NICE

2023 ESG REPORT

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A message from the CEO

Dear stakeholders,

At NICE, we continue to pursue our passion: helping organizations meet and exceed their business goals with innovative AI-powered cloud solutions. We take pride in helping create exceptional customer experiences, fighting financial crime and preventing fraud, and promoting a digital-era criminal justice system. We love what we do, driven to create a better world for citizens, consumers, employees and enterprises.

As the leader in each of our markets, we are committed to providing solutions that enable organizations to amplify the voice of their customers and employees. We enable the creation of smart workflows based on objective analysis, delivering effective process automation, increasing decision visibility, and improving governance. Our domain-specific capabilities are designed to create reliable business conversations with trust, fairness and transparency.

We care about all our stakeholders and made significant progress in 2023 to positively impact society, the environment and the economy.

For our customers, we continued to develop our NICE Customer Clubs, creating communities for exchanging best practices, learning from experts, and enhancing leadership and customer experience skills. We made significant strides in improving product accessibility, including a substantial increase in our accessibility testing coverage. This effort is part of our work to ensure our products alignment with the latest Web Content Accessibility Guidelines standards.

For our employees, whose number continues to grow, we maintain our commitment to providing equal opportunity and inclusivity. We strive to close the gender gap and encourage talented women to forge ahead and make an impact. In 2023, we hosted events like Women's Day, which featured success stories and discussed ways in which women can elevate their careers at NICE.

For our communities, we volunteered around the world in May during Global Community Month, contributing 40,000 volunteer hours in just one month.

With regards to our **environmental impact**, we are pleased to report a 12% reduction in Scope 1 and 2 carbon emission intensity. This is due in part to our NICE offices renovations, which feature newer and more energy efficient technology, adapting to a remote working model, and our upgrades to cooling systems in Pune, India. In addition, our selection of data center providers that rely on renewable energy for their electricity consumption has resulted in lower data center emissions across our value chain. We aim to continue expanding our database of environmental activity, to better understand and reduce our consumption year over year.

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 established an ESG committee in early 2023, composed of managers and employees from different departments to oversee all ESG topics throughout our business. The committee is tasked with identifying ESG risks and opportunities, developing a holistic ESG approach, and encouraging the integration of ESG into our overall business strategy.

Sincerely,

Barak Eilam
Chief Executive Officer

NICE's Performance 2023

25% of the Board members are women

100% compliance in employee ethics training

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

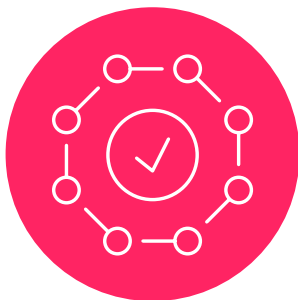**12%** reduction in CO_2e emission intensity vs. 2022

8,384 employees

40,000 volunteer hours during 2023 global community month

>500 patents

4% reduction in our total Scope 1 and 2 absolute emissions

5B+ financial transactions monitored daily

2,780 R&D professionals

30M+ separate pieces of evidence managed daily through Evidencentral to protect society

Evaluated by ESG agencies

Bloomberg

ecovadis

CDP DRIVING SUSTAINABLE ECONOMIES

ISS ESG▷

MSCI ESG RATINGS [1]
AA
CCC | B | BB | BBB | A | AA | AAA

Rated
MORNINGSTAR SUSTAINALYTICS
ESG Risk Rating[2]
13.8
Low Risk

About NICE

Power numbers:

37 local offices

150 countries

2023 Total Revenue: $2.378B

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. 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 specialized AI-powered solutions aimed at augmenting employee activities with smart copiloting capabilities, delivering seamless automated customer self-service using conversational AI, orchestrating journeys across multiple channels and intents, meeting consumers wherever they choose to begin their journey, providing them with the knowledge element they need, and creating smarter personalized customer interactions.

We help organizations transform their workforce experience with AI-powered solutions aimed at guiding and engaging employees, optimizing operations and automating processes to deliver seamless transition between automated service and human-assisted interactions. We are also digitally transforming the evidence process from police investigators and district attorneys to court and correction facilities, providing a single, streamlined view of the truth as the core of our Public Safety and Justice business, which is part of our Customer Engagement segment.

In the **Financial Crime and Compliance market**, we protect financial services organizations, with solutions that identify risks and help prevent money laundering and fraud, as well as help ensure financial markets compliance in real-time. With our holistic, data and entity-centric approach, we help financial services organizations address the new dynamic of financial crime threats, which are significantly growing in the digital era.

NICE is at the forefront of several industry technological disruptions that have greatly accelerated in the last few years: the growing acceptance and adoption of specialized AI-powered solutions combining domain-specific use-cases, Generative AI and LLMs (large language models), 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, an increase in consumer cross channel, self-service usage and the need to manage, optimize and engage a diverse workforce while retaining and attracting top talent. Our suite of integrated solutions, based on our unique domain expertise, enables customer service, financial crime prevention and criminal justice organizations to innovate, thrive, and improve the lives of billions with industry-leading cloud platforms that use domain-specific data and AI-powered solutions.

Our **Strategy**

Our strategy is based on serving rapidly expanding, specialized markets that require feature-rich solutions, with robust, comprehensive cloud platforms that are spearheaded by AI as an overarching catalyst, propelling our unique AI-driven vectors of growth: using AI differentiation to expand our cloud win rates, positioning AI as the bedrock for driving rapid expansion into digital, utilizing AI to fuel massive platform-adoption and leveraging AI as a lucrative source for new domain-specific use-cases.

We continue augmenting our AI leadership across all our markets, as AI establishes itself as an overarching catalyst, propelling NICE's four vectors of AI growth strategy:
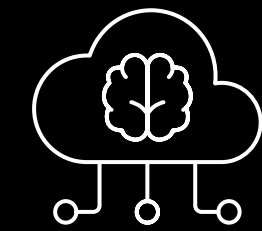
AI fuels our cloud win rate

We are witnessing an enterprise cloud inflection point, where the lion's share of large-scale cloud transitions is about to take place. AI is enhancing our differentiation, substantially expanding our cloud win rates and displacements.
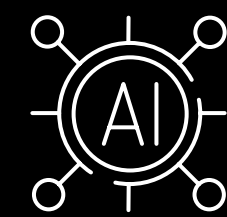
AI as the bedrock of rapid expansion into digital

NICE's digital solutions encompass the range of digital channels. AI is a strong contributing factor for migration from legacy digital vendors to NICE, contributing to the growth in volume of digital engagements managed by our platforms.
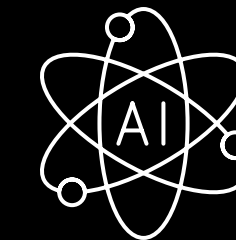
AI fusion powers our platform adoption

Enterprises are pivoting from multiple point solutions to building and simplifying their tech stack by standardizing on a single platform. This trend is now gaining a significant boost because it is the only viable way to implement AI that works and requires well designed AI-embedded platforms that were built with specific domains and use-cases in mind.
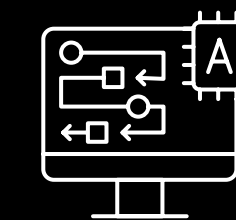
AI as endless source for lucrative new use-cases

Organizations are coming to a clear realization that generic Generative AI and LLM solutions are not providing the expected results. NICE's specialized AI, with its thousands of constantly evolving and expanding models, based on billions of interactions, is fast becoming a true viable option for addressing the complex use-cases of our markets.

ESG at NICE

Impact Through Our Products

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 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.

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 contribute to improving our society, such as strengthening the relationship between consumers and organizations, providing accessible self-service, fighting financial crimes and improving public safety and justice.

Delivering Extraordinary Customer Experiences

With the growing complexity, demand and urgency of customer service needs, the exponential usage of digital and the growing maturity of Generative AI capabilities, 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 efficient, effective and high-quality customer experiences that are digital, including agent-assisted and self-help channels that are smart, secure, consistent and personalized across all touch points. In addition, NICE helps organizations generate business insights, better understand and predict customer intent and create smarter customer connections, as well as provide their employees with the flexibility and balance they seek.

We leverage Generative AI and LLMs to help our customers better understand and predict their customers' intent and enable them to proactively engage and interact with every individual throughout its entire journey. With a broad array of AI-based 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 and employee satisfaction.

On the **consumer side**, we leverage conversational interactions to understand multi-level consumer intents and discover automation opportunities for self-service.

On the **agent side**, we augment agents in real-time to reduce friction, keeping them informed and prepared by surfacing knowledge at the right time and auto-composing responses, and connecting agents with consumers on a personal level to optimize outcomes and increase satisfaction.

