the amount of data increases. Data has become a productivity killer for public safety and judicial agencies.

NICE's award-winning Evidencentral platform has helped hundreds of agencies around the globe to digitally transform how they manage data, to improve incident response, accelerate investigations, streamline evidence disclosure, enhance digital collaboration with justice partners, and restore transparency and public trust.

Evidencentral is an open, end-to-end criminal justice digital transformation platform that breaks down data silos and applies analytics and workflow automation to every stage of the criminal justice process. The platform revolutionizes the way agencies manage their data, from the time an incident happens, until cases are successfully prosecuted and closed. In fact, Evidencentral has helped agencies save up to tenfold in productivity.

 <p>Used by +3,000 agencies today</p>	 <p>Used by +50,000 public safety professionals today</p>
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 <p>+25 million evidence items collected</p>
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 <p>+100 million incidents captured</p>

Public Safety Challenges



San Diego Police Department – NICE Inform

Handling 911 evidence requests is essential, yet a time-consuming function of every 911 center. NICE Inform digitally transforms how emergency communications centers receive and process 911 audio evidence requests and share incident information with district attorneys, police investigators and other key stakeholders.

San Diego Police Department's Communications Division has implemented NICE Inform Elite to automate performance metrics tracking, quality assurance reviews and incident reconstruction. As a result of digitally transforming how data is managed, the agency has improved its services to citizens and partner agencies, while optimizing dispatch resources and eliminating evidence request overtime and backlogs.

Moreover, in 2022, NICE was named winner in the 'ASTORS' Awards in the Best Investigation and 911 Center Solution categories for the sixth consecutive year. NICE Inform received a platinum award in the Best 911 Center Solution category. In addition, NICE Investigate, a cloud-based solution that transforms how law enforcement and justice agencies manage investigations and digital evidence, was named the platinum award recipient in the Best Investigation Solution category.

Commitment to Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted its 2030 agenda for Sustainable Development. The agenda includes 17 goals and 169 targets which aim to better our planet in all mediums.

Our journey towards sustainability has just begun, however we are already proud to report a few examples of how we support the SDGs.



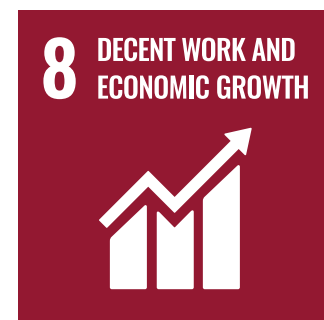
SUSTAINABLE DEVELOPMENT GOALS



“End all forms of discrimination.”

“Ensure women’s full and effective participation and equal opportunity for leadership.”

We believe that diversity provides valuable input for our creativity process, which helps advance better and more competitive products. In this context, we act to advance this issue internally and through our community initiatives. We advocate for gender diversity with our Code:Coda program, providing an opportunity for girls to fall in love with technology.



“Achieve decent work for all, including persons with disabilities, and equal pay for work of equal value.”

“Improve global resource efficiency to decouple economic growth from environmental degradation.”

Our employees are our main asset, and we must respect, accept, and cherish their differences. We celebrate Pride and Women’s month by conducting annual events throughout the company, showcasing that diversity is a much needed attribute for our organization to flourish and that all shall feel comfortable in their workplace, raising awareness on this topic.



“Integrate climate change measures into policy and planning.”

“Build knowledge and capacity to meet climate change.”

We recognize that climate change is one of the biggest threats to society and, in this context, we are committed to SDG 13 by improving our institutional capacity to assist with climate change mitigation. Our cloud-centered strategy promotes efficient energy consumption for our customers, without them needing to compromise on high quality solutions.



“Substantially reduce corruption and bribery of all forms.”

“Develop effective, accountable, and transparent institutions at all levels.”

“Ensure equal access to justice for all.”

We strongly support the targets of SDG 16 through our products, our strong ethical code of conduct, and our compliance program. One of our main products is designed to promote digital policing, thus directly influencing the goal.³

³To read more about NICE Actimize, please see page 8.

Stakeholders Engagement

We consider customers, employees, investors, suppliers, and the community at large as our main stakeholders, with whom we continuously converse. The table below shows the main engagement processes and our stakeholders' primary expectations:

Stakeholder	Engagement channels	Key ESG topics raised
Employees	<ul style="list-style-type: none"> • Employee surveys • Performance review • Training • Employee conferences • Team meetings 	<ul style="list-style-type: none"> • Employee engagement • Inclusion and diversity • Labor relations • Learning and development • Work-life balance • Business ethics and anti-corruption
Customers	<ul style="list-style-type: none"> • Supporting services • Relationship with supporting team • Annual event (Interactions) • NICE User Group (NUG) • Customer surveys 	<ul style="list-style-type: none"> • Client satisfaction • Business ethics and anti-corruption • Data privacy and security
Investors	<ul style="list-style-type: none"> • Investor Presentations • Proxy Materials and Annual Reports • Annual General Meeting of Shareholders (AGM) • Financial press releases • Quarterly Earnings Report to Shareholders • ESG indices and ratings • Regular Communication • Investor Conferences • Investor and analyst visits/meetings 	<ul style="list-style-type: none"> • Economic performance • Corporate governance • Business ethics and anti-corruption • Regulation SFDR • Social agenda • Data privacy and security
Suppliers	<ul style="list-style-type: none"> • Relationship with procurement team • Surveys • Audits 	<ul style="list-style-type: none"> • Business ethics and anti-corruption • Human rights • Partnership approach • Inclusion and diversity
Community	<ul style="list-style-type: none"> • Meetings with community partners • Collaboration in social and environmental initiatives 	<ul style="list-style-type: none"> • Community volunteering • Support in emergency situations



NICE Material Topics for Reporting

At NICE, we conduct ongoing dialogue to identify governance, environmental, and social issues that are material in accordance with the GRI Sustainability Standards, to our business and stakeholders to improve our impact and performance in these domains.

The material topics of this report were defined with the support of ESG specialists. A materiality analysis was conducted to identify NICE’s main influence in environmental, social and governance (ESG) topics. The analysis was based on a benchmark which included comparisons with companies who characteristically resemble NICE, in combination with an examination of various ESG ratings and global reporting standards. The initially selected topics were then discussed with executives and with the Board of Directors that represent the perspective of all stakeholders, where the material topics were finalized.

This analysis was based on the GRI Sustainability Reporting Standards. We consider most stakeholders’ opinions to be reflected in these sources.

Our material topics defined for the report and for focusing our ESG strategy are:

	Material topic	Consists of
Governance (G)	Responsible and ethical business	Implementing ethical behavior throughout the value chain, through anti-corruption and ethical codes of conduct as well as ethics training.
	Customer privacy and cyber security	Safeguarding customer data via information security management.
Social (S)	A diverse and inclusive workplace	Generating a work environment that celebrates diversity, equal opportunity and inclusion.
	Employee development and engagement	Investing in our employees through continuous development and engagement.
	Innovation ESG value creation	Creating products which promote environmental and social excellence, as well as astute corporate governance.
Environment (E)	Responsible use of resources	Avoiding use of hazardous substances, reducing electronic waste generation and ensuring proper waste treatment.
	Reducing our carbon footprint	Committing to climate action; working to improve the company’s energy use and data center efficiency.



Looking at our ESG Journey

While NICE always viewed ESG aspects as important to our business, we are now working to solidify ESG and look through its lens, throughout our business. To support the Company’s on-going commitment to sustainability and other ESG matters, in early 2023, we established an ESG Steering Committee, designated to oversee all relevant topics within our company and throughout our lines of business. The Committee is comprised of managers responsible for various disciplines, such as information security, human resources, finance, legal, investor relations, procurement and property management, who are all appointed by the Company’s CFO. The Committee has several responsibilities, which include the following:

- Reviewing ESG matters while considering stakeholder needs, trends and developments.
- Identifying significant ESG risks and opportunities.
- Developing a holistic ESG strategy with appropriate goals and long-term targets.
- Encouraging the integration of ESG into the Company’s business strategy.
- Providing the Board of Directors of the Company with periodic ESG updates.

We believe that taking a proactive and holistic approach to ESG will enable us to operate in a more sustainable and responsible manner, all while creating long-term value for all our stakeholders.

NICE GOVERNANCE

Our strong corporate governance structure is the foundation for managing stakeholders' (employees, customers, investors, suppliers and community) expectations. This structure is supported by our Board of Directors ("Board") and Executive Management, that have the knowledge, capabilities, experience, intention and goodwill to promote a successful, durable, and meaningful business.

Board of Directors

We are proud to have a robust governance infrastructure that includes our Board of Directors and five designated Board Committees: The Audit Committee, Internal Audit Committee, Compensation Committee, Mergers and Acquisitions Committee and Nominations Committee.

Our Board of Directors is comprised of eight members: David Kostman (Chairman), Rimon Ben-Shaul, Dan Falk, Yocheved Dvir, Yehoshua Ehrlich, Leo Apotheker, Joe Cowan and Zehava Simon. The entire Board consists of non-executive (independent) directors, who are over 50 years old, three (37.5%) are statutory outside directors and two (25%) are women. In 2022 and 2023, we published the Board Diversity Matrix [on our website](#). The matrix provides information regarding skills, experience and attributes that our Board members contribute to enable and support the Board's effective oversight as well as information regarding the diversity of our directors. NICE's CEO is not a member of the Board of Directors, and is appointed by and reports to, the Board of Directors.

The composition of the Board meets all requirements of NASDAQ and the Israeli Companies Law. Our corporate governance practices are overseen by the Board and the Board committees. All of our Board committees are headed by an independent director, that is also a statutory outside director (meeting stricter independence requirements), as required pursuant to the Israeli Law.

Board Nominations and Elections

The Nominations Committee is responsible for recommending candidates for appointment to our Board of Directors, including the evaluation of their independence status. The appointment process takes into consideration the structure of the Board of Directors, including familiarity with the Company and its industry and past contribution of existing members. New candidates are identified and evaluated for election to the Board of Directors, and the Nominations Committee may, but is not required to, solicit recommendations for nominees from the Board of Directors or from a professional headhunting firm.

The evaluation process includes an assessment of candidates' qualifications, such as their integrity, absence of conflicts of interest, prior achievements, oversight, business understanding, availability, professional background, experience, expertise, perspective, and diversity (including of gender). The Nominations Committee may, at its discretion, solicit the views of the CEO, other Company senior executives, or other Board members. The evaluation process may also include interviews.

NICE directors, other than outside directors, are elected at each annual shareholders' meeting to serve until the next annual meeting or until their resignation, whichever comes first.

Outside directors are also appointed by the shareholders for a period of three years each time, with the option to extend the period by additional three-year terms, in accordance with the Israeli Companies Law.

Board Independence

All our Board members are non-executive directors determined to be "independent" pursuant to both NASDAQ listing rules and the Israeli Companies Law, including the stringent requirements of the Israel Law with respect to independence of statutory outside directors. Accordingly, all our committees of the Board are comprised solely of independent directors. The independence of each director is reviewed at least annually.

During these reviews, the Board considers, among others, transactions and relationships between each director (and his or her immediate family and affiliates) and our Company and its management to determine whether any such transactions or relationships are inconsistent with a determination that the director is independent.

As part of this review process, each director is required to complete an annual directors' and officers' questionnaire, in which they disclose any employment, business, familial, compensation and other relationships with us and our management. As required pursuant to NASDAQ rules, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Board Expertise and Effectiveness

Pursuant to the Israeli Companies Law, our Board of Directors has determined that at least one member of our Board of Directors must be an “accounting and financial expert.” The Israeli Companies Law requires that all outside directors must be “professionally qualified.” Under applicable Nasdaq rules, each member of our audit committee must be financially literate and at least one of the members must have experience or background that reflects such member’s financial sophistication. Our Board of Directors has determined that two directors are “accounting and financial experts” according to the Israeli Companies Law, and are financially sophisticated, according to applicable Nasdaq rules. Also, all Audit Committee members are financially literate.

The Board of Directors meets regularly throughout the year on a set schedule, but at least on a quarterly basis, and holds special meetings, as needed, to approve strategic plans, business plans (including budget approval), strategic transactions and other items. Throughout 2021 and 2022, all members of the Board of Directors participated in at least 92% and 90% of the Board of Directors and Board committee meetings held during the year, with an average participation rate of 97% and 96%, respectively.

The directors are evaluated according to a self-assessment conducted by the Audit Committee members, based on their attendance and their contribution to Board of Directors and Board committee meetings.

Directors’ and Executive Officers’ Compensation

The role of the Compensation Committee is to recommend to the Board of Directors, prior to shareholder approval by a special majority, a policy governing the compensation of executive officers based on specified criteria, to review modifications to the compensation policy from time to time, to review its implementation and to approve the actual compensation terms of office holders and extend its recommendation to the Board of Directors.

The directors’ remuneration consists of a fixed annual fee, in addition to a per meeting attendance fee for Board of Directors and committee meetings. In addition, the directors are entitled to an annual equity grant subject to valuation caps set in the compensation policy. The Chairman of the Board is entitled to an additional special annual fee due to his role.

Board Training and Role on ESG Topics

The members of the Board undergo educational sessions and receive briefings on an as-needed basis on relevant subjects, such as new accounting standards, relevant regulatory developments, risk management, cybersecurity topics and matters relating to the Company’s business, strategy, products and markets.

Finally, it is important to highlight that the Audit Committee and the Board of Directors are responsible for the annual review and approval of the Company’s annual report and financial statements, which includes relevant ESG disclosures, such as corporate governance practices of the Board of Directors and Board committees, compensation policy and guidelines, employee-related information, environmental related regulations and policies, strategic plans, market trends and the Company’s products, including some that are impact-oriented as stated in the [Impact Through Our Products section](#).



Executive Management

In 2022, the senior management comprised of 10 executive officers including our CEO and other members of the Senior Executive Management Team. Three senior managers (33.3%) are women. Our General Counsel and Compliance Officer oversees corporate governance matters and reports to the Board on those, as required.

Management Compensation

Our compensation policy for executive officers requires that compensation be approved by the Compensation Committee, followed by the Board of Directors, and, in some cases, by the Company's shareholders. According to the compensation policy, remuneration can be in cash, equity, or a combination thereof, and a portion of it must be performance-based. The performance-based bonus plan for our executive management team is based on the Company's overall performance, the particular unit's performance, individual performance, and the results of the annual customer satisfaction survey.

Risk Management

Every three years, we perform a risk assessment and build an internal audit plan to monitor and manage various scenarios. Our Board of Directors and Management constantly monitor and manage our primary risks.

Our main risks, as detailed in the Company's 2022 [annual report](#) (page 2-22), are related to, amongst others: market competitiveness and technological changes; dependence on network connectivity lines, internet, network service and software suppliers; uncorrected use and undetected error of our technology; loss or unauthorized use of customers information; inadequate intellectual property protection; events outside of our control, such as natural disasters or health epidemics; and our ability to recruit and retain qualified personnel. In the appendix, you can find a summary regarding the way that we manage these risks, and a complete explanation is in our annual report.

It is important to note that regarding regulatory risks we are committed, under all circumstances, to comply with applicable laws within each jurisdiction in which we conduct our business.

Business Continuity in Face of a Global Crisis

We understand that our business operations may be subject to various disruptions, including due to system or operational failure due to unexpected disasters or events beyond our control.

Therefore, we invest considerable resources in ensuring preparedness for crisis and extreme situations, and to maintain readiness for future challenges that may come. We maintain disaster recovery and business continuity plans and our main focus is to make sure our employees and customers are both safe and prepared while maintaining business continuity.

In 2020, the entire market was obstructed and faced with an unexpected challenge. The COVID-19 pandemic has had widespread, evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. The pandemic had directly impacted our operations, as well as our customers' operations. However, looking back, we successfully adapted, and used it to our advantage. Several examples include:

- **Shifting to a Flex model** – remote working has become more common, allowing employees to more easily create a work-life balance and reduce their personal carbon footprint.
- **New hires** – while the COVID-19 crisis led to an abnormal rise in unemployment, our total number of employees actually increased throughout the pandemic.



Audit Process

NICE's audit process is divided into three different types, internal audits, external audits and third-party audits.

Internal Audits

Internal audits are carried out by our Internal Auditor in accordance with an annual Internal Audit Plan that is based on NICE's risk survey, overseen by the Company's Internal Audit Board Committee. The main topics covered by the Internal Audit Plan are financial issues, operational issues, ethics and norms compliance, data security and privacy. For all topics, the Internal Auditor reviews aspects of adherence to regulatory requirements, internal codes, policies and procedures, fraud prevention, KPI setting and measurement, human resources and training.

The auditing plan and process and the performance of the internal audits are assessed by the Internal Audit Committee (IAC), which also functions as the Company's "Compliance Committee". Pursuant to the Israeli Companies Law, the IAC is responsible for risk management in accordance with the implementation of an Internal Audit Plan, and the review of internal audit reports, as well as proposing remedial measures to the Board of Directors. In this context, the Internal Audit Committee is also responsible for review of complaints relating to the Company's compliance program, including the Code of Ethics and Business Conduct.