On the **business side**, we enable CX leaders to act on business insights with a click of a button, resulting in a better work environment and satisfaction.
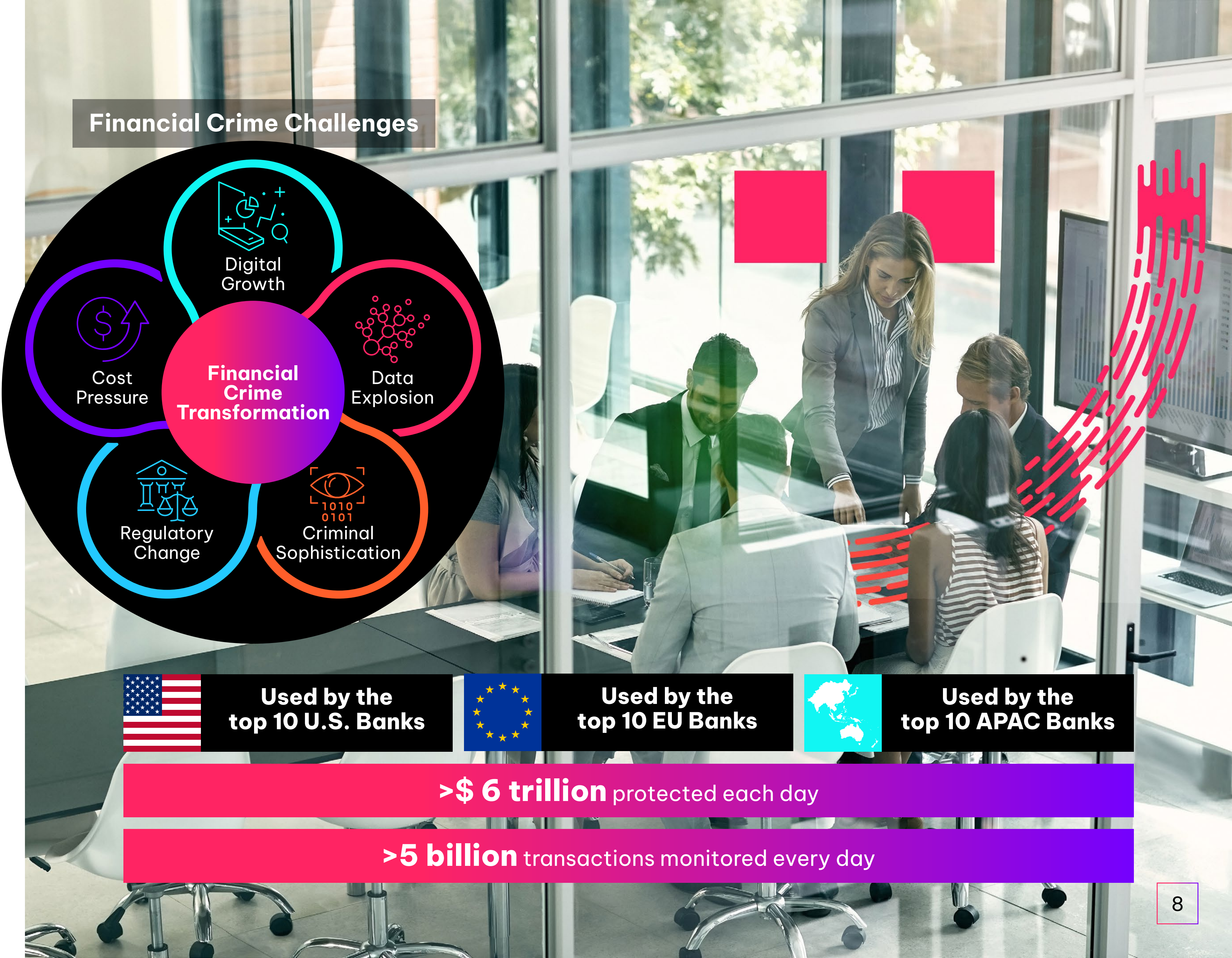
In a world where you can be anything, be NICE.

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 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.

As a global leader in financial crime risk management, NICE Actimize prevents fraud, detects financial crime, and ensures regulatory compliance. Recognized with over 40 awards and leadership rankings in the last year, Actimize brings together sophisticated AI, advanced analytics, and data intelligence, empowering financial institutions to protect their customers and assets. Our portfolio of cross-channel fraud prevention, anti-money laundering, trading surveillance and customer lifecycle management solutions enables fast and accurate decision making – allowing firms to quickly respond to market changes. Over 1,000 organizations across more than 70 countries trust NICE Actimize to protect their institutions and safeguard assets throughout the entire customer lifecycle. With NICE Actimize, customers gain deeper insights and mitigate risks more effectively.

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

- Digital Growth
- Data Explosion
- Criminal Sophistication
- Regulatory Change
- Cost Pressure

Financial Crime Transformation

Used by the top 10 U.S. Banks

Used by the top 10 EU Banks

Used by the top 10 APAC Banks

>$ 6 trillion protected each day

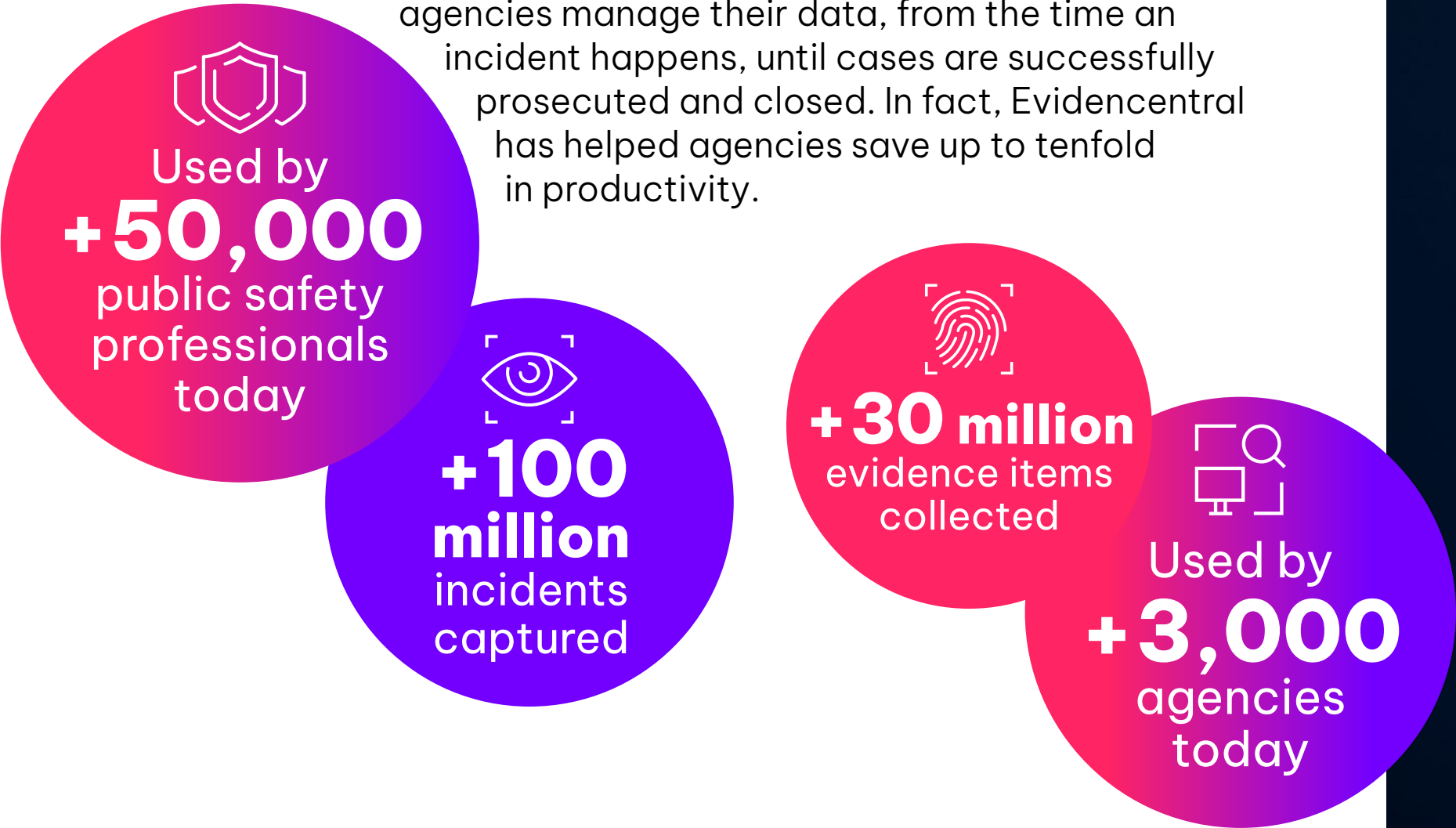**>5 billion** transactions monitored every day

Driving Digital Transformation of Public Safety and 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 criminal justice.

NICE's award-winning Evidencentral platform has helped hundreds of public safety and criminal justice agencies – including emergency communications, law enforcement, prosecutors, public defenders, courts and corrections – 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.

Used by **+50,000** public safety professionals today

+100 million incidents captured

+30 million evidence items collected

Used by **+3,000** agencies today

Public Safety Challenges

Limited Resources

Understanding Performance

Exponential Growth of Digital Evidence

Digital Justice Transformation

Funding

Implementation & Adoption of New Technology

Manual Evidence Collection & Sharing

"NICE Evidencentral provides a great opportunity for police forces and businesses to work together to ensure the swift collection of evidence allowing the police to bring offenders to justice as effectively as possible."

Patrick Holdaway, Superintendent at City of London Police and Lead for the National Business Crime Centre

"The officer was able to share a link to CCTV evidence with the Crown Prosecution Service during the pre-charge stage, which resulted in the suspect being remanded into custody. Prior to NICE Evidencentral, it would have been highly unusual to get a remand for a victimless prosecution."

Brenda Farrell, Project Manager & Consultant, Change Delivery Group at Surrey Police

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 is ongoing, and we are proud to share examples of how we support the SDGs.

4 QUALITY EDUCATION

*"Education liberates the intellect, unlocks the imagination and is fundamental for self-respect."*

We promote quality education by empowering youth with the knowledge and tools necessary to thrive in a technological world. Across the globe, we focus on meaningful community contributions, with a particular emphasis on youth education, such as our partnership with Rotary Club to establish a fully equipped e-learning classroom for over 1,000 students for a government aided school in Pune. Read more about community activity in promoting quality education for all in NICE Local Communities.

5 GENDER EQUALITY

"End all forms of discrimination."

"Ensure women's full and effective participation and equal opportunity for leadership."

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 through our Code:Coda program and our participation and workshop at the SheTech conference in 2023, providing an opportunity for girls to fall in love with technology.

8 DECENT WORK AND ECONOMIC GROWTH
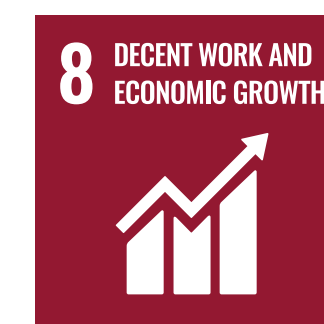
"Achieve decent work for all, including persons with disabilities, and equal pay for work of equal value."

We contribute to the achievement of SDG 8 at our NICE offices by fostering inclusive hiring practices, investing in employee development, adhering to ethical business standards, and driving innovation for sustainable growth. Through our products, we help organizations enhance their customer engagement and create tailored and convenient customer service. Our engagement in community development projects also creates job opportunities and boosts local economies.

13 CLIMATE ACTION

"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.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

"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 and compliance program. One of our key offerings promotes digital policing, while our Actimize solution combines AI, advanced analytics, and intelligent data to help financial institutions protect their customers and assets. Our compliance program includes policies and training of our employees, subcontractors and partners promoting compliance with anti-corruption and anti-bribery laws. Read more about NICE Actimize in Outsmarting Financial Crime.

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	• Employee surveys • Performance reviews • Training • Employee conferences • Team meetings	• Employee engagement • Inclusion and diversity • Labor relations • Learning and development • Work-life balance • Business ethics and anti-corruption
Customers	• Supporting services • Relationship with supporting team • Annual event (Interactions) • NICE User Group (NUG) • ClubOne • Shine • Customer surveys	• Client satisfaction • Business ethics and anti-corruption • Data privacy and security
Investors	• Investor Presentations • Proxy Materials and Annual Reports • Annual General Meeting of Shareholders (AGM) • Quarterly Earnings Report to Shareholders • ESG indices and ratings • Regular Communication • Investor Conferences • Investor and analyst visits/meetings	• Economic performance • Corporate governance • Business ethics and anti-corruption • Social agenda • Data privacy and security
Suppliers	• Relationship with procurement team • Surveys • Audits	• Business ethics and anti-corruption • Human rights • Partnership approach • Inclusion and diversity
Community	• Meetings with community partners • Collaboration in social and environmental initiatives	• 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 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 in 2022. 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.
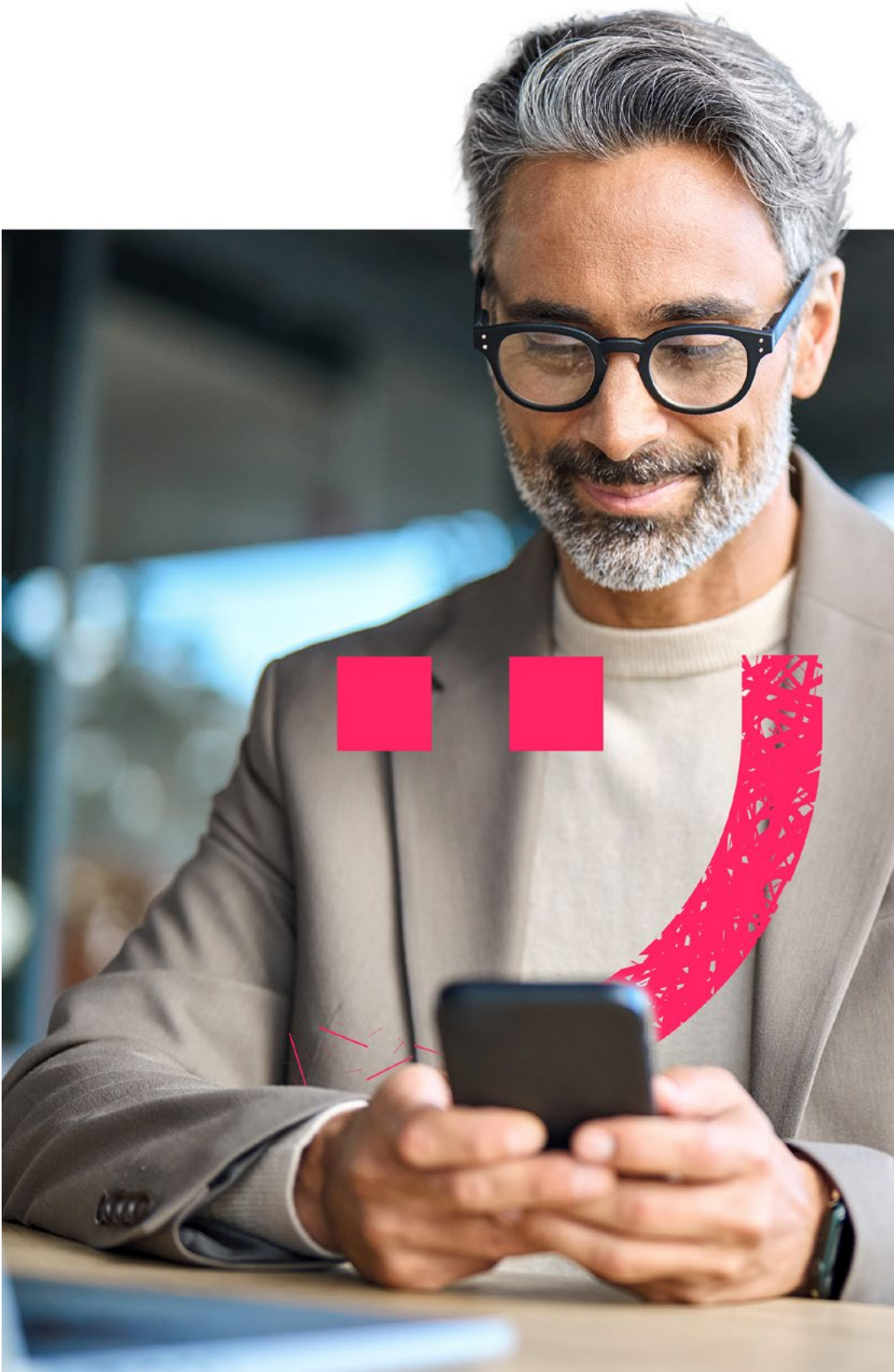
This analysis was based on the GRI Sustainability Reporting Standards. We consider most stakeholders' opinions to be reflected in these sources.

Our material topics defined for the report and for focusing our ESG efforts 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 approach 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. In 2023, our ESG steering committee held four quarterly meetings during which various matters were discussed, including ESG regulations and their relevance to our operations, our progress in ESG metrics and activities, annual plans, and areas for improvement within our ongoing ESG journey.

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 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 applicable requirements of NASDAQ and the Israeli Companies Law. Our corporate governance practices are overseen by the Board and the Board committees. Our Board committees are headed by an independent director, that is also a statutory outside director (meeting stricter independence requirements), in line with the Israeli Law. Two of our Board Committees (i.e., the Audit Committee and the Internal Audit Committee) are led by female chairpersons.

Board Nominations and Elections

The Nomination 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 Nomination 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 Nomination 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 sooner of, the next annual meeting or their resignation.

Statutory 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 and regulations.

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 statutory outside directors.

Accordingly, all our committees of the Board are comprised solely of independent directors. The independence of each director is reviewed 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, at least one member of our Board of Directors must be an "accounting and financial expert", as determined by our Board of Directors. 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. In 2023, all members of the Board participated in at least 93% of the Board and Board committee meetings held during the year, with an average participation rate of 98%. This indicates a 2% increase in participation compared to 2022. 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 applicable ESG disclosures, such as corporate governance practices of the Board of Directors and Board committees, compensation policy and guidelines, employee-related information, applicable ESG information and policies, strategic plans, market trends and the Company's products.

Executive Management

In 2023, the senior management comprised of 10 executive officers including our CEO and other members of the Senior Executive Management Team. Three senior managers (30%) are women.

Our General Counsel and Compliance Officer oversees corporate governance matters and reports to the Board on those, as required.

Management Compensation

In line with the requirements of the Israeli Companies law, we have established an executive compensation policy which has been approved by our shareholders. The Israeli Companies law requires that compensation be in line with the requirements of the Compensation Policy for Executive Officers and 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 is subject to certain caps and can be in cash, equity, or a combination thereof, and a portion of it must be performance-based. Generally, 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. An amendment to the compensation policy was approved at the annual general shareholders meeting held on July 3, 2024. The changes were mainly made on the topic of cap amounts.

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 2023 annual report (page 2-21), are related to, amongst others: market competitivity and technological changes; reliance on third party network connectivity lines, internet, network service and software suppliers; incorrect use of and undetected errors our technology; loss or unauthorized use of customers information; inadequate intellectual property protection; events outside of our control, such as economic conditions, natural disasters or health pandemics; 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 most recent annual report available at this link.

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.