Additionally, the IAC reviews interested party transactions for approval as required by the Israeli Companies Law, including approval of remuneration of directors and executive officers, which also requires the approval of the Compensation Committee, Board of Directors and the Company's shareholders.

External Audits

External audits are primarily executed for financial and Internal Control purposes and are designed to provide the external auditors opinion that the Consolidated Financial Statements present fairly, in all material respects, the NICE's financial position at December 31, 2021 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, conform with U.S. generally accepted accounting principles. Moreover, external audits express an unqualified opinion on the Company's internal control over financial reporting, based on criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Third-party Audits

Audits are performed by independent international audit organizations as well customer audits. As a software company, audits are an important part of our business operations. These audits allow us to demonstrate our commitment to security, compliance, and data protection to our customers. By undergoing third-party audits conducted by international organizations and specified customers, we assure our customers that our internal controls and security measures are effective, and that we meet industry standards. Ultimately, we view third party audits as an opportunity to build trust and credibility with our customers, and we are devoted to maintaining high standards across all aspects of our business. To read more on our security standards, please see this report's NICE Security chapter.





NICE Ethics

Ethical behavior is a core value for NICE. The success of our business and good client relationships depends on integrity and transparency in all our company dealings. We have zero tolerance for bribery and corruption, fraud, and all other illegal acts. To safeguard this value, we depend on every employee and partner to promote ethical behavior.

For this purpose, we are committed to high ethical standards and applicable laws that guide everything we do as a company and define the way we conduct our business. Our [Code of Ethics and Business Conduct](#), [Supplier Code of Conduct](#), [Partner Code of Conduct](#) and the [NICE Anti-Bribery and Corruption Policy](#), reviewed and approved by our Board of Directors and Management, and amended from time to time, formalize and clearly communicate this commitment. These policies are aligned with international laws, including anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. We are committed to implementing and enforcing our company policies and providing annual compliance and ethics trainings to our employees globally.

The main parties responsible for protecting and ensuring the application of our ethical commitments are the company's General Counsel and Compliance Officer and the Executive VP of Human Resources. The Internal Audit Committee of the Board of Directors has a key responsibility to oversee the implementation and enforcement of the company's Compliance Program.

Commitment and Training Regarding Ethics

We are committed to conducting business ethically and transparently through education that promotes the honest conduct of our employees, partners and contractors representing the Company.

Our ethical commitment includes, but is not limited to, the following: prevention of bribery and corruption, including restrictions on gifts and hospitality and conflicts of interest, promoting human dignity (including diversity and non-discrimination, prevention of sexual harassment, child and forced labor, health and safety), preventing anti-competitive behavior, breach of confidentiality obligations, enforcing insider trading restrictions, intellectual property protection, prevention of fraud, and other illegal and unethical behavior.

These commitments apply not only to employees (including in all our subsidiaries and affiliates) and the Board of Directors, but also to all partners, independent contractors and service providers.

In February 2022, [NICE's Partner Code of Conduct](#) ("Partner Code") was published and aims to provide guidelines to all partners that represent NICE in the sale of products and services. The Partner Code requires all partners to adhere to stringent requirements in the fields of ethical conduct, anti-bribery and corruption, intellectual property, confidentiality, privacy, workers' human rights, health and safety, and environmental impact. All partners must meet all legal responsibilities as well as uphold to ethical standards in these fields.

As part of our hiring process for new employees and on an annual basis, we require that our employees undergo comprehensive online compliance training with respect to our policies and procedures.

In both 2021 and 2022, 100% of our employees participated in such an ethics training. All employees also provide an annual formal signoff, indicating their understanding and commitment to the Company's Code of Ethics and Business Conduct. Additionally, in 2022, we launched an enhanced training program, delivered by the Company's Compliance Department, tailored for customer facing employees and gatekeepers within the organization globally.

The Board of Directors periodically reviews the Code of Ethics and Business Conduct and approves amendments, as necessary. They also receive an annual overview of the Company's Compliance Program and any regulatory or other changes impacting the program. The employee Code of Ethics and Business Conduct and relevant training were last updated in 2022, to ensure it is up to date in terms of content and relevance.

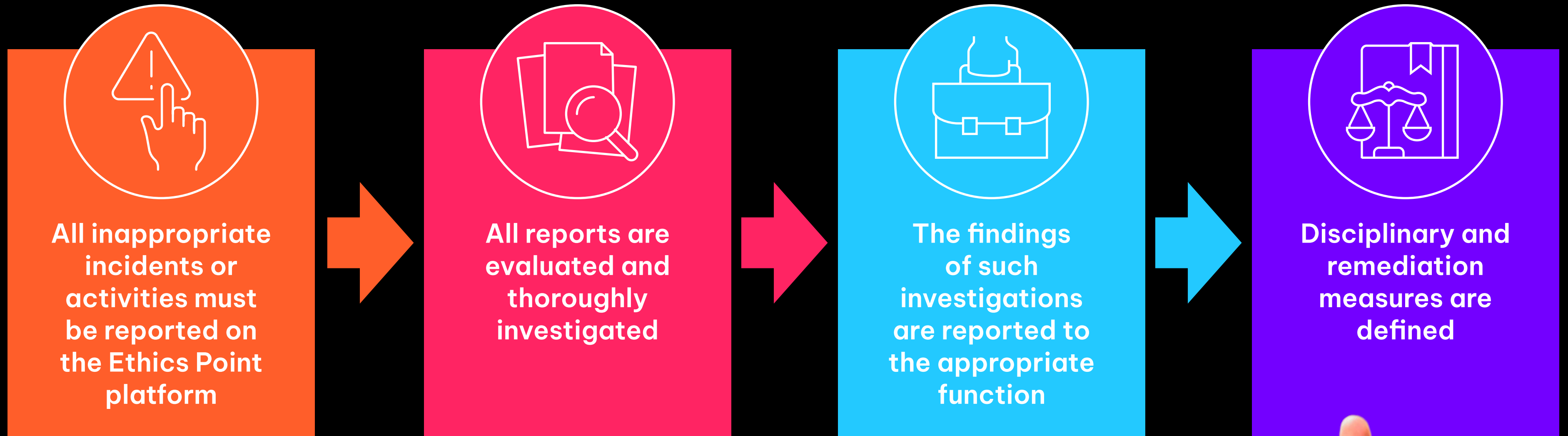
Legal Proceedings

Although we are involved from time to time in various litigations and legal proceedings, mainly regarding labor related and commercial disputes, we do not believe they, individually or as an aggregate, will have a material effect on our business. It is important to acknowledge that, in 2021 and 2022, we were not involved in any corruption or anti-competitive incidents, nor were we involved in any public cases regarding these matters.

It is important to state that we are not involved in lobbying and political sponsorships.

Speak Up Procedures

NICE creates a safe environment for employees to raise concerns, and stores records of all reports and investigations, as well as actions taken by the Company, in a dedicated repository. Our ethics policies are supported by our Speak Up platform, which encourages raising concerns confidentially and anonymously, all while protecting employees and third parties. The platform is hosted by a third-party provider and allows for an independent, quick and safe solution where stakeholders can comfortably report complaints online and through mobile devices. Reports are investigated pursuant to the following steps.



Bribery and Corruption

The NICE Anti-Bribery and Corruption Policy (“ABAC Policy”) explains NICE’s clear standards on prevention of bribery and corruption by employees and other parties representing it, and how they should promote these practices in the course of their conduct. The ABAC Policy also sets standards pertaining to giving or receiving of gifts and hospitality.

Additionally, we have a process in place for conducting anti-bribery and corruption due diligence and risk assessment in the sales and partnership processes. Through this process, we track evaluation tasks, issue alerts and formalize decisions regarding the representation of the Company and execution of engagements. This evaluation includes, among other aspects, screening of partners against global sanctions and compliance lists and enforcement of export controls and restrictions.

Pursuant to this procedure, our agreements with partners and other third parties include a good practices clause, requiring compliance with anti-bribery and corruption and export control related restrictions.

In addition to the due diligence process, all employees undergo annual training, which is in addition to onboarding training that is conducted for all new employees as part of their onboarding process. In addition, relevant employees in customer facing roles and relevant gatekeeper roles, as well as management members, are required to undergo a more in depth and customized ethical and ABAC training that relates to their roles.



New Training Program for employees and partners including new online modules and face-to-face training

Anti-bribery and corruption (ABAC) as well as ethical training is important so that employees are familiarized with the laws that criminalize bribery and corruption, and can easily recognize and mitigate associated risks. Until recently, the company has provided employees with online training modules, with little training for partners.

We have come to realize that face-to-face training that is tailored for specific roles would bring added value, especially when discussing ethical issues. Therefore, in 2022, we launched an employee ABAC and ethics training program, tailored to roles and responsibilities, in addition to the well-established annual training, compulsory for all employees globally.

For partners in high-risk regions, we launched a face-to-face training, and we plan to transition to a partner-oriented online module this year, where applicable.

We trust that these changes in the training program will increase awareness, guidance and compliance with Company policies and procedures, as well as relevant legislation.

Conflicts of Interest

The Company's Code of Ethics and Business Conduct (the Code) prohibits all employees, directors and subcontractors from performing any activities that involve conflicts of interest. The Code establishes guidelines and procedures regarding timely and proper disclosure of possible conflicts of interests that an employee, director and certain subcontractors may have in connection with their duties and responsibilities. The Company will review and decide on each such disclosure as necessary to protect the best interests of the Company.

All actual and potential conflicts must be evaluated and approved in accordance with the provisions of the Code, including, in certain cases, by NICE'S Compliance Department, Board of Directors and/or Internal Audit Committee.

Members of the Board of Directors and executive management complete an annual questionnaire, that addresses potential conflicts of interests to prevent or properly approve related party transactions (including in relation to suppliers, auditors and subsidiaries and affiliates).

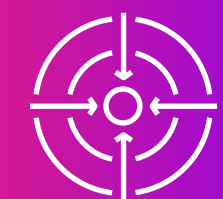
Anti-Competitive Behavior

NICE promotes fair competition by its employees and representatives, ensuring compliance with all relevant anti-trust laws and regulations. **This is specifically evaluated as part of any merger and acquisition process**, and, when applicable, regulatory approvals are obtained from antitrust authorities.

We are not facing any legal actions regarding anti-competitive behavior at this time.

Harassment and Discrimination

We do not accept any type of discrimination, harassment, and violence in relation to employees, customers, partners, suppliers and other third parties. Any employee, including managers, involved in such practices may be subject to disciplinary action, including termination. Additionally, any retaliation relating to the filing of complaints on such conduct or for cooperating with any investigation will not be tolerated. Our actions could include notifying the police or other law enforcement agencies and the prosecuting of violators of this policy to the maximum extent permitted by law. During 2021 and 2022, no material cases were reported. Cases brought to our attention are handled in accordance with Company policies and procedures. All employees receive annual training on this topic, including managers who oversee the prevention of discrimination, harassment and violence in the Company.



2023 Targets:

- Ⓞ We are committed to maintaining a Board comprised of at least a majority of independent directors
- Ⓞ Zero corruption and bribery cases
- Ⓞ We will continue to enforce 100% employee completion rate for our annual ethics trainings





NICE Security & Privacy

The interconnection of the business world has led to the creation and consumption of a huge quantity of information: customer records and financial information, employee data, partner details, and our own corporate information.

- **At NICE, we consider information one of our most precious assets and take great care to protect it.** Thus, we are committed to adhering to the International Organization for Standardization's standard for initiating, implementing, maintaining, and improving our information security and privacy management framework.

Information Security Management

NICE has established Information Security Management policies and procedures to protect the confidentiality, integrity, and availability of our data while providing value to the way NICE conducts business. These policies and procedures include the following components:

- NICE management is committed to maintaining a robust security program which includes supplying the necessary resources to sustain the program including people, tools, processes, procedures, and education.
- NICE maintains an inventory of all information assets, regardless of physical and geographical location.
- NICE's Information Security plan is driven by an on-going risk assessment of all information assets.
- NICE requires that employees, contractors, partners, and vendors understand their security responsibilities.
- NICE requires that only authorized users have access to information assets and services.
- NICE requires that information security controls are designed and implemented throughout the product's development lifecycle.
- NICE requires that its partners, suppliers, and contractors maintain adequate security controls to ensure the security of its own information as well as its customers' information.
- NICE operates a Security Operations Center (SOC) on a 24/7/365 basis to monitor and detect any abnormal situations and react accordingly.
- We have verified our information security management policies and procedures in accordance with the ISO 27001:2013 information security management certification, as well as other certifications such as FedRAMP, PCI DSS, HITRUST, and SOC2 for specific business lines.

For more information, please visit our [website](#).

Product Security

To ensure that our applications and systems are developed securely and meet predefined security requirements prior to implementation, we developed a strict product development lifecycle with well-defined milestones at each development stage.

We consider security in the development lifecycle of all products, as viewed in the following actions:

- NICE protects all forms of code and the development artifacts from unauthorized access and tampering by safeguarding the development, build, distribution, and update environments, and following the least privilege principle.
- NICE's employees and contractors go through security training.
- NICE reviews security aspects during the product requirements analysis.
- NICE designs software to meet security requirements and mitigate security risks.
- NICE verifies third-party software complies with security requirements.
- NICE tests its code and systems to identify vulnerabilities and verify compliance with security requirements.
- NICE identifies, analyzes, and remediates vulnerabilities on a continuous basis.

Cloud Security

Our cloud-based solutions are highly secured as follows:

- Various security controls are strictly enforced on our cloud environment.
- The cloud-based services and infrastructure are always maintained on a private network with data segregation dedicated solely to the customer's organization.
- NICE only uses the services of proven secure cloud providers.
- The cloud environment is managed by the cloud service provider, including a dedicated application operations teams to provide for fulfillment of the security requirements.

Privacy & Data Protection Management

NICE is constantly pursuing and taking steps to enhance privacy and compliance. We value our customers, partners and employees, and we take measures to protect their (and others) personal data. As part of these efforts:

- Organizational measures were implemented to support our privacy compliance efforts. For instance, we:
 - Established various privacy policies and procedures (e.g., with regards to handling data breaches, data subjects access requests, etc.).
 - Appointed staff to support our privacy compliance efforts (such as a data protection officer, a privacy compliance director, a privacy committee), which is composed of legal experts who are familiar with the privacy field and an organizational privacy champion.
- Constantly monitor privacy regulation changes across the globe (such as GDPR, CCPA, Israeli Privacy Law, etc.).
- Consult with tier 1 international privacy law firms with regard to our daily business and operations.
- Conduct risk assessments on our vendors, while taking global privacy regulations into consideration, as part of our vendors management due diligence process.
- Are constantly monitored by the audit committee of our board of directors with regard to our privacy-related practices.
- Conduct privacy trainings for new hires, as well as to our staff on an annual basis. In addition, we conduct tailored privacy trainings to stakeholders who make crucial decisions with regard to, or handle, personal data in a way that might have a great impact.

- Technological measures were implemented to support our privacy compliance efforts, such as:
 - Implementation of appropriate physical, technological and administrative measures, for the purpose of preventing unauthorized processing of personal data, and preventing unintended loss, damage or destruction of personal data processed by NICE or on NICE's behalf.
 - Working with software that helps us keep pace with the global privacy regulations and enhance our privacy compliance efforts.
 - Involving privacy-by-design and privacy-by-default paradigms in the development lifecycle of our solutions.

Our Privacy Information Management policies and procedures comply with worldwide accepted standards, such as ISO 27701. We are proud of our commitment to privacy and the strong processes we have put in place.

2023 Targets:

- ◎ Maintain our compliance to the following security and privacy standards - ISO, SOC2, FedRAMP, PCI DSS, and HITRUST as needed
- ◎ Expand and enhance NICE Employee training and awareness in information security and privacy domains

Protecting Intellectual Assets

We rely on a combination of patents, trade secrets, copyrights, and trademarks as protected by applicable laws, together with non-disclosure and non-compete agreements, as well as third-party licenses to establish and protect the technology that is used in our systems, solutions and products.

To advance this topic, an Intellectual Property (IP) program has been structured and includes the following subjects:

- 1 Guaranteeing adequate policies and human resource agreements regarding IP.
- 2 Training and advice to employees and management on what intellectual property is and the process involved in developing and creating patents.
- 3 Supporting the process of examining ideas, evaluating priorities and patent applications.
- 4 Managing the patent application processes.
- 5 Managing the budget from and for the patent program.

NICE has an intellectual property policy, copyright policy, patent policy, open-source policy and trademark guidelines that provide frameworks for the use, generation, acquisition, and management of intellectual property.

By the end of 2022, NICE held 467 U.S. patents and issued 32 patents in additional countries covering essentially the same technology as the U.S. patents. NICE has 202 patent applications pending in the United States and other countries as of the end of 2022.



**2023
Targets:**
Increase the number
of filed patents
per year

NICE TO BE SOCIAL

As a people-centric company, we aim to build good relations with all stakeholders, including customers, employees, suppliers, investors, neighborhood communities, and others. We are committed to respecting, supporting, and taking care of them and, in this way, build a positive NICE world.

Customer Experience

We recognize that our customers are the key driver for our success and our mission is directed at improving their work and well-being by helping them provide extraordinary and trusted experiences.

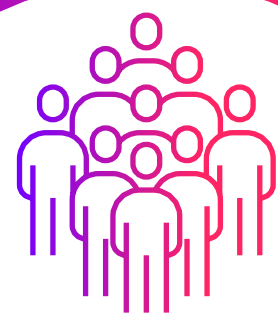
Our core mission is to transform experiences to be extraordinary and trusted.

On this basis, we are committed to supporting our customers at anytime, anywhere, and ensuring that our solutions are adapted to their unique environment, processes, and business and operational goals. For this reason, we establish continuous and transparent communications to understand our customers and continually inform them about the progress of their projects, in accordance with their needs.

Our skilled experts and advanced tools and methodologies, combined with our portfolio of end-to-end services, address all stages of our technologies' life cycle offerings. From project planning and design through implementation, optimization, proactive maintenance, and product support, we are there for our customers globally each step of the way.

NICE's Quality Management policies and procedures are certified by ISO 9001 certification. Through these procedures, we monitor, evaluate, and manage law and regulation, risks, and opportunities.

NICE Customers



27,000
customers
globally



150
countries



NICE User Group

NICE offers its customers a unique community, called the NICE User Group (NUG). The group includes over 10,000 members from over 1,000 companies, representing every region of the world. NUG helps members optimize the value of their NICE solutions through the sharing of what are considered best practices. The group partners with NICE to deliver an annual user conference, educational calls, and webinars, and to offer an online environment in which members can interact and share experiences. NUG also works closely with NICE leadership to influence product, service, and policy decisions.

The NUG Board of Directors, comprised of NICE customers, provides structure and direction for the NUG organization, and ensures that all NUG activities support the organization's mission and objectives while upholding the interests of the group's members.

This platform serves as a venue for raising and voting on new ideas for our products and/or for developing new products that are reviewed by our product managers.

NUG is a gamified platform and the most active members earn a variety of benefits such as profile badges, training, conference passes, and more.



CX Excellence Awards Program

The CX Excellence Awards program provides customers with an opportunity to highlight the recognized value of their NICE implementations. The program celebrates their incredible achievements in driving digital interactions and delivering frictionless experiences with other organizations and industry peers. Using any number of our NICE solutions qualifies our customers to apply and gain the recognition they deserve.

Interactions

During our annual customer conference event, "Interactions", we showcase product innovation and industry trends, share best practices and provide guidance that can be adopted while using our products.

Between 2020-2022, the Interactions conference was conducted virtually to ensure attendees' safety and health. By making the event virtual, it became easily accessible to thousands of customers and prospects, enabling them to attend the event regardless of their ability to travel or attend a physical event.

Interactions has gained increasing popularity, with over 20,000 attendees accessing the virtual event every year.

- Best practices sessions.
- Solution showcases involving product demos and chatting with experts.
- Networking opportunities through the lounge chat.
- Games.

The speakers included our active customers, industry analysts, NICE executives, and solution experts. The main covered topics were around innovation in digital CX, self-service, artificial intelligence, automation, cloud adoption, security and compliance, and management of an "anywhere" workforce.

At interactions, we also give special recognition to our customers, and award them for their performance in six categories of excellence in an inspiring award ceremony.





NICE User Satisfaction

NICE has always been a company that is focused on improving the experiences of its customers and delivering real, long-term value. Standardized on the Net Promoter System (NPS) methodology and best practices, NICE conducts surveys along the full customer journey to monitor customer satisfaction. Here is a sampling of surveys we conduct:

- **The Customer Support Survey** helps us understand customer satisfaction with our solution and how highly they rate NICE team members who provide service in the customer support organization.
- **The Professional Services Survey** assesses customer satisfaction during the implementation and upgrades phase, which includes NICE business consulting.
- **Training Surveys** assess customers' level of satisfaction with NICE's training courses.
- **Relationship Surveys** assess brand loyalty and customer satisfaction for decision makers and influencers as well as satisfaction with NICE's products and other services (sales, professional services, support and training).

In 2022, we made it our mission to improve overall customer satisfaction by:

- Strengthening and leveraging the relationship between our customer operations leadership with direct marketing and influencers.
- Providing a single point of contact within global customer operations leadership for key accounts.
- Coaching and training customer operations leadership on managing relationships with direct marketing and influencers.

NICE is open to customer feedback and takes direct action to minimize concerns expressed in surveys and in other forms of feedback.

By implementing an on-going closed loop program, NICE further utilizes a feedback management system, to raise real-time alerts to business unit leaders and customer-facing staff regarding issues raised on surveys. The resolution of each alert is centrally tracked and managed. Action plans are developed for each business unit that regularly reports on KPI measured improvements for each driver of loyalty.

The survey results are continually monitored and analyzed. The business units review the results quarterly in business review meetings and share them with the NICE Executive Leadership Team, headed by the CEO.

As result of our continuous focus on customer experience over the last 3 years, the NPS score improved by over 20-points. Additionally, in 2022, the overall satisfaction with the different domains improved by up to 5 points year over year.

Understanding Customers' Needs for Innovation

At NICE, our vision and business strategy are directed towards growth, profitability, innovation, and customer focus, all with a long-term perspective.

NICE sees the power of innovation as a way to help address some of our customers' most urgent needs. NICE intends to continue investing in innovation, both through organic growth and through acquisitions, to broaden our product and technology portfolio, expand our customer base, increase our distribution channels, and grow our presence in key verticals, adjacent markets and geographic areas. In 2021 and 2022, we reinvested 15% of our non-GAAP revenue into research and development.

NICE Awards

Between 2021-2022, NICE was recognized with over 40 awards and leadership rankings by market leading industry analysts:



NICE is **the only vendor named a Leader by Gartner** for both Workforce Engagement Management (WEM), and Contact Center as a Service (CCaaS), and Robotic Process Automation (RPA).



NICE was also evaluated by the research and consulting firm, Metrigy, and was awarded Top Provider, outperforming all other providers in the MetriStar program.



Accessibility in Our Products

Improving the accessibility of our products is important for reaching new customers and ensuring that our current clients are satisfied. We also recognize that there are evolving regulations in place to make workplaces that use our platforms more accessible to people with disabilities.

To help us make our products more accessible, we have partnered with specialist consultancies to adapt all relevant products in our pipeline so that they are visually impaired and motor disability-friendly. Significant progress has been made, as the vast majority of customer and agent-facing screens in CXone meet accessibility standards, and VPATs have been made available for several products. In addition, we embedded an automatic testing tool in the pipeline to enable that end-to-end accessibility tests are regularly and properly conducted.

All new deployed products include features such as font size options, color interpretation support, keyboard navigation and audio readout of screen contents.

To provide new features according to the latest accessibility guidelines, we created a comprehensive accessibility guide and a dedicated UI/UX infrastructure team. We also conduct a monthly UI/UX forum across our entire portfolio to share best practices, customer feedback and any valuable information to help improve accessibility in our products.

To address any existing accessibility issues, we are going back and fixing our existing WEM applications, even for non-agent screens, starting with My Zone.



NICE PEOPLE



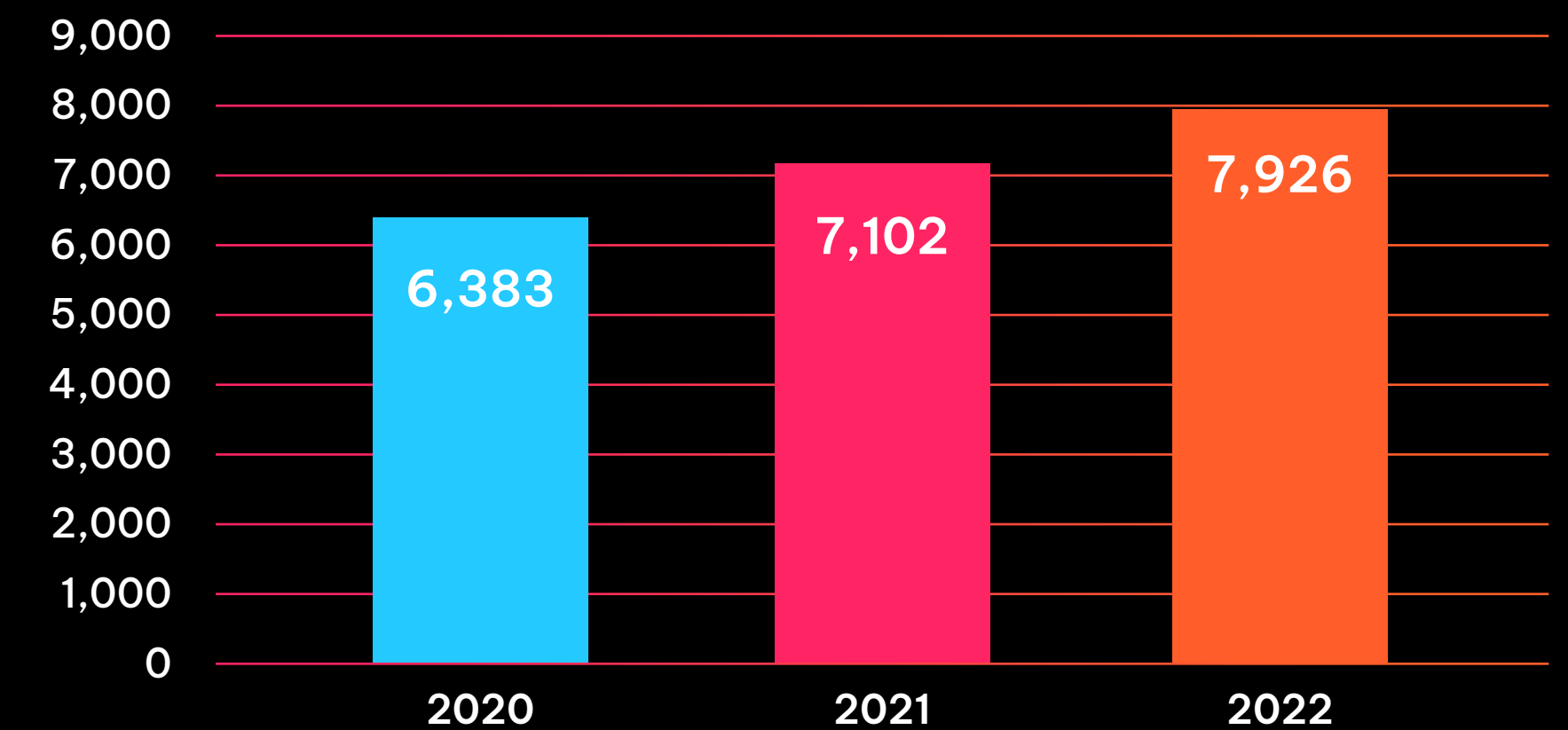
At NICE, we value our employees, or “NICERs,” as the driving force behind our innovation and success. To support their development and growth, we prioritize employee engagement and foster an open, fair, and respectful work environment.

Ethics, honesty, and respect are an integral part of the NICE Code of Ethics and Business Conduct. We are therefore dedicated to respecting human rights, including the fight against child and forced labor, ensuring equality, and preventing workplace discrimination. Moreover, we embrace diversity and encourage diverse perspectives and healthy dialogue among our employees.

We prioritize a safe and healthy work environment, and provide resources for professional and personal growth. All aspects of human resources are detailed in our Employee Handbook, with specific versions available on our intranet for each operation. We have an Executive Vice President of Human Resources who manages all employment matters, and dedicated senior managers for topics such as development and employment conditions.

As of the end of 2022, NICE had 7,926 full-time employees worldwide, a 26% increase relative to 2020. Employee benefits are provided to all full-time, temporary or part-time employees based on local laws and regulations.

Total Number of Full-Time Employees



We are not a party to any collective bargaining agreement with our employees or with any labor organization in all jurisdictions where we operate. However, we are subject to certain labor related statutes and provisions of collective bargaining agreements between the Histadrut (General Federation of Labor in Israel) and the Coordinating Bureau of Economic Organizations (including the Industrialists' Association of Israel) that apply to our Israeli employees under the regulations of the Israeli Ministry of Labor and Welfare.

Human Rights

We respect the protection of human rights in accordance with accepted international conventions and practices, such as those of the United Nations' Universal Declaration of Human Rights, ILO Core Conventions on Labor Standards, UN Global Compact, and OECD Guidelines for Multinational Enterprises. Our activity concerning human rights involves relevant stakeholders and we intend to continue our work on these issues.

Slavery and Human Trafficking

Modern slavery is a crime and a violation of fundamental human rights that remains a hidden blight on our global society. It takes various forms, such as slavery, servitude, forced and compulsory labor and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. NICE is committed to ensuring that our business practices combat slavery and human trafficking in any form.

We are dedicated to improving our practices to combat slavery and human trafficking, checking that those practices are not taking place in the execution of our business, including through our supply chains. As part of that effort, we publish an annual statement on modern slavery in accordance with section 54(1) of the Modern Slavery Act 2015.

In order to provide a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we intend to provide training to our staff to identify signs and risks of slavery and human trafficking. We require suppliers and business partners to provide training to their staff, suppliers, and providers.

For more information, please see NICE's ["Slavery and Human Trafficking"](#) statement*.

*Adopted by NICE in the UK.

Diversity and Equal Opportunity

NICE boasts a diversified work force and substantial representation of many different population sectors and groups, with all stakeholders and throughout our offices across the world. We encourage our employees to bring their individual identities to the table and to work in teams that foster inter-cultural communication and ultimately, innovation.

We provide an inclusive workplace, a safe environment for all people of different religions, nationalities, and gender orientations.

NICE is committed towards its stakeholders, with an emphasis on its employees, to provide an environment based on equal opportunity for all qualified applicants and employees. It is the policy of NICE to afford equal employment opportunities to qualified individuals, regardless of their age, race, color, religion, and/or any other status protected by any applicable federal, state and/or local statute or regulation.

The company makes reasonable efforts to provide equal opportunity to all applicants and employees, including recruiting, selection, training, placement, promotion, wages and benefits, transfers, terminations, and working conditions.

In October 2022, we renewed our vision, purpose and values around respecting the unique needs, perspectives and potential of all our team members, putting and culture of equality at the front.

Examples of activities that followed the renewal:

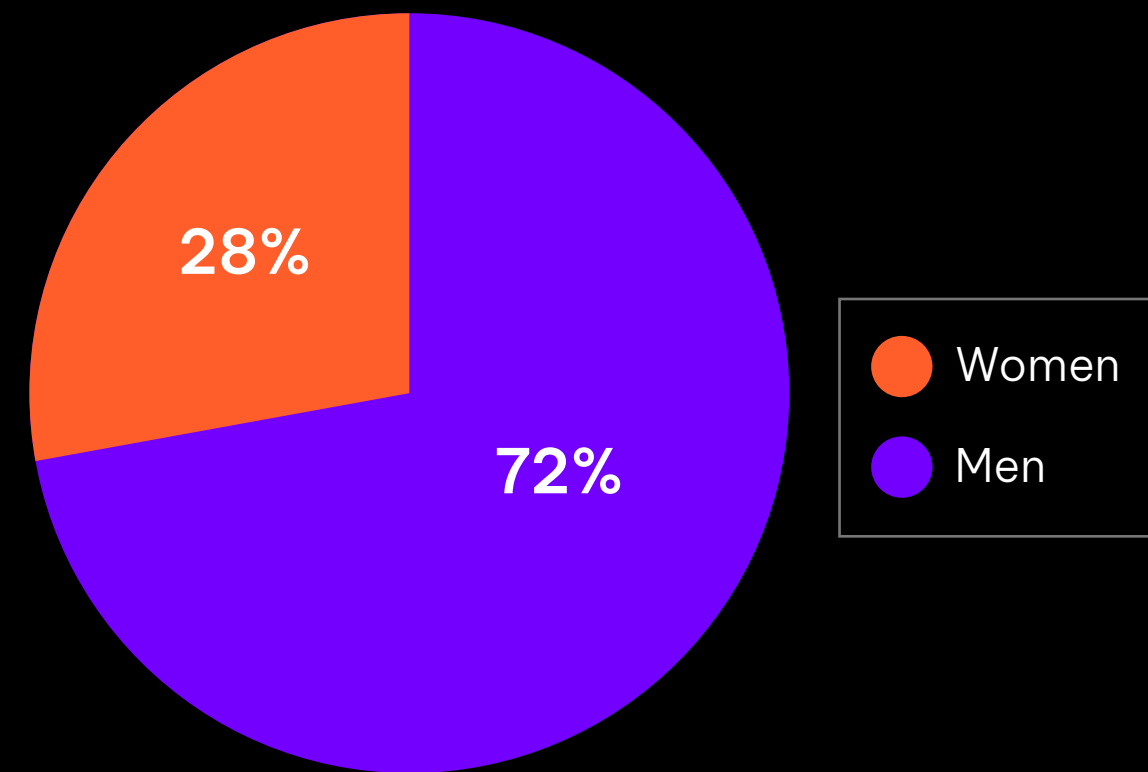
- New policy statements regarding diversity and inclusion were set up.
- 3 Regional employee committees were established.
- Overcoming bias training was provided for managers with above 90% participation rate and for the Recruitment team members with 100% participation rate.