Audit Process

NICE conducts three types of audits, 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 relevant aspects such as adherence to regulatory requirements, internal codes, policies and procedures, fraud prevention, KPI setting and measurement, human resources, training and more.

The internal auditing plan and process and the performance of the internal audits are assessed by the Board's Internal Audit Committee (IAC), which also oversees the Compliance matters. In line with 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.

External Audits

External audits are conducted by independent auditors primarily executed for financial and Internal Control purposes and are designed to provide the basis for the external auditors' opinion that the Consolidated Financial Statements present fairly, in all material respects, the NICE's financial position and the results of its operations and its cash flows for the applicable financial year, and 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

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 the 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 all our subsidiaries and affiliates) and the Board of Directors, but also to all partners, independent contractors and service providers.

NICE's Partner Code of Conduct ("Partner Code") aims to provide guidelines to all partners that represent NICE in the sale of products and services. The Partner Code is regularly reviewed and 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 2023, 100% of our employees participated in such 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, our enhanced training program, delivered by the Company's Compliance Department, is tailored for customer facing employees and gatekeepers within the organization globally. Over 700 employees received our live and in-person compliance training during 2023.

The Board of Directors periodically reviews the Code of Ethics and Business Conduct and approves amendments as necessary to ensure it remains up to date in terms of content and relevance. They also receive periodic overviews of the Company's Compliance Program and any regulatory or other changes impacting the program.

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 2023, 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.
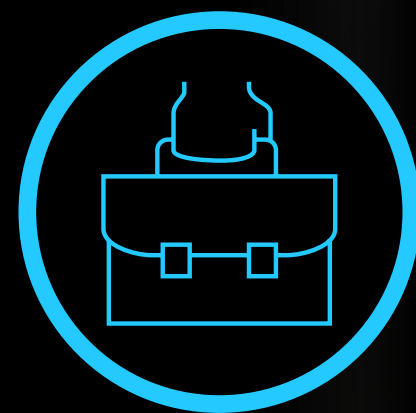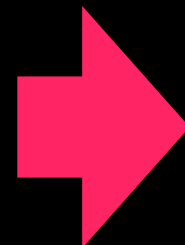
Speak Up Procedures

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.

All inappropriate incidents or activities must be reported on the Ethics Point platform → **All reports are evaluated and thoroughly investigated** → **The findings of such investigations are reported to the appropriate function** → **Disciplinary and remediation measures are defined**

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 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 more in depth and customized ethical and ABAC training that relates to their roles.

Training Program for employees and partners including online modules and in-person training

Anti-bribery and corruption (ABAC) as well as ethical training are important so that employees are familiarized with the laws that criminalize bribery and corruption, and can easily recognize and mitigate associated risks. Until 2022, the company had provided employees with online training modules, with little training for partners.

We have come to realize that the human touch of a face-to-face training that is tailored for specific roles would bring added value, especially when discussing ethical issues. Therefore, in 2023, we decided to provide relevant employees with face to face training focused on ABAC and Ethics, in addition to the well-established annual training, compulsory for all employees globally.

For partners in high-risk regions, we launched an online training module last year.

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. We periodically review all online compliance training modules to ensure they are up to date and relevant.

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 2023, 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.

2024 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 and 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 (ISO) for initiating, implementing, maintaining, and improving our information security and privacy management framework.

Information Security Management

NICE has established Cybersecurity Risk Program as well as 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. Cybersecurity risks and controls are evaluated and reviewed regularly by our senior management, including as part of our internal audits that are presented to the Internal Audit Committee of the Board of Directors.

- 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. All of our employees conduct an annual cybersecurity training and other on-going cybersecurity awareness exercises.

- 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. We maintain third party risk management process to identify, assess and mitigate the risks associated with our third-party service providers. As part of this process, we impose contractual obligations related to information security and require that our third-party partners maintain adequate security measures and controls to ensure the security of our data.

- NICE operates a Security Operations Center (SOC) on a 24/7/365 basis to monitor and detect any abnormal situations and react accordingly. Our incident response policy provides guidelines for the handling and reporting of cybersecurity incidents.

- Our information security management policies and procedures are verified 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.

Through 2023, cybersecurity threats including as a result of any previous cybersecurity incidents, have not materially affected our business strategy, results of operations, or financial condition.

For more information on our security and compliance, 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.

- 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 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;
  - Our Cybersecurity risks and controls are evaluated and reviewed as necessary by the audit committee of our board of directors with regard to our privacy-related practices;
  - All of our employees undergo an annual cybersecurity training as well as other on-going cybersecurity awareness exercises. 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.

In the event of a potential cybersecurity incident, our Security Operations Center (SOC) conducts an initial assessment and depending on the severity of the incident, provides a report regarding the incident to our Corporate VP Information Security. The Corporate VP Information Security then consults with other internal and external parties, depending upon the nature and/or severity of the incident, including members of our Cyber Incident Response Team (CIRT) and our General Counsel.

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.

2024 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 agreements regarding the promotion and protection of 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 patent program budget.

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 2023, NICE held 529 U.S. patents with 40 patents issued in additional countries covering essentially the same technology as the U.S. patents. NICE had 206 patent applications pending in the United States and other countries as of the end of 2023.

2024 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.

NICE Customers

25,000 organizations globally

150 countries

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 Customer Clubs

NICE offers a variety of Customer Communities, known as Customer Clubs, tailored to meet the diverse roles and goals within organizations.

One such community is the **NICE User Group (NUG)**, an online platform that empowers all NICE customers, regardless of their role. NUG members can connect with fellow users, exchange best practices, suggest product enhancements, learn from experts, advance their careers, and earn rewards.

Another community, **ClubOne**, is an exclusive group designed for leaders using the NICE Supervisor platform, focusing on enhancing their leadership and customer experience skills.

Finally, **Shine** is NICE's customer reference program. Recognizing that customer success is their most powerful story, NICE created Shine to help buyers easily understand how NICE solutions improve customer experiences. Shine members share their experiences, connect with peers, and build their reputation as thought leaders and subject matter experts.

For more information on our NICE clubs, click here!

Interactions

During our annual customer conference event, "Interactions", we showcase product innovation and industry trends, share best practices and provide actionable guidance for using our products. In 2023, after three years of hosting Interactions virtually, we were excited to return to an in-person event in New York City.

Interactions has continued to grow in popularity, attracting over 2,000 attendees eager to learn about the impact of AI and other advanced technologies on consumer well-being around the globe.

The event featured speakers and participants including our active customers, prospects, industry analysts, NICE executives, and solution experts.

At Interactions, we also honor our customers through the **CX Excellence Awards Program**. The program offers customers an opportunity to highlight the value of their NICE implementations. Through this program, NICE celebrates our customers' incredible achievements in six categories of excellence and gives them the recognition they deserve during 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).

- **Product Surveys** assess the In-App user experience of the customer while using our products.

In 2023, 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 a result of our continuous focus on customer experience over the last 4 years, the NPS score improved by over 20 points. Additionally, in 2023, the overall satisfaction with the cloud solutions improved with the NPS score going up by 9 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. portfolio, expand our customer base, increase our distribution channels, and grow our presence in key verticals, adjacent markets and geographic areas. In 2023, we reinvested 15% of our total revenue into research and development.

Accessibility in Our Products

Improving the accessibility of our products is important for reaching new customers and ensuring that our current clients are satisfied. Accessibility matters to our customers even if they don't specifically call it out as a requirement. While we strive to make our products usable and accessible for users with significant disabilities, accessible design also makes our products easier to use, understand, and view for those with limited visual impairments, such as requiring reading glasses. Additionally, we recognize the evolving regulations in place to make workplaces that use our platforms more accessible to people with disabilities. Our federal and local government customers are required to purchase accessible software, and compliance with the federal government's Section 508 and the ADA is essential.

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 consumer and agent-facing screens in CXone meet current 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 newly 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 have provided discipline-specific accessibility training to our R&D and UX teams. We regularly meet and track accessibility features/updates for our product teams.

In 2023, we made significant strides in improving product accessibility. One of the key initiatives was a substantial increase in our accessibility testing coverage. The purpose of this effort was to work towards compliance of our products with the latest Web Content Accessibility Guidelines (WCAG) standards.