Diversity and inclusion principles are embedded into our culture and business practices, from our hiring processes to the development of our employees:

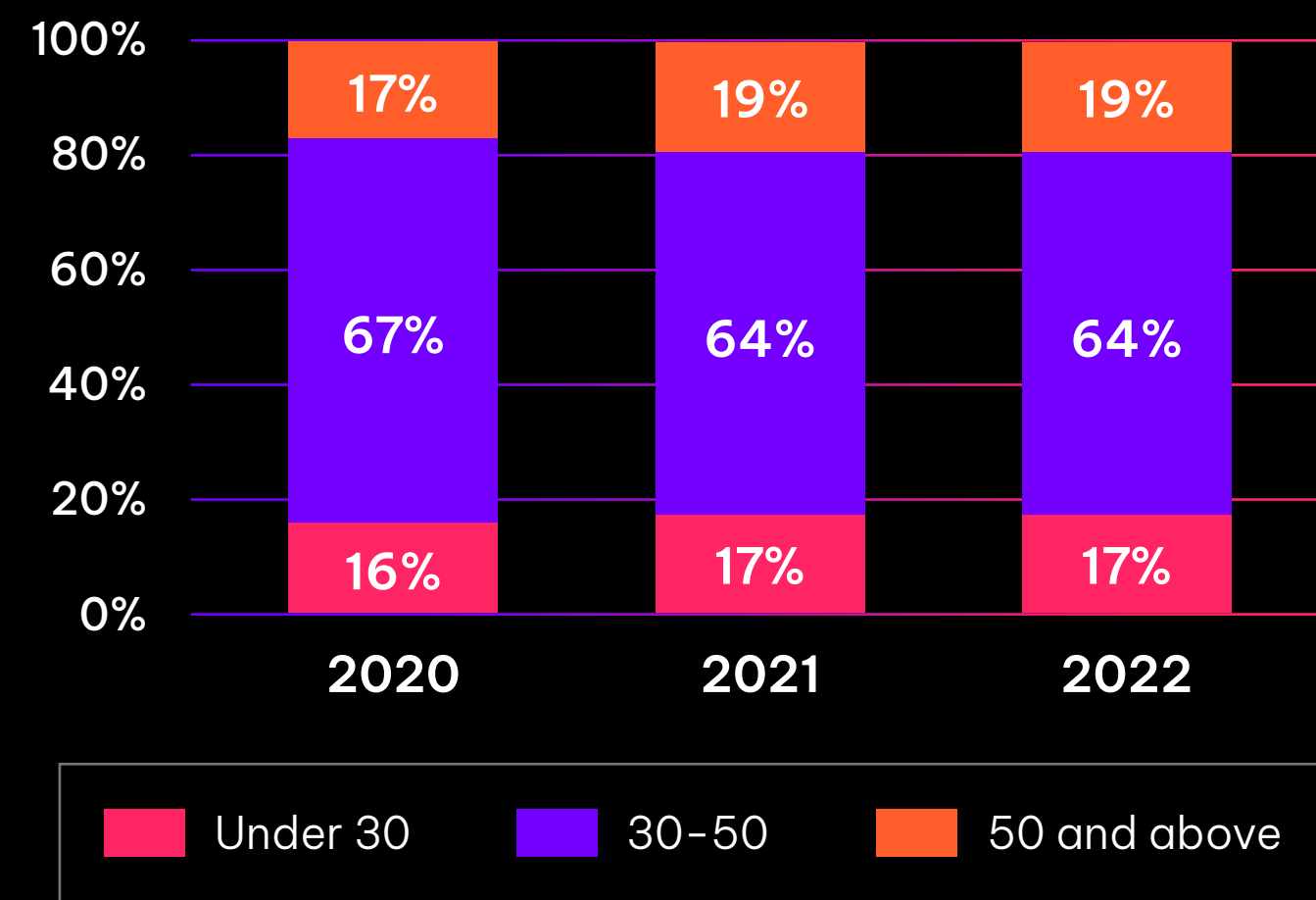
- All our managers are trained to ensure that recruitment evaluation is based on professional skills and to avoid unconscious biases. In addition, this training supports them in promoting a multicultural work environment on a day-to-day basis.
- We partner with several non-governmental organizations which supply tools and frameworks that break unemployment barriers for women, immigrants, Haredim and other minorities, in addition to the older generation. We are proud to take part in paving the way into high-tech careers, by supporting organizations in the recruitment and placement of those in need of a chance.
- Action plans have been put in place, helping us assess our facilities and vehicle purchases in addition to insuring their accessibility.



Employees by Gender as of December 31st, 2022



Employees by Age



30% of New Hires in both 2021 and 2022 are Female

As market leader, NICE strives to shape the future of technology by closing the gender gap and encouraging talented women to forge ahead and make an impact.

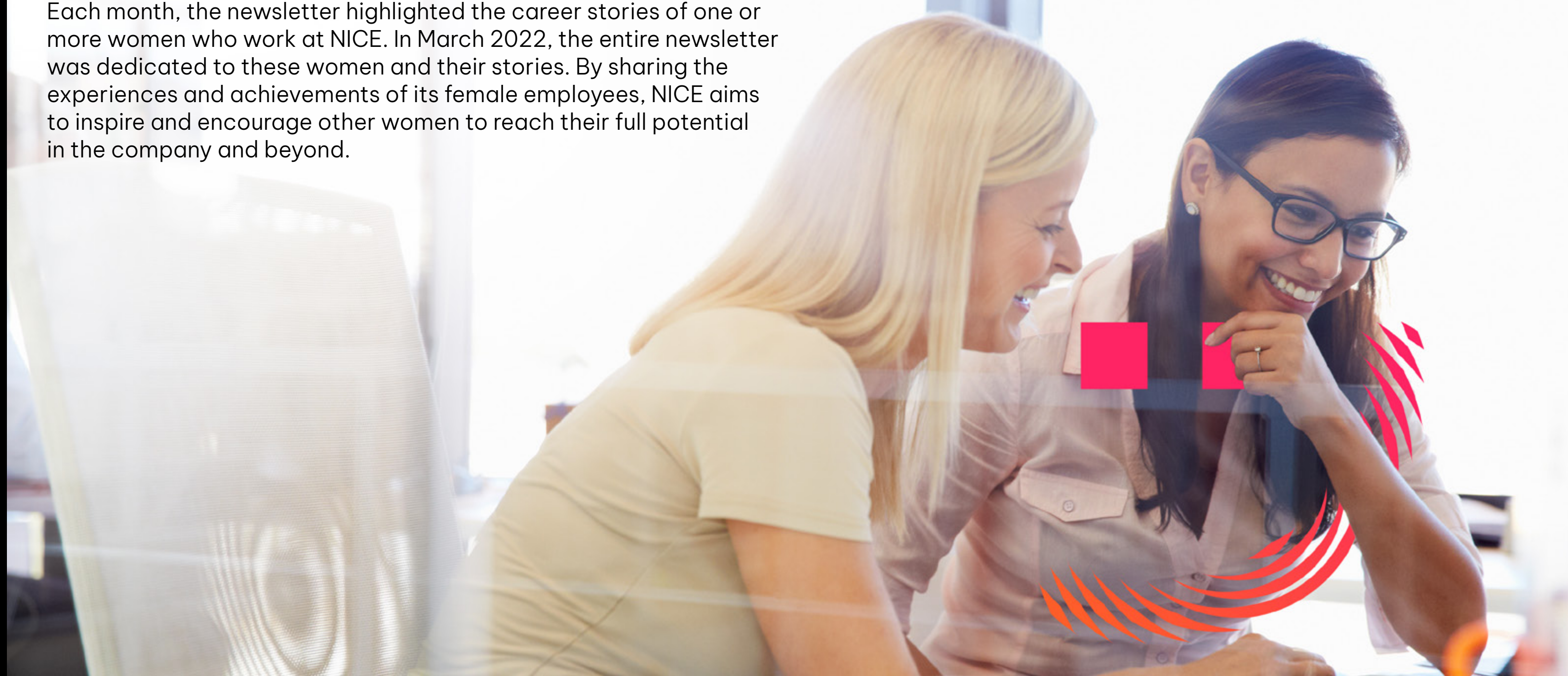
Thinker. Achiever. Influencer. Take Your Career Further.

On International Women's Day 2022, NICE chose to showcase the opportunities available to women at the company and how they can progress further in their careers. As part of this effort, NICE presented inspiring TED-style short pitches from women at the company, sharing their career journeys. The company also hosted a live panel of male and female leaders, discussing the various ways in which women can take their career to a whole new level in NICE.

Women in Tech (WIT) was one of NICE's focus areas in 2022, and the company featured WIT success stories in its monthly newsletter. Each month, the newsletter highlighted the career stories of one or more women who work at NICE. In March 2022, the entire newsletter was dedicated to these women and their stories. By sharing the experiences and achievements of its female employees, NICE aims to inspire and encourage other women to reach their full potential in the company and beyond.

2021 Gender Pay Gap Report

In June 2022, NICE published its first gender pay gap report in Israel for 2021, analyzing employees' salaries and remuneration by job type and rank, dividing them into ten groups according to their professional representation within NICE. The 2021 report presented the analysis's results, which indicated that the company's remuneration policy is uniform for all genders between women and men, mostly balanced, with about half of the groups having a gap in favor of women. The weighted average gap among the groups is only 0.4%. We emphasize that the disparities arise from differences in employees' overall skills, experience, and professional abilities, as well as the specific market conditions for each group. Furthermore, in half of the groups, the gaps are even narrower when analyzing the employees' gross salary (which includes compensation, bonuses, and other incentives), reinforcing NICE's compensation philosophy that rewards performance excellence.



NICE to Feel Proud

June is internationally recognized as Pride Month, during which we annually promote PRIDE Celebration activities, which include lectures with diversity specialists. In 2021, our Hoboken office set up a panel of speakers who discussed the experience of the LGBTQ+ community as well as allies. Speakers were recruited both internally and externally to ensure a diversity of voices. The main topics were:

- The value of diversity, inclusion, and its economic impact.
- Inherent and acquired diversity, cognitive diversity, culture of inclusion, unconscious bias, and its impact on the LGBTQ+ (lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual) space.
- The gay revolution and its success.
- Building a safe space for the LGBTQ+ community.

In 2022, we highlighted the commonalities and differences that make NICE the vibrant and colorful company that we are proud of. Some of the main topics we highlighted were:

- Representation of LGBTQ+ in movies.
- LGBTQ+ community rights.

We also held, for the first time, two global panels where featured NICErs shared their perspectives, personal stories, challenges and victories.



Prohibited Discrimination and Harassment

NICE strives to maintain a discrimination and harassment-free environment, where all employees and other stakeholders treat each other with respect, dignity, and courtesy. NICE policy emphatically and unequivocally prohibits discrimination and harassment of any kind, and is intolerant towards any retaliation against filed complaints. This policy applies to all phases of employment, including hiring, training, promoting, transferring, terminating, and granting benefits.

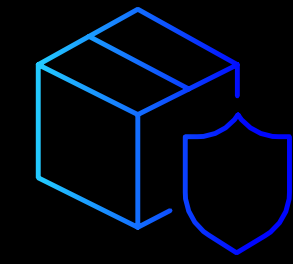
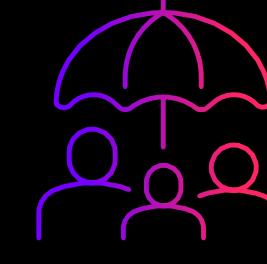
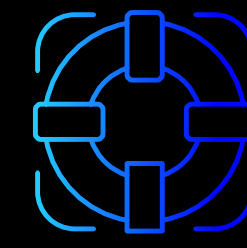
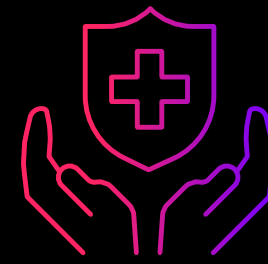
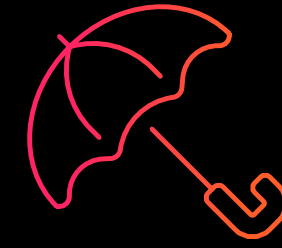
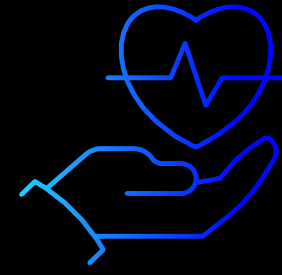
At the beginning of the hiring process, each manager receives a “dos and don’ts” presentation. Part of the presentation addresses the issue of biases, questions that should not be asked in an interview and the different ways in which new hires should be evaluated. Additionally, we held an “Unconscious Bias” webinar for all managers to gain practical tools for managing unconscious biases.

Creating Inclusion in the Workplace

In 2022, NICE hosted a virtual workshop to expand awareness on inclusion with the help of an external consultant and expert to lead the session. The workshop went through the pillars of inclusion, including focus on individual diversity, equity, and belonging. Employees were asked to engage by sharing what they feel sets them apart, when they have received equity, and how others in their life have created a more inclusive/belonging environment.

The session had incredible engagement with a high attendance rate. The feedback was incredibly positive as employees remarked a new perspective was provided, as well as many takeaways to apply to their work and personal life.





Employment Conditions

We care about our employees' wellbeing and therefore accordingly offer fair employment conditions as will be described in this section, for example: performance-based payments, internal mobility, a health and safety structure, and a wide range of benefits, including comprehensive pension schemes and pension consultations, flexible working hours for our employees around the world and recognition of our employees' diverse situations and needs. We introduced our NICE-FLEX model, which offers employees the flexibility of working from the office for 2 days a week, enjoying the in-person collaboration in our offices, and working remotely for the remaining weekdays.

We celebrate global and local holidays, and within this framework, employees enjoy various non-salary benefits. NICE places great importance on family life and employees' hobbies, and several annual events are dedicated to NICE's employees and their families.

We follow local labor laws that generally address the length of the workday and the workweek, minimum wages, insurance coverage of work-related accidents, severance pay, and other employment provisions.

Compensation

Every year we conduct a market survey to understand what our competitors are offering, so that we can adapt our own benefits. Our formal salary table considers job functions per region and thus accurately calculates proper wages.

Moreover, our cash incentive plans include variable compensation based on business results and achieved specific goals, as well as our Equity programs, that guarantees that the company pays based on performance evaluation.

Internal Mobility

We strongly encourage both lateral and vertical mobility. Our employees have many options available to them, including role transfers, promotions, relocations, even transitioning to a new discipline. In 2021-2022, around 30% of our open position were filled from within as part of our internal mobility program. We plan to continue advancing the program in the future to better accommodate our employees and as a result improve organizational performance.

Dialogue with Employees Regarding Operational and Organizational Changes

We recognize that our employees are the backbone of our success, and understand the importance of effective communication. Significant organizational changes (e.g., moving or downsizing offices, leadership or wage policy changes, etc.) are communicated to employees at least two weeks in advance and are supported with job placement services when necessary. In case of employee termination, workers are fully compensated, and provided with outplacement consultation with external consultants.

Health and Safety

We prioritize safety and well-being of our employees by providing a secure work environment that adheres to strict policies and procedures.

Our health and safety policies were reviewed and updated in 2021 and 2022, with the VP of Global Operations serving as the senior person responsible for this topic, who reports directly to the CFO. In order to minimize safety risks, we require our employees, as well as contractors providing services on NICE premises, to familiarize themselves with these policies and procedures by completing a periodical online training.

Additionally, at all the company's sites, the work safety conditions are examined, and any hazards are corrected immediately. When it is necessary, NICE provides personal protective equipment to any employee in order to fulfill his or her duties.

Broadly speaking, the main rules that have been established are:

- Employees should perform only operations for which they are trained and qualified.
- When entering the offices, employees must learn emergency procedures.
- Cleanliness and tidiness should be maintained at all times.
- All accidents, regardless of severity, will be reported immediately to the supervisor/manager.

Non-compliance with these procedures may result in serious disciplinary action.

Regarding driver safety, we map the main risks, provide theoretical and or practical training and provide benefits to employees with a good safety record.

Additionally, we offer insurance plans and free private health insurance for employees as well as discounted insurance for employees' family members. NICE also provides additional annual benefits related to medical issues at our main sites (e.g., breast cancer screenings). We constantly evaluate our benefits plans, to be aligned with the market and in order to enhance our employees' wellbeing. Accordingly, we introduced improvements in our different plans across the world (e.g.: India medical plans, Israel private health insurance and lunch vouchers, Philippines medical plans, USA 401K plan improvement in some entities, etc.)