Our goal is to meet WCAG 2.2 level AA compliance for our CXone Suite of products. This is an ongoing journey as we continuously develop new features and applications. Consequently, we have increased our testing investment to expand the coverage of our products.
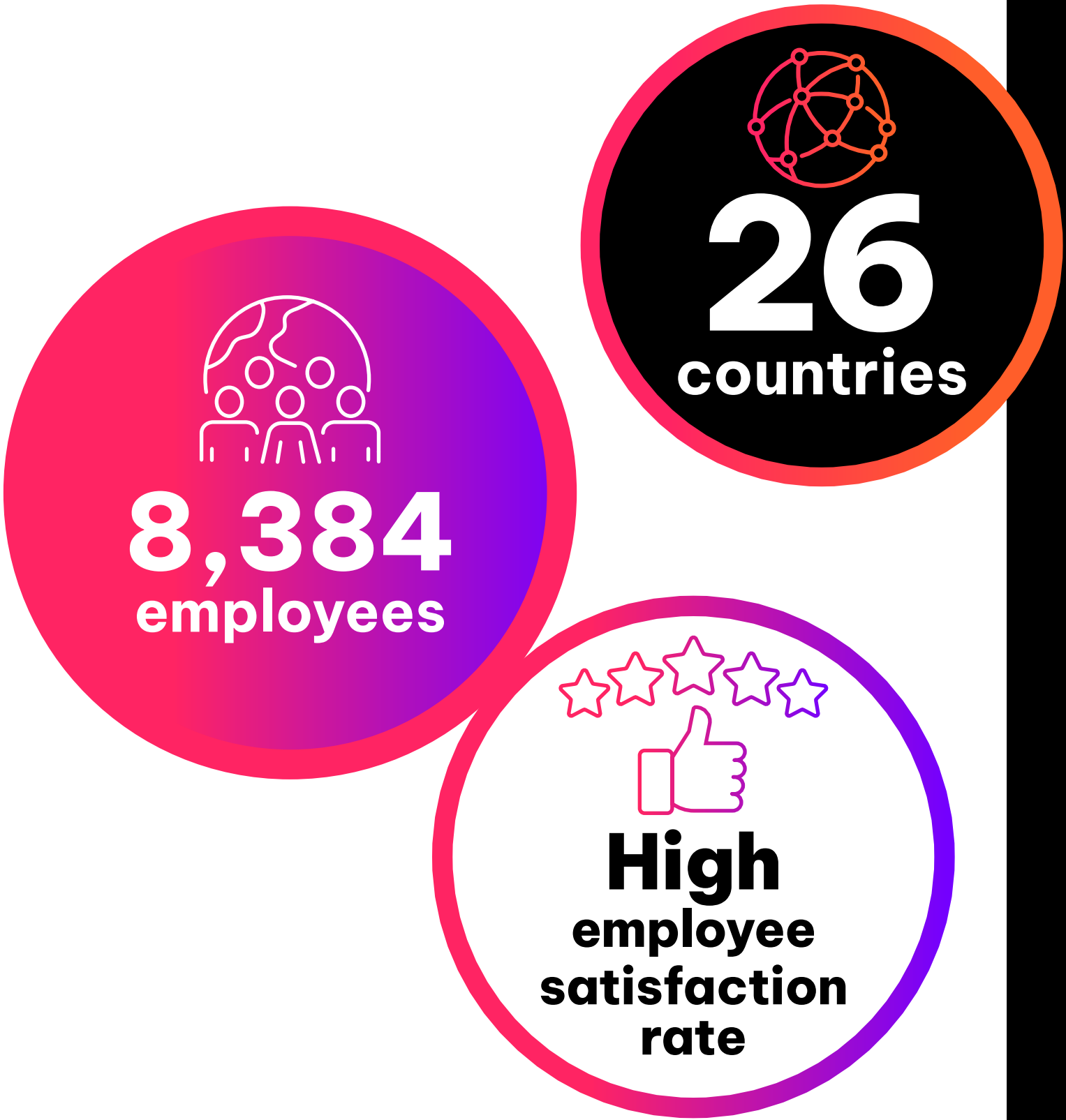
NICE **People**

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.
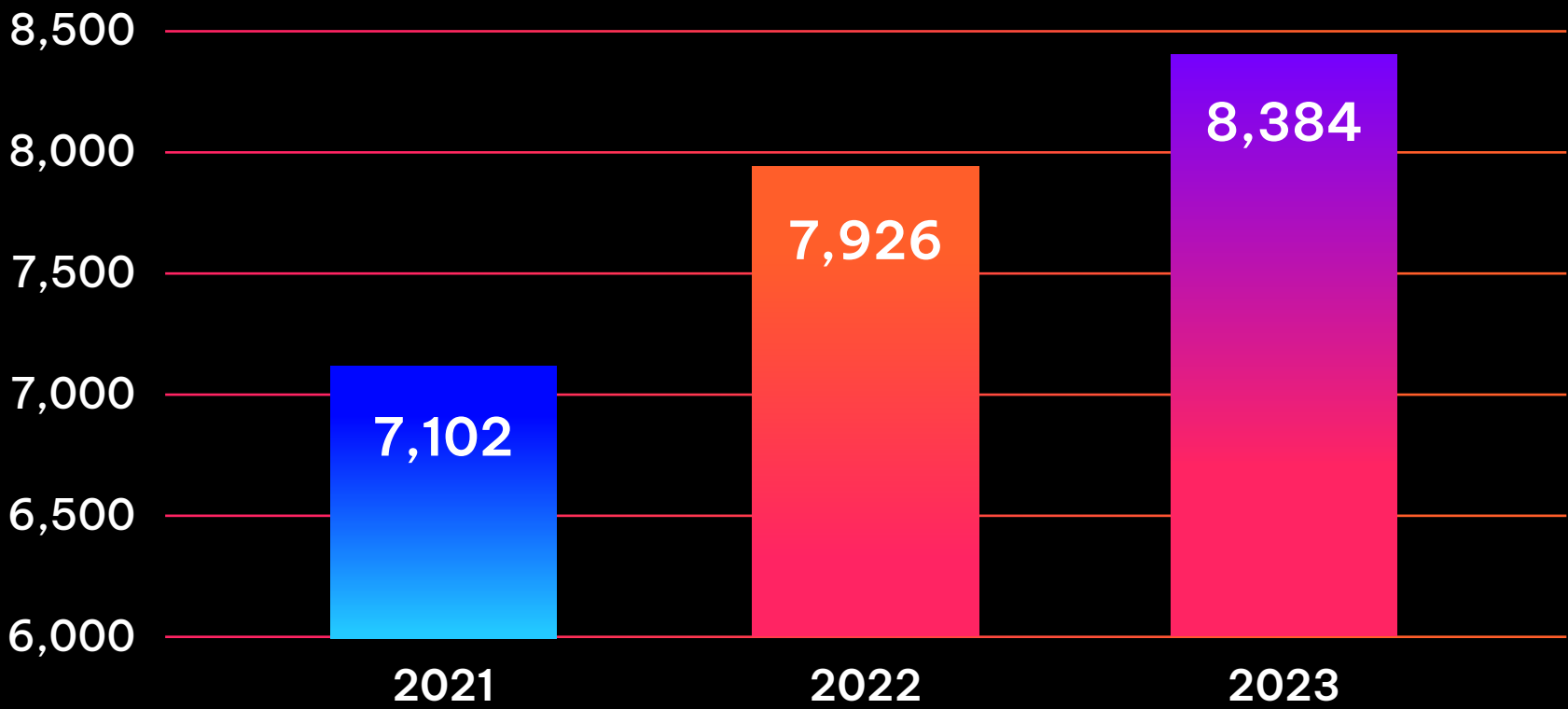
Ethics, honesty, and respect are an integral part of the NICE Code of Ethics and Business Conduct. We are therefore dedicated to respecting human rights, including the fight against child and forced labor, ensuring equality, and preventing workplace discrimination. Moreover, we embrace diversity and 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 2023, NICE had 8,384 employees worldwide, a 6% increase relative to the previous year. Employee benefits are provided to all, temporary or part-time employees based on local laws and regulations.

8,384 employees

26 countries

High employee satisfaction rate

Total Employees

Year	Total Employees
2021	7,102
2022	7,926
2023	8,384

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 and 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.

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.[3]

Diversity and Equal Opportunity

NICE boasts a diversified workforce and substantial representation of many different population sectors and groups 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.

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, Arabs 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, 2023