Employee Development

We place great importance on the development and growth of our employees, with comprehensive programs that nurture the employee's learning, education, and career path at NICE. In this context, we have a shared responsibility approach to learning and career development:

- 1 Our employees are proactive, building on their strengths and skills, and following through on internal opportunities to develop themselves.
- 2 Our managers raise the bar, enabling employees to aim higher while aligning their development with the team goals and providing coaching and a supportive environment.
- 3 Our organization drives the culture that encourages employee development and provides the right environment for it to thrive.

NICE offers a comprehensive range of learning opportunities to all employees worldwide. Online learning platforms coupled with prestigious external certifications enable the employee to advance their professional development, from any place, and at any time. Moreover, employees participate regularly in conferences, extension courses, webinars, practical technical training, leadership workshops and more. These company-wide efforts are complemented by a diverse range of specialized learning programs and advanced technology platforms, coordinated by our business units.

Onboarding Process

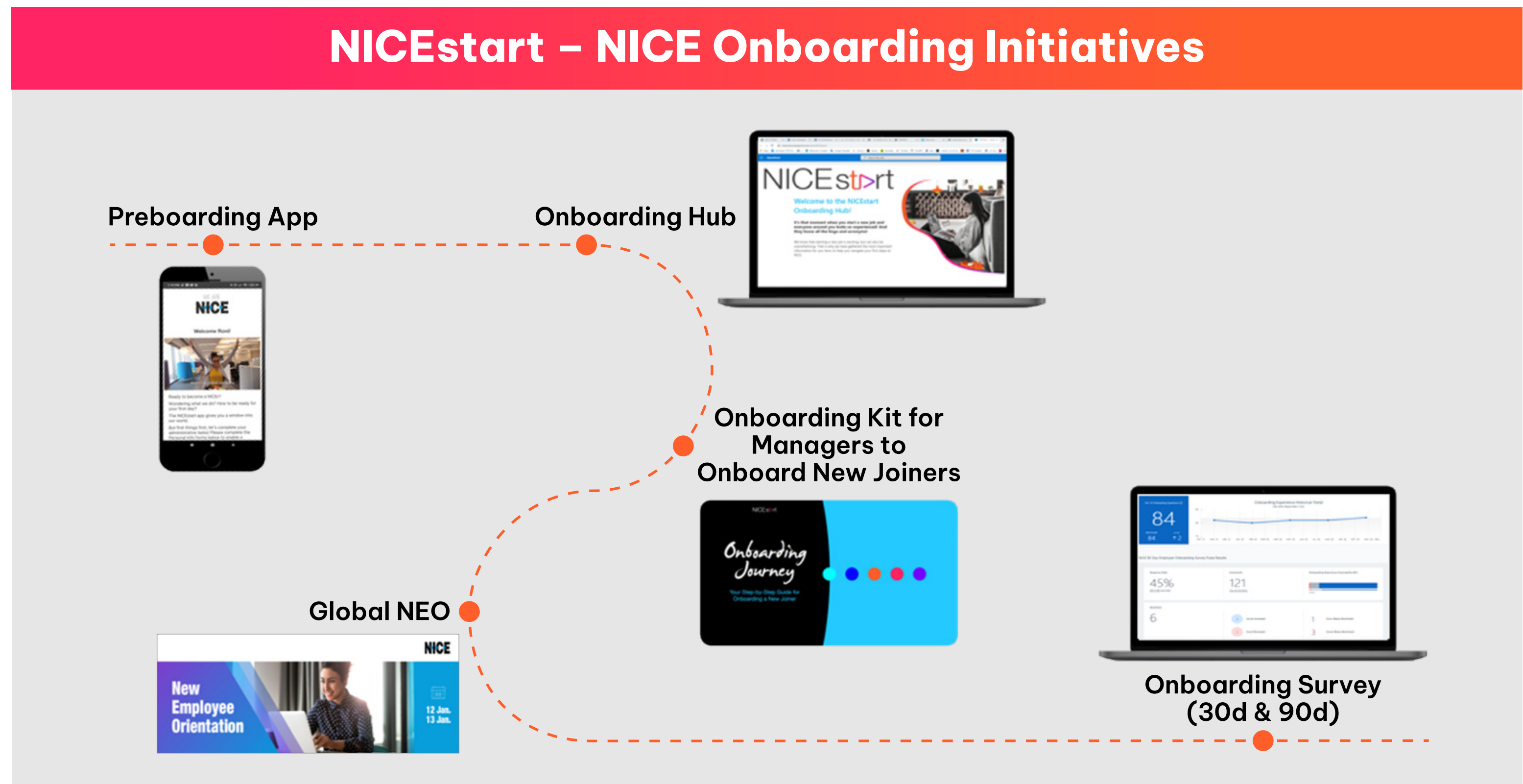
For us, onboarding starts even before the employee's first day, as our preboarding app (powered by Appical) gives new employees a window into our NICE world. This is a fantastic way to engage with the new NICER to get them excited about starting NICE.

Once hired, NICERs are invited to enter the onboarding hub and access information related to NICE, its products, learning opportunities, and other internal relevant topics. Additionally, once a quarter we initiate the Global New Employees Orientation (NEO),

a mandatory live webinar for all new employees regarding NICE's organizational culture and business strategy.

In addition to all global and company-level activities, each region and business unit has their own orientation sessions to support the arrival of our new NICERs.

We developed an interactive, practical, onboarding toolkit for our managers to take them step by step through the process of onboarding a new NICER into their team.



Professional Training

NICE strives to provide in-house training and development to help employees reach their full potential. The company commits to the training and development of all professional categories, all levels of responsibility, regardless of gender.

NICE uses the LinkedIn Learning platform, which provides an extensive catalogue of online video lessons. Every NICEr receives free access to LinkedIn Learning which offers over 16,000 online courses across a range of topics including business, tech and soft skills.

NICE Wings is our flagship career event. Launched in 2018 as a local roadshow, we held the 2022 edition of NICE Wings as a global, virtual event for the first time. NICE Wings is all about developing a career mindset, exploring different career opportunities and professional domains at NICE, and hearing about today's career development trends. Our NICE Wings 2022 edition presented a selection of fascinating keynote sessions, compelling one-on-one dialogues, multi-speaker panels featuring our very own NICErs, exceptional NICE career stories, workshops and more.

This event is a central point of the NICE learning strategy. All employees are invited to participate in dozens of sessions delivered by prominent speakers, NICE business leaders and tech gurus. During this week-long event, they upskill their technical proficiencies, learn new business skills and the best practices, and explore broader career opportunities.

Non-Professional Training

We offer several training programs that are not directly correlated to professional skills, but to life skills.

In 2022, NICE launched a new employee development program called Amplify. With Amplify, NICErs are encouraged to explore what motivates them and taught how to transform "drive" into "action". The program is split into three stages: The first stage discusses defining personal goals. The second stage helps them gain tools and skills to turn ambitions into actions in order to create real change. The third and final stage gives the employees a chance to evaluate the path they have chosen, to understand whether they have reached their goals and how to create new ones. Each stage is rife with webinars, motivational talks and practical tools to understand each and everyone's journey for both work purposes and life in general.

As of 2022, the Program has Included:



Leadership Development

Our managers are essential for driving success, the engine that propels our organization forward. For that reason, we heavily invest in our managers, offering dedicated learning and development initiatives targeted at both new and seasoned managers. We annually develop programs that are aligned with the fields our managers operate in and give them the tools and methodologies relevant for their day-to-day reality.

Lead2Win - During 2021, and due to COVID-19 that still had the majority of our offices working remotely, we focused on remote-management and offered a virtual management program called “Lead2Win”. The program primarily focused on equipping managers with the mindset change and capabilities required to face different challenges posed by the new reality. It included webinars, peer groups learning and more.

Growing Peas in Space - In 2022, many NICE sites around the world moved from remote working back to their offices. As a result, we launched ‘Growing Peas in Space’. This program equipped managers with fresh, essential tools to handling the constantly changing environment. The program was composed of a kickoff session with all NICE managers around the world, and three additional small group sessions, focused on leading in a hybrid workspace, becoming resilient by design to new unpredicted challenges, and coaching development for all employees.

Accelerated Leadership Program (ALP) - Top-performing managers were selected and invited to participate in several hands-on activities. In cooperation with Harvard Business School, select managers received insightful personal consultation, thought provoking lectures and interactive workshops, acquiring skills and tools designed to empower them to reach their potential and grow into broader and more senior roles at NICE. Specifically, individual and group activities focused on development of leadership and business skills, as well as delving into communication, self-branding, mentorship and more. ALP’s first cycle was launched in 2021, and the second program was launched in 2022.

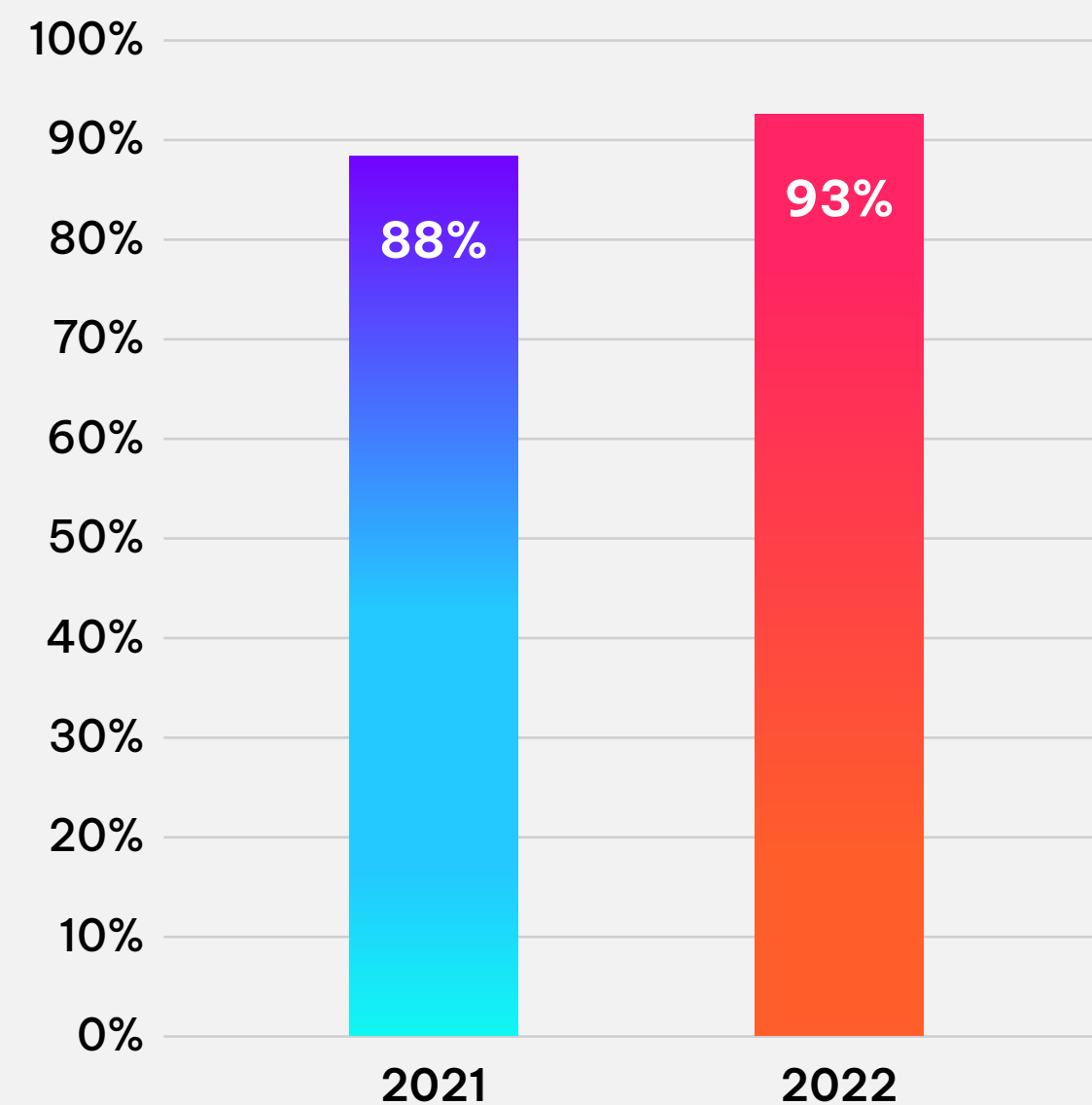
Managers’ Matters - A dedicated hub set up and made available to all managers, and includes various learning modules and toolkits on how to hire top talents and employee onboarding, which is explored by managers on a regular basis.

Performance Evaluation

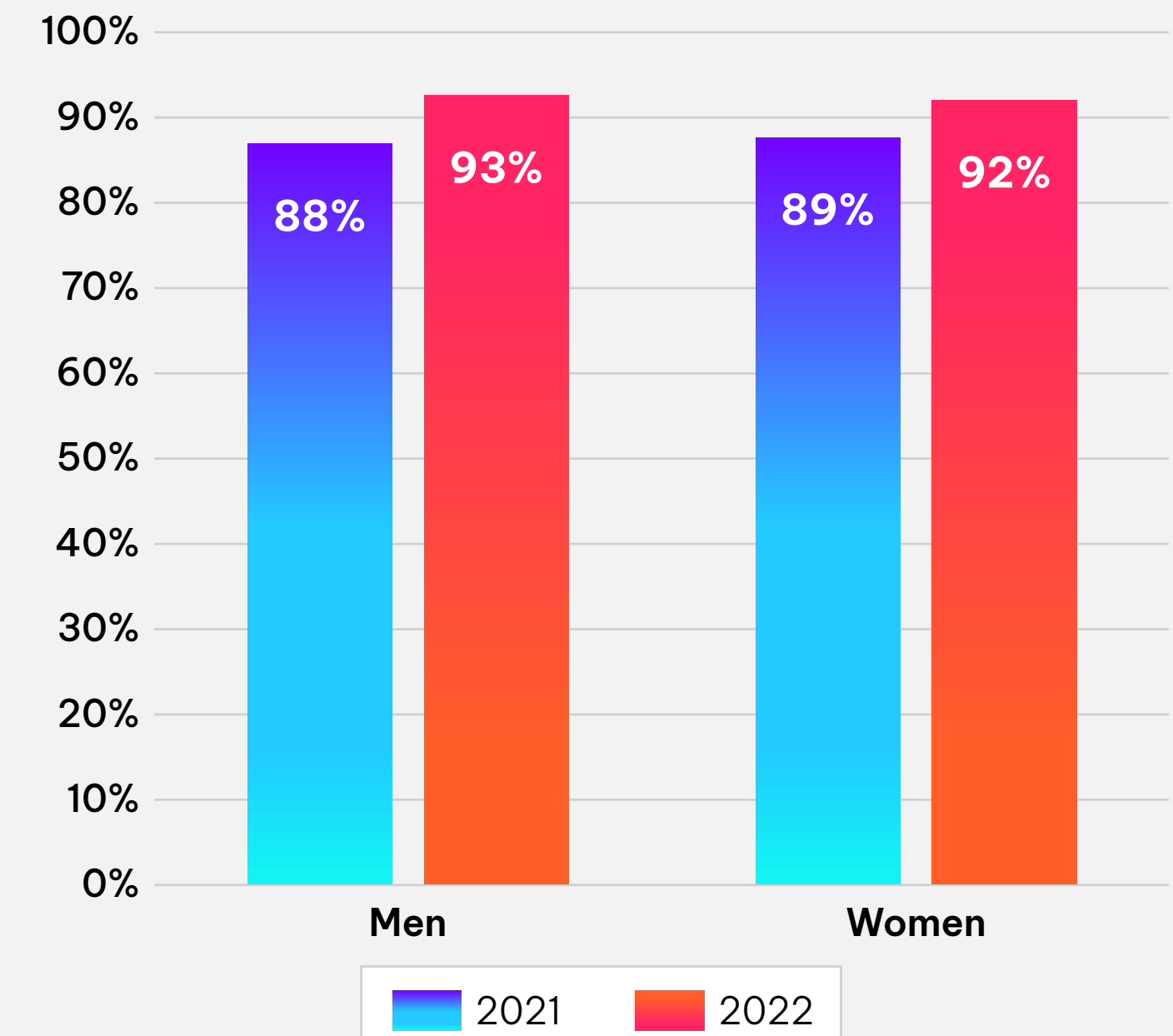
We have a formal and mandatory evaluation process for all employees. The evaluation is divided into three stages:

- **Continuous Feedback:** Daily conversations about specific deliveries to foster progress and development.
- **Connect2Grow:** At least once a year, meetings with all employees and their managers are held to discuss employees’ strengths and weaknesses and career development steps and actions, specifically in order to understand the employee’s motivators, needs and aspirations and to work together to craft development plans.
- **Performance Reviews:** Employees annually meet up with managers, to evaluate employees and business’ previous performance and conduct compensation reviews. Additionally, we check-up Connect2Grow progress.

Percentage of performance reviews



Performance reviews by gender

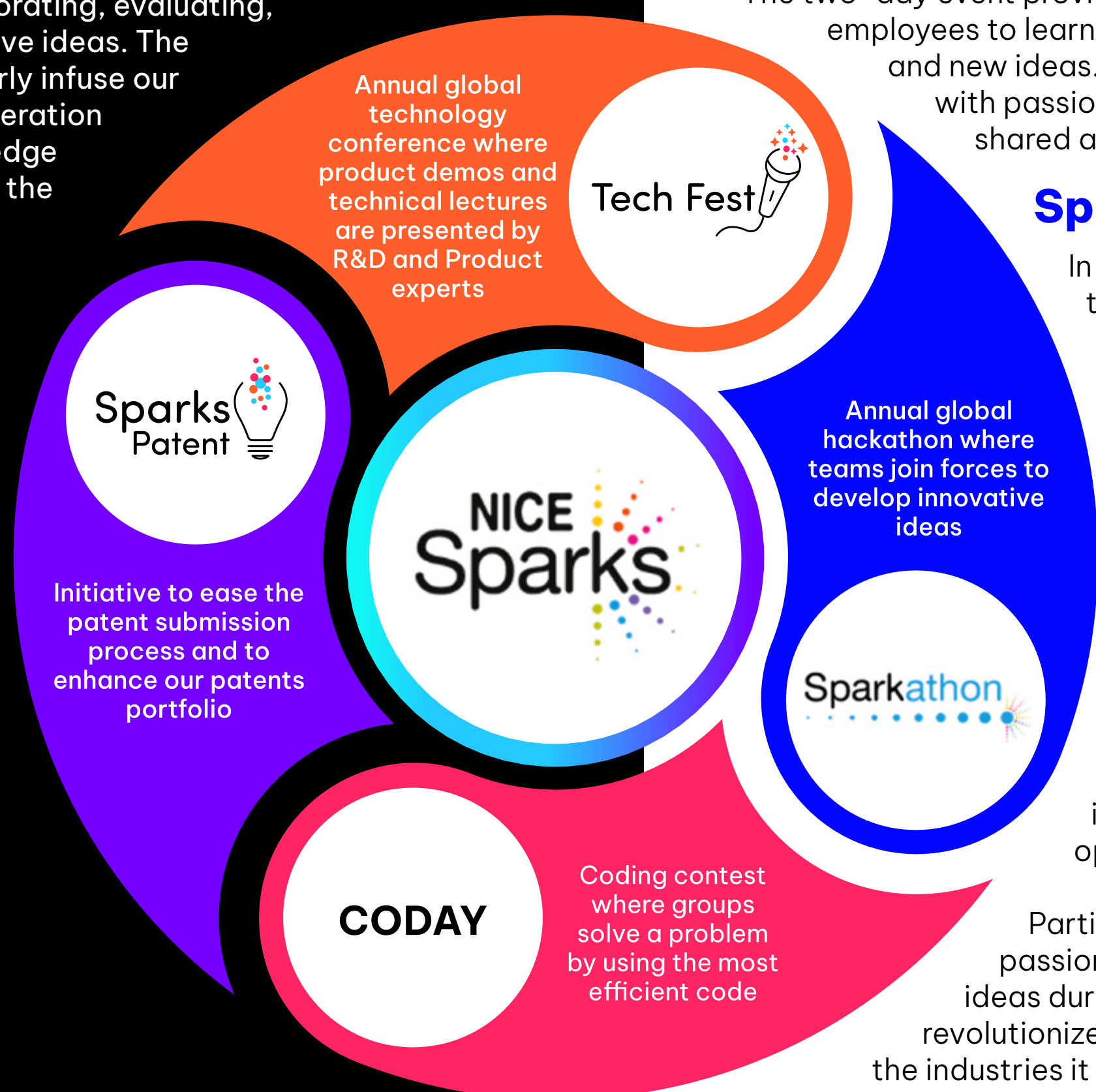


Employee Engagement

We want to create a good and healthy environment for our employees, letting them view NICE as their second home. Thus, it is vital that our employees feel that their needs and concerns are heard. We work to empower our workers by engaging with them in the following actions.

NICE Engineers' Developer Community

NICE Sparks is a program with dedicated innovation activities, focused on creating new products and solutions, all while gathering, collaborating, evaluating, and advancing innovative ideas. The program aims to regularly infuse our portfolio with next-generation products and cutting-edge technologies, fueled by the creativity of individuals from R&D and Product divisions. The program comprises a range of initiatives that work in tandem to bring new innovations to life.



In 2022, 19 tech events took place to create collaborations, and three were global events in which NICEers participated from all around the globe:

Tech Fest

The annual Tech Fest took place in January 2022, with 430 NICEers from R&D and Product Management participating and listening to 47 speakers across 28 live sessions, which included both demos and lectures. The gathering brought NICEers together, with attendees exchanging ideas and experiences on the latest technological advancements.

The two-day event provided an excellent opportunity for NICE employees to learn from each other and showcase trends and new ideas. The Tech Fest inspired many employees, with passionate discussions and valuable insights shared among colleagues.

Sparkathon

In 2022, over 1,500 NICE employees joined the hackathon event from 19 locations worldwide. The Sparkathon's main objective was to encourage innovation and collaboration among NICEers and to develop new ideas that could drive the company's growth and success. During the 48-hour global hackathon, NICE representatives from all five divisions (WCX, Actimize, CXone, Compliance and Public Safety) came together and worked on 392 innovative ideas. The teams were tasked with developing solutions for a wide range of challenges, from improving customer experience to optimizing business operations.

Participants showcased their creativity, passion, and expertise, and generated many ideas during the event that have the potential to revolutionize the way NICE operates and transform the industries it serves.

Coday Coding Contest

75 teams made up of NICE CX WEM and CEA developers participated in a coding contest in 2022. The teams received a well-defined problem and worked hard to solve it by using the most efficient code. The submissions were tested against specific parameters – correctness, execution time and code quality. The event received very good feedback and is expected to turn into a yearly event.

Sparks Patents

The ongoing initiative aims to streamline the patent submission process and enhance the patent portfolio of the organization throughout the year. The program is designed to make it easier for NICE employees to submit their patent ideas, thereby fostering a culture of innovation and creativity within the company.

The Sparks Patents program has received significant investment from the organization, demonstrating its commitment to promoting intellectual property and supporting the development of new ideas. The program identifies and protects valuable inventions that have the potential to create significant value for NICE and its customers, and encourages patent submissions and new inventors by providing them with badges and rewards.

Through Sparks Patents, NICE is able to boost collaboration and teamwork among its employees, as they work together to develop and protect their ideas. By streamlining the patent submission process, the initiative enables employees to focus on what they do best – creating innovative solutions that solve real-world problems and improve people's lives.

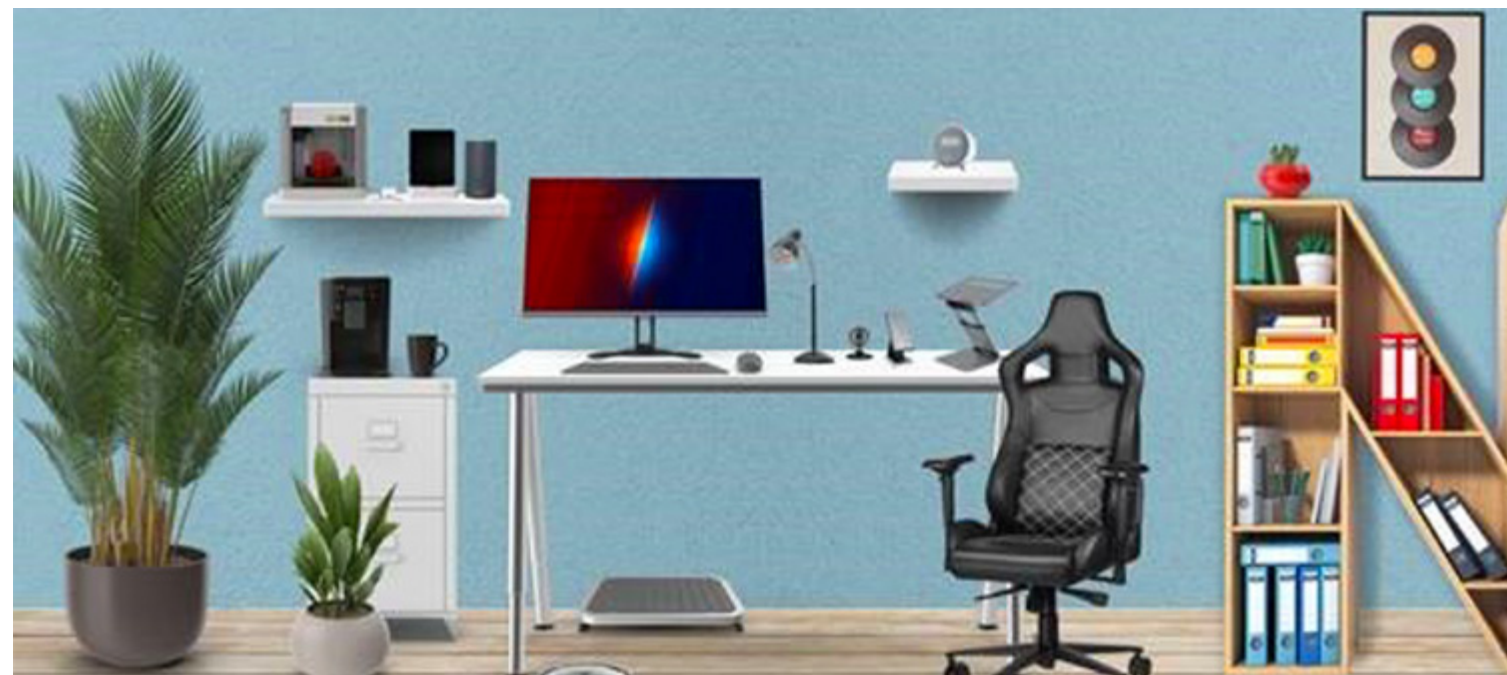
Sparks Patents is a key component of NICE's strategy for driving innovation and achieving long-term growth. The program is a testament to the organization's commitment to creating a culture of innovation and supporting the development of new ideas that can benefit both the company and society as a whole.

NICE Games and Competitions

We annually hold exciting global competitions and awards programs, with worthwhile prizes for our employees.

NICE 'N WISE

In 2021, NICERs and their family members were invited to solve three mind-stretching riddles every week for a month, and earn points for each correct answer through a dedicated platform. The more riddles they solved, the more points they accumulated, which they could then use to “purchase” cutting-edge home office equipment from the NICE 'N WISE Store. The store featured a variety of items, e.g., iPhones, iPads, Nespresso machines, gaming chairs, and more, which were delivered straight to their door. The NICE 'N WISE game was not only a fun way to earn new gadgets and gear, but it also connected employees to their families as they worked together to solve the riddles during the pandemic.



NICEverse

In 2022, we worked with an Augmented Reality vendor to create a new, out-of-this-world game, a futuristic journey to explore exciting new worlds. This very unique competition was designed to be fun for everyone, from gaming masters to people who use their phone only for Send and End. NICERs were encouraged to compete in weekly missions on their smartphones and to invite their family members to join in the fun. 56 NICERs won the prize of going on a magical trip to Disneyland Paris or Disney World in Orlando with their families. The competition achieved the highest engagement rate, and participation was the highest of all competitions thus far.



Employee Engagement Surveys

NICE conducts annual employee engagement surveys, in which employees give confidential feedback on the following topics: employee engagement, career management, employee experience, development, upward feedback on their manager, strategy and execution and leadership.

The surveys are administered by a top-notch external company that specializes in employee engagement surveys. The results are analyzed across multiple dimensions, including business units and roles, to understand developments and trends. Upper-level management is then provided with insights on strengths and on what our employees value, as well as highlighted areas that require further development and investment. The insights, trends and opportunities are also analyzed on the divisional level, to allow more focused and detailed action plans for improvement.

81% and 82% of our employees participated in this survey in 2021 and 2022, respectively. These participation results indicate a high engagement level.



2023 Targets:

- 🎯 Promote Health and Wellbeing through various activities across all locations
- 🎯 Launch another engaging competition
- 🎯 Increase local engagement activities in key locations
- 🎯 Enhance development and growth programs for our employees

NICE Suppliers

NICE is committed to conducting business in a diverse and ethical manner and this includes our supply chain.

Our suppliers are subcontractors and vendors of the following products and services: cloud services, software, telecom, marketing, hardware (consists of only 6% of our supplier spending), facility and rent, human resources and employee experience, finance, legal, sales and travel.

We are making an active effort to diversify our supply chain by partnering with minority and women-owned businesses which distribute IT equipment, laptops, servers and components, and integration services.

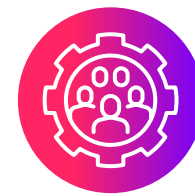
We are committed to ensuring that working conditions of all our operations and throughout our supply chain are safe, that all workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

Therefore, NICE has adopted the [Supplier Code of Conduct](#).

All suppliers must comply with the Supplier Code and commit to it as part of their engagement.

Pursuant to the provisions of the Supplier Code of Conduct, suppliers are required to: comply with the laws, rules, and regulations of the countries in which they operate; require that their employees and contractors comply with the Supplier Code; monitor and, if necessary, report on compliance with the Supplier Code; and implement corrective actions to require compliance with the Supplier Code. In cases of non-compliance with the Supplier Code, NICE may terminate any current contract or order.

The main topics covered by the Supplier Code are:



Labor: commitment to the human rights of all workers, who should be treated with dignity and respect, free of harsh or inhumane treatment and discrimination; prohibition of child labor, forced or involuntary labor, slavery, or human trafficking; limiting working hours in accordance with local laws; compliance with the law regarding minimum wages, overtime, and any legally mandated benefits;



Health and Safety: commitment to supervising worker exposure to potential safety hazards, including in emergency situations; and prevention, management, tracking, and reporting occupational injuries and illnesses;



Environmental: commitment to complying with environmental law and minimizing adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public;



Ethics: commitment to following the highest standards regarding anti-bribery, corruption and conflict of interest; compliance with business, advertising and competition laws; and responsible sourcing of minerals including the performance of due diligence regarding this aspect;



Intellectual Property, Confidentiality and Privacy: commitment to never using data, technology, knowhow or intellectual property rights for personal gain or outside of the scope of the supplier's business with NICE; prohibition of obtaining, distributing, or using copyrighted software or information without proper authorization or licensing; restriction of use of NICE's trademarks, images, logos or other materials owned or controlled by NICE; protecting NICE's confidential information; and compliance with applicable privacy, data protection, and information security laws.

For our own sector, the suppliers of hardware, which generally contain minerals, have especially important social and environmental aspects. Some minerals, mainly tantalum, tin, tungsten, and gold, might be illegally sourced from armies and rebel groups that contribute to violence, do not respect human rights and damage the environment.

While hardware spend is relatively minor, we are dedicated to ensuring that all materials used in our business come from socially and environmentally responsible sources. We do not tolerate, nor by any means profit from, contribute to, or facilitate any activity that fuels conflict, leads to serious environmental degradation or violates human rights, as set forth in international conventions and NICE's [Conflict Mineral Policy and Slavery and Human Trafficking Statement](#).

To support that effort, NICE has incorporated and implemented an annual due diligence process of applicable suppliers who obtain information regarding the source and origin of any minerals that may be present in the products we provide to our clients, and implement a remediation process accordingly. The process is compatible with the [OECD framework](#) and includes a steering committee responsible for reviewing the due diligence findings and reporting. The company annually files a Specialized Disclosure Report with the SEC to disclose its conflict mineral due diligence process and findings.

NICE conducted a supply chain survey with contract manufacturers and suppliers identified during the applicability assessment phase (81 in 2021 and 82 in 2022). The survey was based on the Electronics Industry Citizenship Coalition/Global e-Sustainability Initiative (EICC/GeSI). In 2021, 79% of surveys were completed. All completed surveys were received, reviewed and logged by the company.

In reviewing the completed surveys, we found no instance where it was necessary to implement risk mitigation efforts, temporarily suspend trade or disengage with manufacturers or suppliers.

NICE Local Communities

At NICE we believe in leveraging our strengths to benefit our local communities: sharing our knowledge, expertise, capabilities, and investing time in giving back to the communities in which we operate. The best way to contribute is through a close alignment between our business and community relationship strategies. In this context, the two main pillars of our strategy are sharing software knowledge and promoting diversity in high-tech companies. Support of the community is also expressed in donations to social and welfare services (food, medicine, hygiene products) and in financial support of different institutions (educational, sports, and institutions for the elderly).

To address this topic, we employ a community manager specialist in the headquarters to manage global community programs. Through e-mail and the contacts section of the NICE website, you can contact the manager to ask for support, communicate grievances and make suggestions. It is important to highlight that, as a software company, we do not see ourselves as having any direct negative impact on local communities. Yet, we seek to support various social goals that are in line with our business agenda.