28%
72%

Women
Men

Employees by Age

	2021	2022	2023
50 and above	17%	17%	18%
30-50	67%	67%	67%
Under 30	16%	16%	15%
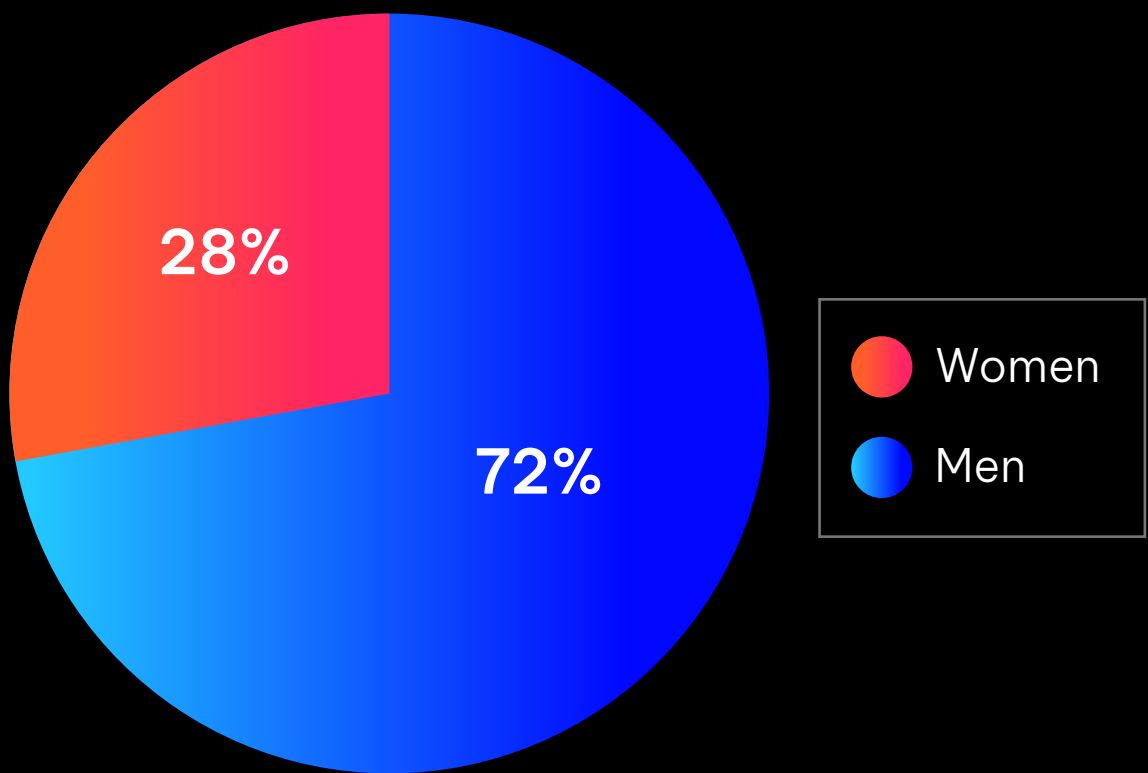
Under 30   30-50   50 and above
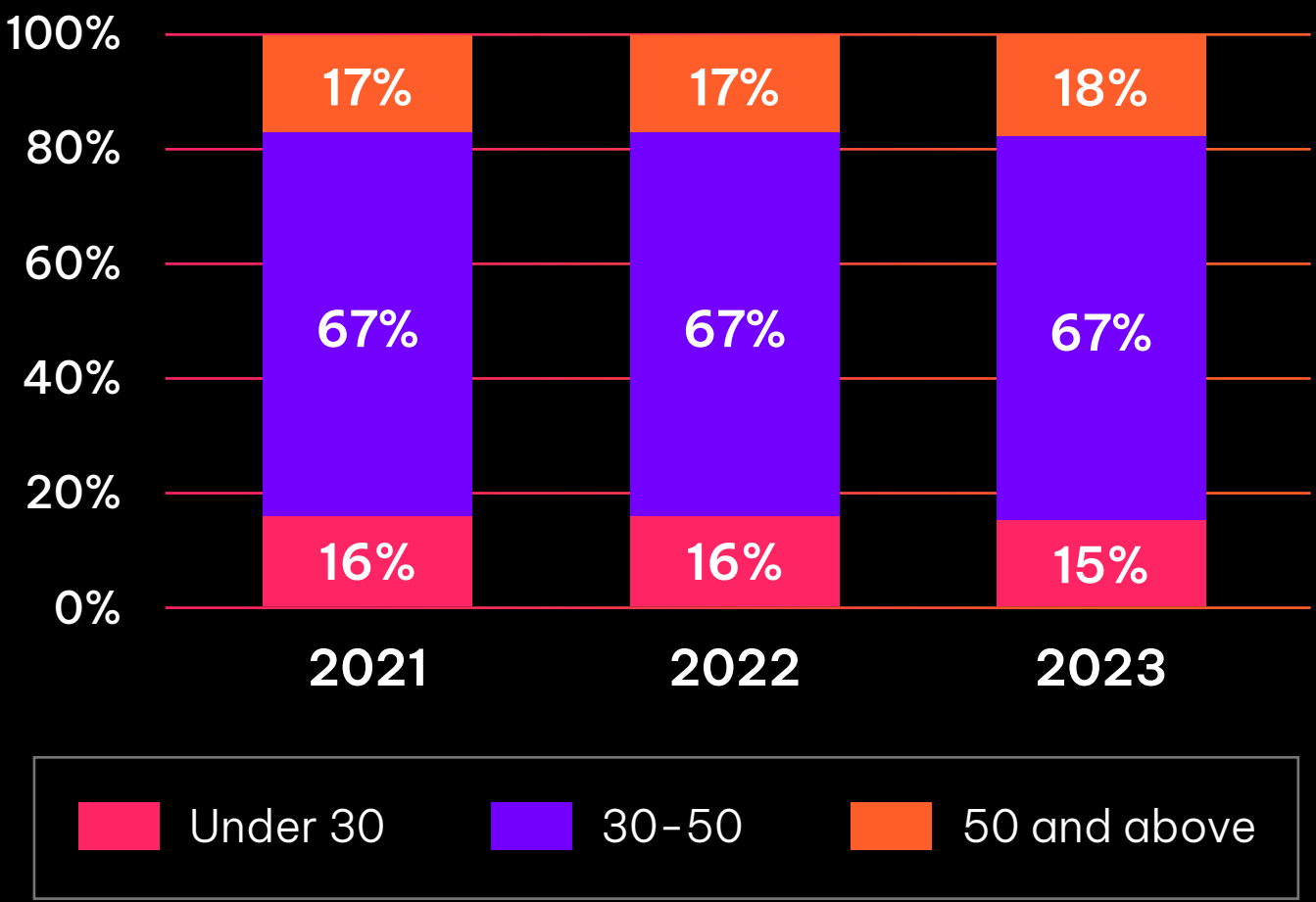
30% of new hires in 2023 are female

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.

Paving My Own Path

On International Women's Day 2023, NICE chose to showcase some of our phenomenal women who joined NICE in recent years and have already made their mark! These women are proof that it's possible to pave your own path, even in a short amount of time, and at any stage of your career. As part of this effort, NICE featured them in a special mini site that showcased their short, yet impactful journey at NICE. NICE also presented an inspiring unplugged session with male and female leaders and employees, discussing the various ways in which women can take their career to a whole new level in NICE.

Among all the global and local events, the highlight was the fascinating session delivered by Colonel Nicole Malachowski, an elite US Air Force fighter pilot, and the first woman pilot on the Thunderbirds Air Demonstration Squadron. She shared inspiring personal stories of how she overcame career challenges, and ultimately, shattered stereotypes and opened the door for women in her male-dominated field.

Women in Tech (WIT) was one of NICE's focus areas in 2023, 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 2023, 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.

2023 Gender Pay Gap Report

Israel:

NICE's third annual Israel Gender Pay Gap Report for 2023 analyzed employee salaries and remuneration by job type and rank across nine professional groups within the company. The results confirmed that NICE's remuneration policy remains consistent across genders with most groups showing a balanced pay structure. Notably, in about half of the groups, the pay gap actually favored women.

The identified disparities are attributed to differences in skills, experience, and professional abilities, as well as specific market conditions for each group. Additionally, when analyzing gross salary (which includes compensation, bonuses, and other incentives), the gaps are even narrower, reinforcing NICE's compensation philosophy that rewards performance excellence.

UK:

NICE UK is proud to have submitted its 2023 Gender Pay Gap Report in line with UK Government regulations, which aim to provide transparency for all employers in England, Wales and Scotland with over 250 employees.

The report, based on a snapshot of April 5th, 2022, for NICE Systems UK Limited, reflects our ongoing commitment to pay equity. While the median hourly pay difference favors males by 11.52%, this figure is lower than the national median average of 14.3%, as reported by the Office of National Statistics in 2023. These figures also do not account for differences in skills, experience and professional abilities, or market conditions specific to each role, however we continue to strive for further progress in narrowing this gap.

Be Real. Be You. Be NICE.

June is internationally recognized as Pride Month, during which we annually promote PRIDE Celebration activities, which include lectures with diversity specialists and other global and local activities. In 2023, As our primary global events to mark Pride month, we were proud to hold two global panels featuring our very own NICErs talking LGBTQIA+ and representing diverse voices.

Our **'Loud & Proud'** panel shed light on what it means to be part of the LGBTQIA+ community, their experiences of navigating challenges in the workplace, and how leaders and peers can help create a safe work environment.

Our **'My Family. My Pride'** panel brought unique family stories to light, where our panelists shared their personal journeys; from NICErs who are advocating for their LGBTQIA+ children, to others taking their first steps building an LGBTQIA+ family, and LGBTQIA+ colleagues sharing how they came out to their families.

Additionally, we held local sessions, panels and various activities in our sites to promote awareness and equality and contribute to an environment where all employees can feel safe and thrive.

NICE offers a diverse and inclusive workspace not just during Global Pride Month, but all year round. This has been recognized with NICE being awarded the Gold Standard in the latest EqualGBT+ Index, acknowledging NICE as an outstanding organization in measures related to inclusion and equality.

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 a 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.

2024 Targets:

In 2024 we will continue the work of the regional committees, drive awareness and hold sessions and activities in the diversity and inclusion domain.

Employment Conditions

We care about our employees' wellbeing and therefore accordingly, we 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 two 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.

Embracing NICE-FLEX by Renovating NICE Offices

Following the lessons learned from the COVID-19 outbreak, we decided to adopt a flexible hybrid work model called NICE-FLEX.

NICE FLEX provides NICERs with the best of both worlds: two office-based days per week for in-person collaboration, and three remote working days in the comfort of their own homes. As a result, we have decided to gradually renovate NICE offices to best fit a hybrid model, ensuring that employees feel comfortable when they arrive to work, both in the office and in their homes, all while maximizing office space and energy efficiency.

The first to undergo renovations wad NICE's office in **Israel**, which opened in 2023. The latest to undergo this revamp, is our site in **Atlanta**, **Georgia** – home to teams from Customer Engagement Analytics (CX) and Actimize. Construction is currently in progress and the team is set to move into their new 17,000 ft² space in the renowned King building soon.

The new **London** office is next for renovations in a new office location. NICE will have its own dedicated floor (11th floor) in the gorgeously renovated skyscraper, and the office will be designed to create a vibrant atmosphere that supports face-to-face teamwork and collaboration, and is set to open in 2024.

The NICE-FLEX approach has been proven to foster teamwork, creativity, and the unique NICE culture, while allowing flexibility in choosing office days based on team needs.

A Great Place to Work in NICE Around The World!

NICE India has always been a great source of pride for the global organization. Led by the GTC which was inaugurated only 7 years ago, NICE India boasts over 2,250 employees today, and has teams representing all of NICE's divisions.

Moreover, NICE India has always been one of the company's most lively, spirited and colorful regions, with employees enjoying many cultural and social events, and always demonstrating great community spirit.

In 2023, NICE India's great leadership, growth opportunities and vivacious work culture have been formally recognized, with NICE India receiving the prestigious certification of a Great Place to Work®. This endorsement is an exciting testament to the dedication and commitment of our NICERs and reflects our positive and inclusive work culture where everyone feels valued, respected and supported.

In addition, NICE Philippines has won the Best Employer Brand Award for Employee Engagement in the Tech Sector. Since its establishment in 2011, the NICE Philippines office has been at the forefront of delivering exceptional services across the customer journey for CXone customers, focusing on the SMB customer segment. With over 500 employees based in the Manila office, Philippines NICERs have been instrumental in supporting the organization's CX success. This achievement of Best Employer Brand Award reflects NICE's unwavering dedication to employee engagement and our strong presence in the Philippines market. It underscores the importance of cultivating a culture that fosters productivity, inclusivity, support, and active engagement, while continuously raising the bar and setting high standards across all our teams.

Our offices in Singapore, Australia and Bolivia have also been called best places to work in, and according to BDI, we are among the top 20 hi-tech companies to work for, in Israel.

Compensation

Every year, we conduct a market survey to stay informed about industry trends, ensuring our benefits remain competitive and attractive to our employees. Our formal salary table considers job functions per region, allowing us to accurately calculate 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 2023, more than 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.

Health and Safety

We prioritize the 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 2023, 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.).

Supporting our employees after the October 7th attack in Israel

At NICE, our top priority is the safety and well-being of our employees around the world. In response to the Hamas attacks, NICE quickly reached out to all employees located in Israel and offered support and assistance, primarily to people who were evacuated from their homes or were living in high-risk areas. Support included:

- Finding alternative housing solutions for employees in impacted areas;

- Sending essential packages;

- Collecting, managing and distributing donations;

- Sending large food deliveries for the weekend;

- Providing free, confidential and professional emotional support services;

- Organizing movie theater screenings for employees and over 100 evacuated families, fostering a sense of community.

For all of our employees we made sure that everyone felt supported, and provided emotional and mental health services, available to all employees since October 7th. In addition, Zoom lectures for children and informational sessions for adults were provided.

NICE also reached out to employees who were affected by the on-going hostilities. After identifying their needs, we provided essential items such as food and first aid supplies, as well as, toy packages for children, holiday baskets, ongoing weekly vouchers for food delivery, and tailored one-on-one sessions with managers and HR to aid their reintegration into regular work life. A dedicated session was held, to provide information about the eligibility of affected employees and their families' for governmental rights and benefits.

Due to our constant engagement and support for our employees, our workforce remained stable throughout this challenging period and was unchanged as a result of the war.

Healthy Start to 2023

In the beginning of 2023, we decided to focus on health and wellbeing, and we couldn't think of a better way to kick off the new year than with a whole month dedicated to getting healthy and achieving our goals.

Every NICE office around the world was treated by nourishing smoothies, fruits and vegetable platters, and participated in a webinar with a certified A&E Doctor. In addition, doctors arrived and NICErs could choose to undergo standard examinations. Yoga, Feldenkrais and first aid classes were offered to all.

Employee Development

We place great importance on the development and growth of our employees, with comprehensive programs that nurture the employee's and manager's learning, reskilling, upskilling, professional growth 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 gives new employees a window into our NICE world. This is a fantastic way to engage with the new NICErs to get them excited about starting at 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), two live webinars for all new employees regarding NICE's organizational culture and DNA as well as our business and strategy.

In addition to all global and company-level activities, each region and division 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.

Onboarding Journey at NICE

Onboarding Kit for Managers to Onboard New Joiners

Welcome email – EVP HR

Local Induction

Divisional Orientation

NICE People & Culture Orientation with VP HR

DAY 1

Preboarding App

Onboarding Hub

Regional Orientation

NICE Business & Strategy Orientation with NICE CEO
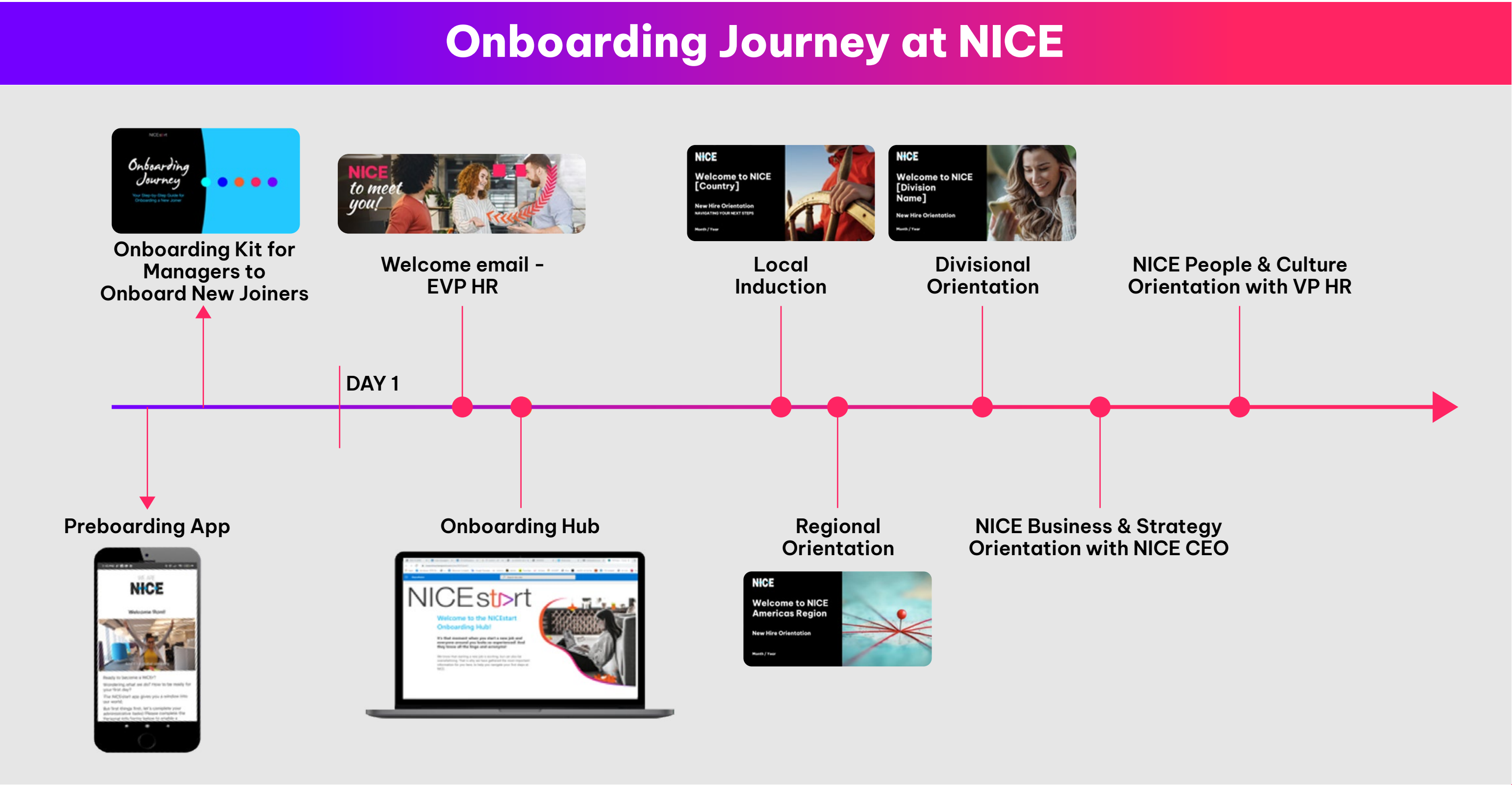
Learning and Development

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 2023 edition of NICE Wings as a global, virtual and live event in multiple sites with over 3,000 participants.
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 2023 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 annual event is a central point of the NICE learning strategy. Employees are invited to participate in dozens of sessions delivered by prominent speakers, NICE business leaders and tech gurus. During this two-days event, they upskill their technical proficiencies, learn new business skills and the best practices, and explore broader career opportunities.

Personal Development Training

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

In 2023, NICE continued with our employee development program called Amplify. With Amplify, NICErs are encouraged to explore what motivates them and taught how to transform "drive" into "action" through webinars, motivational talks and practical tools that help them elevate their journey for both work purposes and life in general.

The topics covered in this year's Amplify program included:

- **Developing Your Willpower:** Understanding how self-control works, why it matters, and strategies to enhance it.

- **Energy Management:** Learning how energy levels impact productivity and how better energy management can improve performance.

- **Mental Resilience:** Building greater mental resilience to thrive in a fast-paced and ever-changing environment.

- **Mastering the Mindset of Luck:** Exploring how changing one's mindset can turn uncertainty into opportunities for success.

In 2023, The Program Included:

4 keynote sessions

4,100 participants

35

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.

Leadership Academy - In 2023 we launched NICE Leadership Academy. This program equips first-time managers and directors with fresh, essential tools to handling the constantly changing environment and managing and leading teams to success. The program includes virtual sessions, webinars, panels, workshops and more. In 2023, **more than 400 managers and directors attended the program**.

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 is a two-years program with dozens of leaders participating – most of which are promoted to more senior roles.