Code:Coda

We believe in empowering women to excel in technology and breaking down the gender gap in this important field. Code:Coda, launched in 2019 is a unique program in partnership with the Cyber Education Center, that encourages 13-14 year old girls to explore the exciting possibilities available to them in coding and technology.

With weekly sessions and unique hackathons at our specially designed facility, Code:Coda provides these promising middle-school students with a positive career path experience with technology just before they choose their high school learning track. Led and mentored by 50 of our most successful female engineers, the program shows girls that they too can pursue a future in the tech world and break traditional glass ceilings.

Approved by the Israeli Ministry of Education and involving parents and teachers to maximize impact, Code:Coda has already helped 200 teenage girls complete the program, with an additional 262 currently enrolled. Over 50% of the girls who graduated from our 2-year program have chosen computer science as their major in high school, showing the power of early intervention and positive role models.

We are further committed to monitoring our impact on these girls' futures, via two evaluations: one conducted one year after they finish the course, and another ten years later. By doing so, we are able to measure the long-term impact of our program and ensure that it's truly making a difference in these girls' lives. Building on our success in Israel, we made it our goal to expand Code:Coda to the United States and India during 2023.

Through Code:Coda, we are not just empowering girls to explore and excel in technology, but are also helping to improve the high-tech sector by increasing its diversity. By providing these girls with the skills, confidence, and role models they need to succeed, we create a brighter future for the entire industry.



Volunteering

We believe in the power of volunteering and encourage our employees to engage in regular volunteer work for different causes. To embolden these values, we structured a volunteer program that includes building partnerships with organizations, providing guidance on volunteering opportunities, and establishing rules of behavior and evaluation of volunteer activities.

One of our flagship programs is Global Community Month (GCM) which takes place every May. Global Community Month is an annual cross-company program for NICE employees that provides opportunities for local volunteering, promotes our One NICE spirit, and demonstrates our belief in giving back to the community. In 2022, we celebrated 12 years of NICE Global Community Month, reintroducing the GCM and NICE's volunteering legacy after a hiatus due to the pandemic.

Despite adjusting to the new hybrid working model, over 70% of all NICEers globally participated in the GCM and tallied up an impressive

40,000 hours of community service in 2022. Our volunteers made a significant impact by renovating school classrooms in underprivileged communities, organizing events for senior citizens in old age homes, engaging children with special needs in artistic activities, cleaning waste from beaches and national parks, and helping at animal shelters. These are just a few examples of the many causes and organizations that we supported, ultimately impacting more than 120 nonprofits worldwide.

In 2021, due to the pandemic, global volunteering activities were adjusted and instead of one unified Global volunteering month, dozens of local volunteering initiatives were made available throughout the year. In Israel, employees were involved in two remote volunteering projects, both in April and December 2021, totaling to 900 hours of volunteering.

We take pride in our commitment to volunteering and giving back to the community, and we look forward to continuing to make a positive impact in the years to come.

Charitable Contributions to the Community

NICE is committed to making a positive impact on the community and has made significant charitable contributions in 2021 and 2022. In 2021, NICE donated computer equipment worth more than 285 thousand USD.⁴ In 2022, this contribution doubled to 570 thousand USD⁵ worth of donations, which included over 300 computers, 400 screens, and other office furniture and equipment. These donations were distributed to families in need and various social organizations such as schools in underprivileged neighborhoods, homes for women and children at risk, and more.

In addition, over the past few years, NICE in Israel has been working in collaboration with [Matan Investing in the Community organization](#), an Israeli nonprofit that supports businesses in developing benefiting partnerships with nonprofits and addressing real societal needs. Through Matan, NICE donated 415,000 USD and 433,000 USD in 2021 and 2022, respectively.⁶

⁴ Figures were converted from ILS to USD according to conversion rates as of December 31st, 2021.

⁵ Figures were converted from ILS to USD according to conversion rates as of December 31st, 2022.

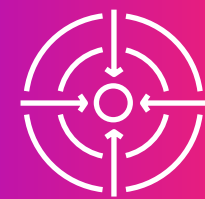
⁶ Figures were converted from ILS to USD according to conversion rates as of December 31st, 2021 and 2022, respectively.

Throughout 2022, NICE continued to support the community through the following programs:

- **Pitchon Lev** – The company donated new school bags and equipment to “Pitchon Lev”, an NGO focused on breaking the intergenerational cycle of poverty in Israel.
- **Green Patrol project with Beit Eckstein** – Beit Eckstein is an Israeli organization that specialized in education and rehabilitation for people with disabilities. NICE renewed the project after the COVID-19 pandemic, where residents of Beit Eckstein worked together with NICE employees to collect cans and bottles for recycling.
- **Ethan Association Race** – NICE participated in the Eitan Run which promotes diversity and equal opportunity by training young people on the autism spectrum.
- **Larger Than Life** – NICE supports the “Larger Than Life” cancer organization and in 2022, hosted children with cancer in the NICE Family Club activities where they could play around, enjoy films, and more.
- **Brit Haleviot** – The organization work to create a safe and supportive space for LGBTQ+ children and their family members, through social and public activities the raise awareness for gender diversity.

- **Supporting Social Businesses** – During holidays and recognition events, gifts for employees were purchased from social businesses such as “Shades of Sweetness”, a boutique chocolate factory that employs teenagers participating in an employment capability program, “Kfar Idud” plant nursery cared by people with disabilities, and KidePride, an upcycled fashion store that creates unique bags from sustainable materials.
- **Share the Warmth Project** – Launched by NICE, employees donated hundreds of coats and warm clothing to underprivileged families and blankets to animal shelters in preparation for winter.
- On national memorial days, NICE employees baked cakes for Holocaust survivors and participated in the “Recipe with Memory” project to commemorate the IDF fallen soldiers.

Our Pune office is also very involved in contributing to the local community. In 2022, NICE partnered with the Door Step School Foundation which promotes primary education, especially among migrant-labor families that move from one construction site to another. Together with a local NGO, NICE renovated a bus and converted it into a mobile classroom, bringing the joy of education to their doorstep.



2023 Targets:

- ③ Create a true impact on the community that we equally affect and are affected by
- ③ Increase our community activity as corporate citizens in the upcoming years by continuing our current ongoing projects, initiating new ones and measuring our community impact

First-Line Support for Ukrainian Refugees – The NICE Taskforce

Within days of war breaking out in Europe in February 2021, NICE mobilized a volunteer taskforce from various European locations to travel to the Ukraine-Poland border and delivered aid to Ukrainian refugees. The taskforce contributed by distributing donated goods to refugees, mostly women and children crossing the border and demonstrated how simple acts of kindness can play a real and impactful role in people lives, volunteers and refugees alike.

NICE TO BE GREEN

We are committed to maintaining market leadership while also prioritizing a cleaner and safer world. Compliance with environmental standards, regulations, and requirements is a crucial aspect of this commitment. We take full responsibility for our environmental impact and strive to operate with integrity and responsibility in the communities where we operate.

Our environmental strategy focuses on reducing energy consumption, waste generation, and carbon footprint, while promoting recycling.

Transparency is a key component of our environmental action plan. To that end, we have increased data collection on energy consumption and currently report on the electricity consumption of 86% of our sites. Going forward, we strive to expand environmental data collection efforts for all NICE offices and set ambitious short- and long-term targets to improve our environmental impact.

NICE's Environmental Policy

Our environmental policy complies with ISO 14001, applicable environmental legislation, regulations, and the majority of customer requirements. The policy strives to prevent and reduce any adverse environmental effects of our activities and products. It demonstrates continual improvement in environmental objectives and fosters environmental awareness among NICE personnel by promoting internal communication regarding the environment.

Policy Implementation

Our environmental management policy and procedures include:

- **Environmental Aspects Evaluation:** The evaluation identifies and manages our environmental impact. As a result of this evaluation, we identified that energy consumption is the only issue with a medium impact level. Although other evaluated issues presented a low impact level, we still define operational control to decrease our negative impact in these fields. Our energy management is explained in the Energy and Climate Change section.
- **Laws and Regulation Management:** A yearly updated checklist raises and evaluates our compliance regarding all environmental requirements.
- **Training:** Environmental training is provided to new employees as part of our onboarding process and it covers reporting on environmental issues, waste segregation, recycling and water, energy, and fuel saving. In addition, employees annually participate in Health, Safety and Environmental computer-based tests, to ensure that employees are aware of the potential hazards and risks associated with their work environment and job tasks.
- **Responsibility:** Most environmental responsibilities (energy, waste) fall under NICE's VP of Operations and CIO.
- **Audit:** Annually performed by an independent auditor to evaluate our environmental management policy and procedures. It indicates improvement opportunities that we address.
- **Management Reviews:** Environmental Management policy and procedures results are annually presented to the senior management to receive advice and define the next steps.

Although our environmental commitment and policy apply to all operations, we recognize that our Environmental Management policy and procedures vary between offices. We started to implement our Environmental Management policy and procedures in Israel, where we are certified by ISO 14001, and we plan to implement in other operations in the coming years.



Climate Change

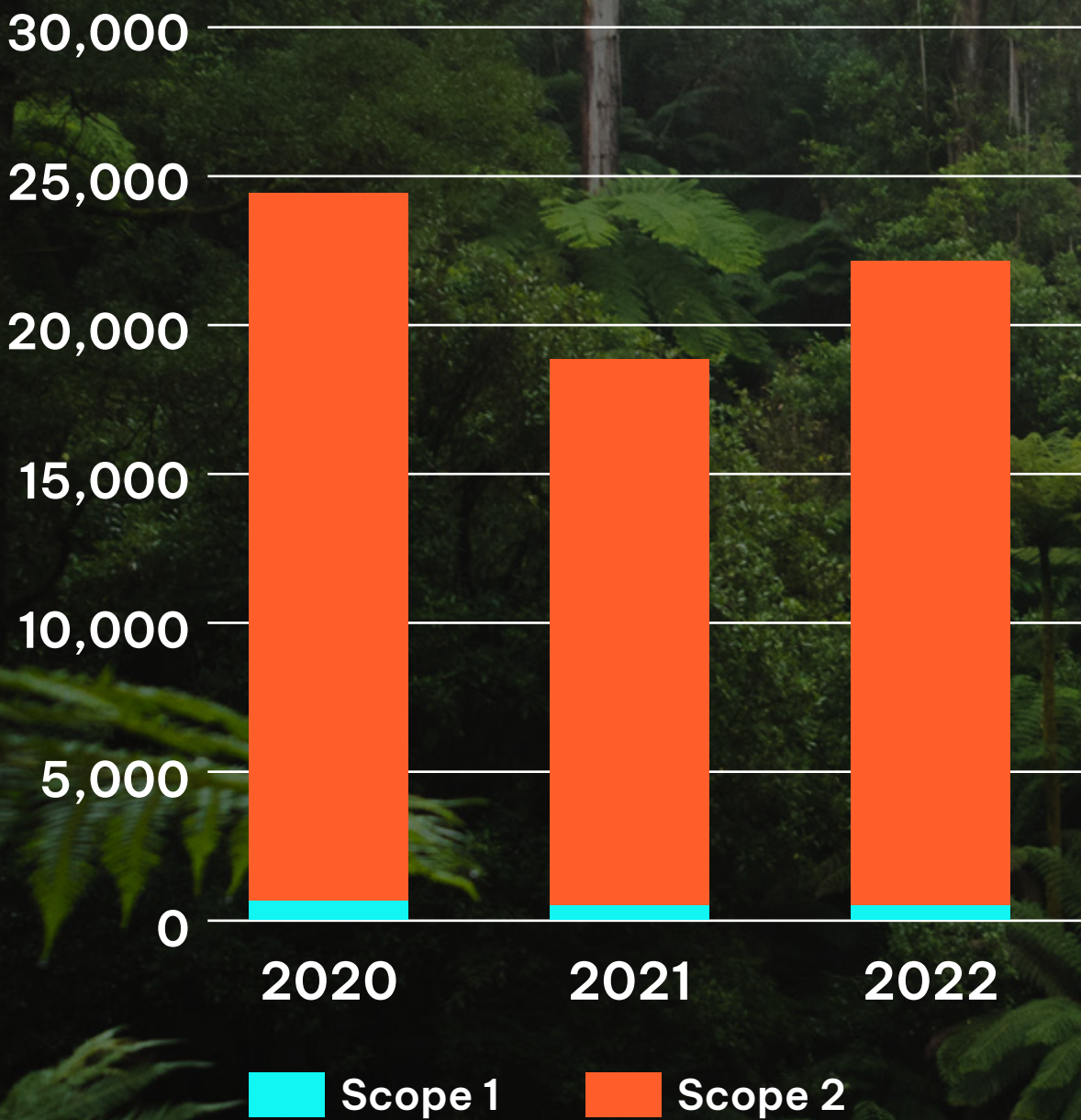
Climate change is widely recognized the most significant environmental challenge that the world currently faces. As a leading global hi-tech company, NICE recognizes the importance of environmental responsibility in its daily activities. To that end, we have implemented various appropriate measures to mitigate our impact on the environment, including tracking our corporate carbon footprint and producing a detailed report, as expressed in [NICE's Climate Change CDP questionnaire](#), which has been annually submitted since 2018.

As part of our company-wide business continuity management procedure, among other risks, we evaluate climate change on an ongoing basis. Our annual risk evaluation has shown that extreme weather events pose the most significant risk to our operations and those of our vendors, as they can cause power outages, damage to infrastructure, and impede employees' mobility. We assess these risks on a case-by-case basis for our sites and assets that we deem vulnerable to extreme weather events since they vary from one location to another. While we do not expect our core business as a software company to be significantly affected by climate change, we take these risks seriously and prioritize them accordingly.

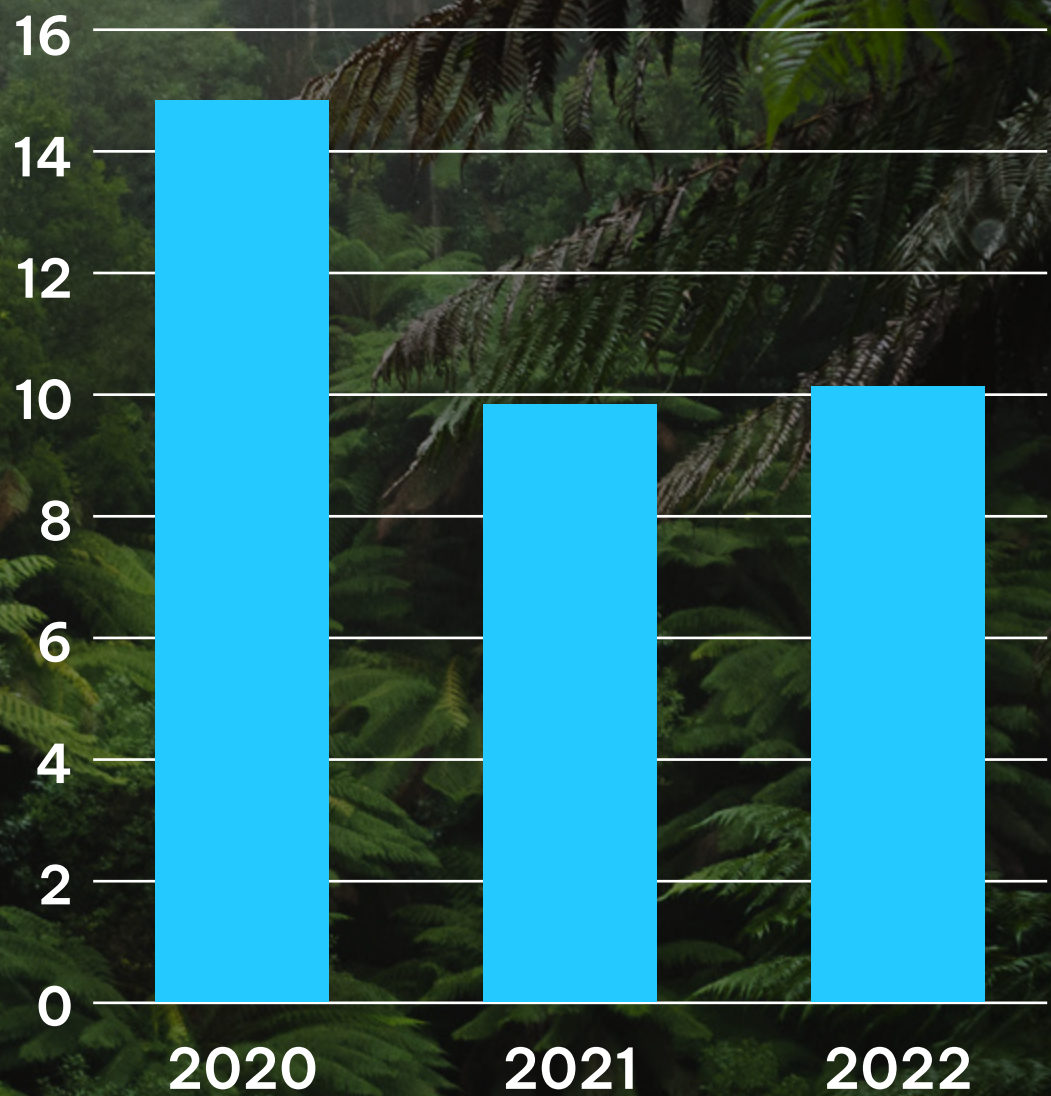
Our Carbon Footprint

NICE's small fleet of cars is responsible for contributing approximately 3% of NICE's tracked carbon emissions, which fall under Scope 1 emissions. The majority of NICE's emissions come from electricity consumption in its facilities, which fall under Scope 2 emissions. In line with the targets set in the 2020 ESG report, NICE has made a concerted effort to improve its environmental data collection from its global operations in recent years. This has resulted in an increase in Scope 2 data collection from 64% to 86% in the 2021-2022 ESG Report, relative to NICE's total office area, allowing for better understanding of the company's carbon emissions and how to enhance its environmental KPIs.

Scope 1 and 2 absolute emissions (tCO₂e)



Scope 1+2 emission intensity (tCO₂e/M\$ revenue)



While office closures during 2021 led to an increase in Scope 2 emissions upon reopening in 2022, total absolute emissions slightly decreased by 9% and emission intensity⁷ dropped by 31% compared to 2020.

NICE annually reports its electricity and fuel consumption, to Israel's Ministry of Energy. Additionally, every 4.5 years, a specialized company is hired to conduct an energy evaluation to identify potential energy-saving measures and make practical recommendations for savings. The last survey was completed in March 2020, indicating that an investment of USD 140,000 can save up to one million kWh per year. Implementation of these recommendations is currently being discussed with the energy commissioner, and will be updated in future reports.

Although most of NICE's Scope 3 emissions are not monitored, emissions from data centers and international air travel are of particular relevance. NICE has started engaging with its data centers to monitor Scope 3 emissions. Its top data center supplier estimates the company's carbon footprint associated with its services is 838 tCO₂e in 2021 and 296 tCO₂e in 2022. The decrease in carbon emissions is explained by NICE's selection of its suppliers. NICE's data center suppliers are committed to using renewable energy and/or improving energy efficiency, with Energy Star Certification being a prime example. The Company's top two data center suppliers are committed to using 100% renewable energy, with one already achieving 100% and the other 85% renewable energy use.

A Greener Approach to Software

While software itself may not consume energy or emit harmful discharges, its development and usage can have significant environmental implications. That's why we are committed to taking a greener approach to software development and usage.

Software performance and energy efficiency is an integral part of our sustainability efforts. This means that we evaluate software not only on traditional parameters such as functionality, security, scalability, and accessibility, but also on its energy efficiency. As part of this effort, we have included green practices and targets as criteria for Chief Information Officer performance reviews.

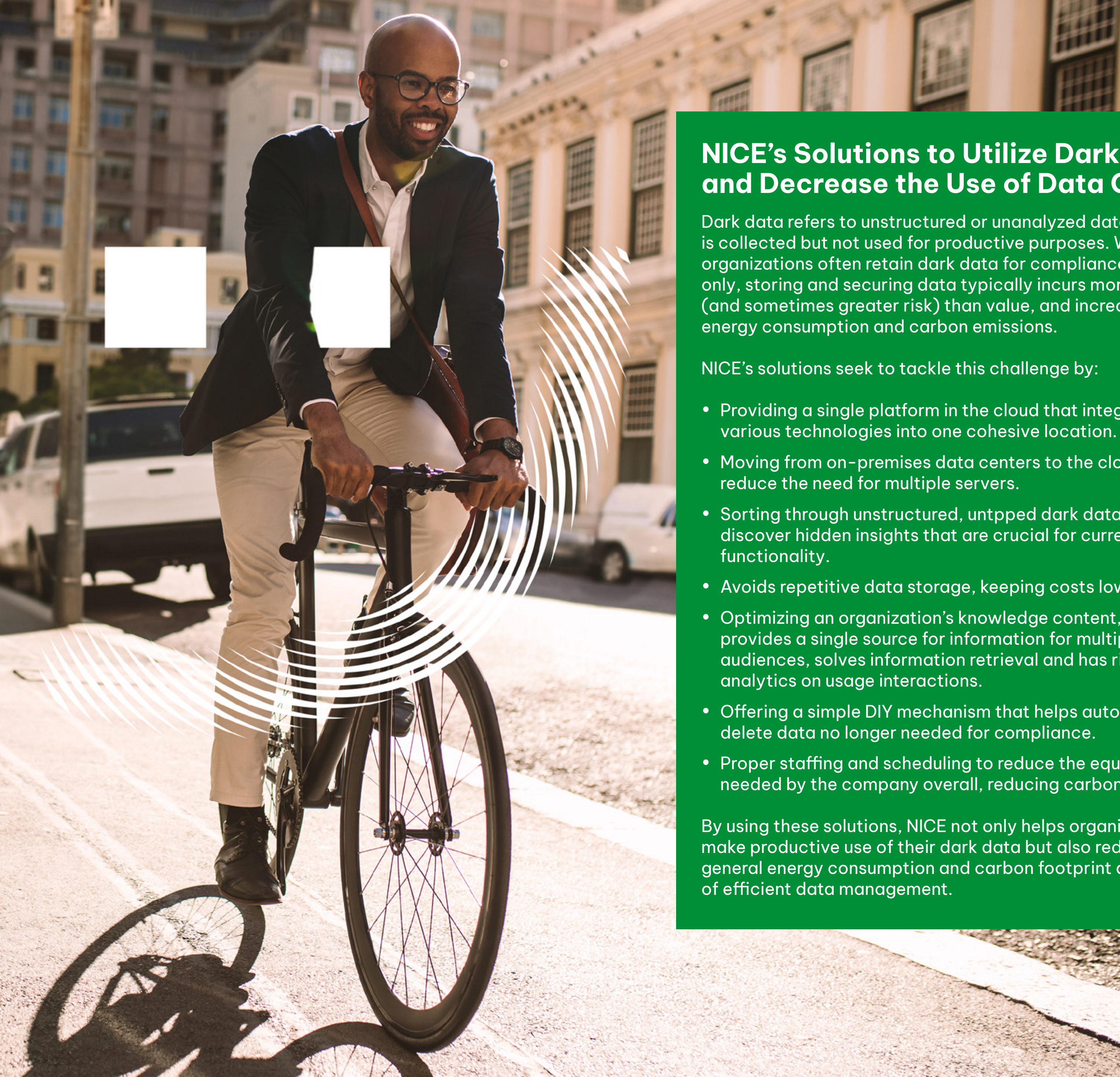
NICE adheres to several principles to conserve energy in IT, including:

- Using virtualization technology to consolidate multiple physical servers into one physical server.
- Choosing energy-efficient hardware, such as low-power processors, solid-state drives (SSDs), and power-efficient components.
- Implementing power management features on servers, desktops, and laptops, such as automatic sleep or hibernate modes.
- Using cloud-based services and applications can reduce the need for on-premises hardware and associated energy consumption.
- Optimizing data center design and operations, including cooling systems.

As we continue to develop and use software, we remain committed to minimizing our digital impact on the environment. By taking a greener approach to software development and usage, we believe we can make a positive difference.

⁷ Emission intensity is defined as the ratio of total tracked scope 1 and scope 2 CO₂e emissions and NICE's annual revenue.





NICE's Solutions to Utilize Dark Data and Decrease the Use of Data Centers

Dark data refers to unstructured or unanalyzed data that is collected but not used for productive purposes. While organizations often retain dark data for compliance purposes only, storing and securing data typically incurs more expense (and sometimes greater risk) than value, and increases their energy consumption and carbon emissions.

NICE's solutions seek to tackle this challenge by:

- Providing a single platform in the cloud that integrates various technologies into one cohesive location.
- Moving from on-premises data centers to the cloud to reduce the need for multiple servers.
- Sorting through unstructured, untapped dark data to discover hidden insights that are crucial for current business functionality.
- Avoids repetitive data storage, keeping costs low.
- Optimizing an organization's knowledge content, which provides a single source for information for multiple audiences, solves information retrieval and has rich data analytics on usage interactions.
- Offering a simple DIY mechanism that helps automatically delete data no longer needed for compliance.
- Proper staffing and scheduling to reduce the equipment needed by the company overall, reducing carbon emissions.

By using these solutions, NICE not only helps organizations make productive use of their dark data but also reduces their general energy consumption and carbon footprint as a result of efficient data management.

Materials and Waste

Focusing on our environmental policy commitment of prevention and continuous reduction of any adverse environmental effects from our activities and products, we are acting to avoid the use of hazardous substances and to reduce the potential impact of electronic waste related to our activity.

Avoiding the Use of Hazardous Substances

We have been in compliance with the European Union Restrictions on the Use of Hazardous Substances (RoHS) Directive since 2006. None of our electronics use materials such as lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE). We further adhere to the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Directive which requires us to manage risks and provide safety information of all chemicals found in our products.

E-Waste

Although our products' hardware manufacturing is minimal, we have adopted responsible end-of-life policies for the applicable products to ensure ease of dismantling, removal of hazardous materials and participation in take-back schemes with hardware manufacturers. In Europe, all electrical and electronic equipment used in our operations and clients' operations are disposed of by complying with the 2006 EU Battery Directive and the 2012 Waste from Electrical and Electronic Equipment (WEEE) Directive of the EU. In this context, we support the collection, disassembly, and recycling of replaced or retired client equipment. This compliance is registered in the UK, France, and Germany, where we have a legal presence, or from where we import electronic equipment. In these countries, we have recycled all client equipment since 2005 through expert WEEE-certified companies. For other EU countries, we employ partners to ensure compliance.

In Israel, we monitor and recycle all our electronic waste and in 2021 and 2022, our volume of e-waste was substantially less the 1 ton per year threshold.

Regular Waste

In we have waste segregation and proper disposal of paper, plastic, packaging and cooking oil from the cafeteria.

Additionally, in 2021 and 2022, we were exempt from reporting our volume of packaging to the Israel Ministry of Environmental Protection, since we generated a mere 11 and 13 kg of packaging waste in the respectful years. This is substantially less than the 1 ton per year that needs to be reported, according to local regulation.

Water Consumption

Monitoring water usage is crucial to promote sustainability and minimize our environmental impact. For this year's report, we initiated the process of tracking the company's water consumption, as part of our efforts to conserve resources. While our current reporting covers approximately 35% of our total office locations, we are committed to expanding our reporting coverage to gain a better understanding of our overall consumption. In 2022, our offices consumed 18,500 m³ of water.⁸



2023 Targets:

- ◎ Expand scope 2 reporting coverage
- ◎ Expand water consumption reporting coverage
- ◎ Continue with CDP reporting
- ◎ Initiate TCFD reporting
- ◎ Increase scope 3 reporting coverage to more cloud vendors
- ◎ Expand ISO 14001 certification to UK and India offices
- ◎ Expand environmental training and awareness to more NICE offices

⁸ Water withdrawal data includes Israel, India (Pune) and Singapore.

ABOUT NICE'S ESG REPORT

This is NICE's second ESG report. The information provided in this report reflects the Company's ESG performance from January 1st 2021 to December 31st 2022 and covers all NICE global operations, unless stated otherwise.

This report has been prepared with reference to the GRI 2021 Standards. In addition, the report is aligned with the United National Sustainable Development Goals (UN SDGs), that define 17 goals to promote a better world.

We have assured the content through an internal review process and the report has been approved by NICE's ESG Steering Committee.



The report was written with support of BDO Consulting's ESG Department. The Department is a community member of the GRI Organization, and the team undergoes special training for this.

The 2021-2022 NICE ESG report details NICE's policies, procedures, programs, and performance regarding the company's main environmental, social and governance issues. The Company is committed to continually increase its transparency and stakeholder engagement through the ESG report. NICE's 2021 and 2022 Annual Reports best represent the Company's information and can be viewed [here](#).

We welcome your feedback and questions on the activities and programs described in the report, as well as the issues you expect to see addressed in the future.

Dovi Malik
Director of Corporate Compliance

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APPENDIX

Associations/Memberships

ACAMS (HK) Limited	CCMA Ventures Ltd	MO Solutions Co. Ltd.
ACC Association of Corporate Counsel	Center for internet security inc.	Nacha
AnyWare E-Commerce Ltd.	Contact Centre Association of Singapore	NENA Annual Conference & Trade Show
Auscontact Association	EUROCAE	Pace Creative Group Ltd.
Barbri Acquisition, Inc	Grand Total	Reliance Jio Infocomm Ltd.
Beijing Jiudingtang Information Technology Co., Ltd.	Hinjawadi Industries Association	RIPE NCC
Benefit One Inc.	Hong Kong Computer Society	ServiceNow, Inc
C.O.O. Corporate Chief Operating Officer Ltd	Industrie und Handelskammer	Society of Workforce Planning Professionals LLC
Call Center Association Ltd.	Irgun Menahaley Tachabura	techUK
Call Center Verband Deutschland E.V.	JWG-IT Insight Ltd.	TSIA Technology Services Industry Association
CallNet.ch	Meeting Professionals International	Unify Software & Solutions Gmbh & Co. KG
Care Group	Ministry of Testing Ltd.	WeeeCare PLC

Environment

Energy consumption	2020	2021	2022
Total fuel consumption (Gasoline) within the organization (L)	295,761	232,055	211,832
Electricity consumption in (MWh)	34,492	25,163	38,165
Total energy consumption within the organization (GJ)	134,285	98,524	144,640
Energy intensity ratio for the organization (GJ/ MM USD Revenue)	81.48	51.29	66.32

GHG Emissions (TCO ₂ e)	2020	2021	2022
Scope 1 (direct emissions)*	691.49	542.54	495.26
Scope 2 (electricity emissions) – location-based approach**	23,773	18,399	21,703
Scope 1 and 2	24,464.72	18,941.83	22,198.67
GHG emissions intensity ratio (emissions/revenue – TCO ₂ / MM USD Revenue)***	14.85	9.86	10.18
Scope 3****	584	837	296

Inventory based on Operational Control approach.

Calculated according to GHG Protocol operational control option. Emissions include CO₂, CH₄ and N₂O gases. Source of GWP factors: GHG Protocol (AR5). Emission factors from DEFRA, EPA, carbonfootprint.com, and other locals' sources.

*Scope 1 includes Israel Gasoline consumption.

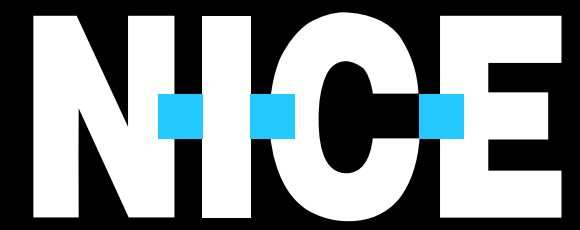
**Scope 2 includes electricity consumption of Hoboken, London, Manila, Melbourne, Mountain View, Mumbai, Prague, Pune, Ra'anana, Richardson, Singapore, Southampton, Sydney, Tokyo, Utah, which represent approximately 86% of NICE's office area.

*** Covers Scope 1 and 2.

**** Includes the share of our emissions in our main data-center supplier.

Recycled E-Waste (kg)*	2020	2021	2022
	33.5	179.68	69.2

* Includes Israel's operations.



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About NICE

With NICE (Nasdaq: NICE), it's never been easier for organizations of all sizes around the globe to create extraordinary customer experiences while meeting key business metrics. Featuring the world's #1 cloud native customer experience platform, CXone, NICE is a worldwide leader in AI-powered self-service and agent-assisted CX software for the contact center – and beyond. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, partner with NICE to transform – and elevate – every customer interaction.

Forward-Looking Statements

This report contains forward-looking statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and similar matters related to NICE Ltd. The words “believe,” “expect,” “intend,” “may,” “plan,” “should,” “strategy,” “continue,” “goal,” “target,” and similar expressions, as they relate to NICE or its management, are intended to identify forward-looking statements.

These statements are based on management's expectations, involving known and unknown risks, uncertainties, assumptions, future plans and strategies, projections, events and trends, the economy and other factors and future conditions that may cause actual results or outcome to differ materially from the implied or expressed statements. NICE assumes no obligation to update or revise these forward-looking statements, and a detailed discussion of the risks and uncertainties can be found in NICE's filings with the Securities and Exchange Commission. Actual results may vary due to factors such as economic, political, and business conditions, pandemics, mergers and acquisitions, changes in laws or regulations, and unexpected delays or expenses. The forward-looking statements are made as of the date of the report, and NICE undertakes no obligation to update them unless required by law.

The inclusion of information or references in this report, including the use of terms such as “materiality,” should not be interpreted as a representation or assertion regarding the materiality of such information to the NICE's financial outcomes or as a declaration that such information is necessarily material to investors or other stakeholders for the purposes of U.S. federal securities laws.