Divisional Programs – in addition to the corporate-led programs, in 2023, each division led leadership programs targeted at its own managers and leaders: The CX Way, Ignite, Actimize Gold, Americas L.E.A.D, and India's TRANSFORM and E.A.G.L.E, are just some of the programs that aimed to groom the future leadership, and included individual and group activities.

The CX Way is a specialized vertical management program aimed at developing leadership within the CX division. In 2023, the program focused on fostering an effective team dynamic, creating a collective vision for the division's growth and securing commitments to ensure cohesive success across the team.

The program was structured into two phases, tailored for both VPs and Directors:

- **VPs**: The program included key sessions on speaking the language of Management, differentiating between strategic and tactical actions, defining the attributes of a "Strategic Opportunity," and working through scenarios that are relevant and relatable to the Directors. In 2023, **fifty two VPs** participated.
- **Directors:** The focus for Directors was on rational decision-making, reviewing and discussing assignments, and mastering persuasion and influence without authority. **Eighty Directors** joined the program in 2023.

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. In 2023, 91% of our employees received performance and career development reviews.

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

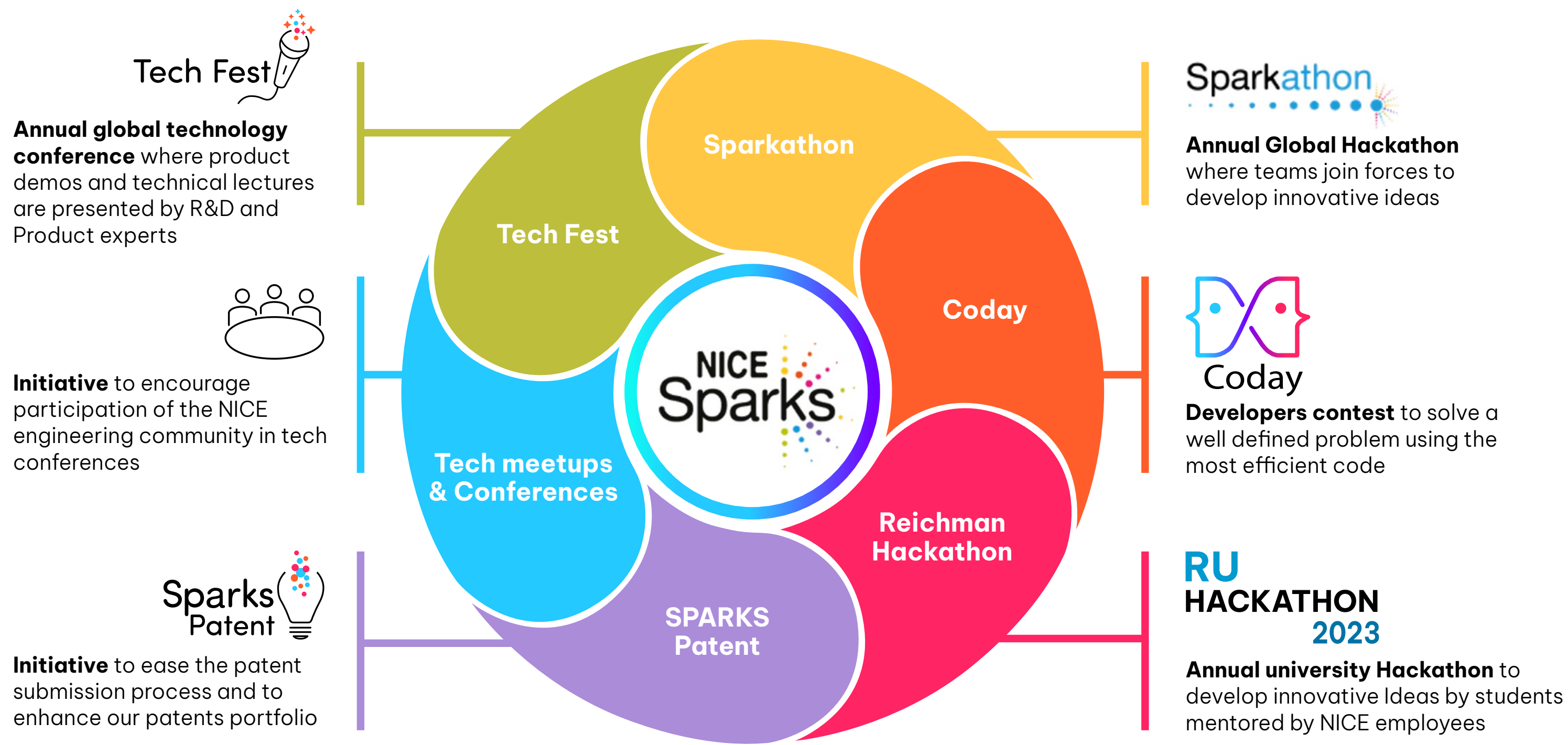NICE Sparks is a program with dedicated innovation activities, focused on creating new products and solutions, all while gathering, collaborating, evaluating, and advancing innovative ideas. The program aims to regularly infuse our portfolio with next-generation products and cutting-edge technologies, 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:
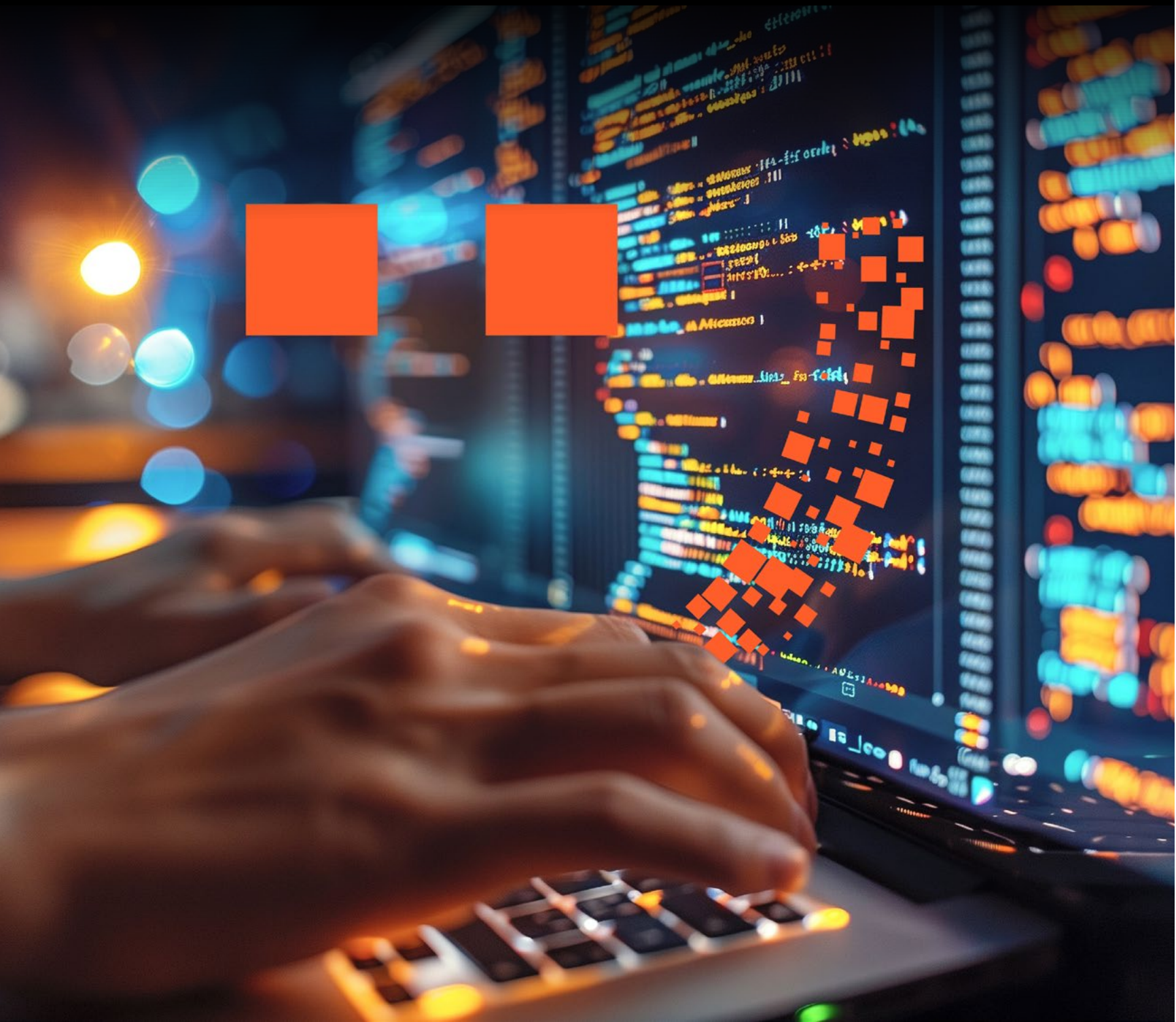
Continuous Innovation fueled by R&D and Product

Tech Fest

Annual global technology conference where product demos and technical lectures are presented by R&D and Product experts

Initiative to encourage participation of the NICE engineering community in tech conferences

Sparks Patent

Initiative to ease the patent submission process and to enhance our patents portfolio

Sparkathon

Annual Global Hackathon where teams join forces to develop innovative ideas

Coday

Developers contest to solve a well defined problem using the most efficient code

RU HACKATHON 2023

Annual university Hackathon to develop innovative Ideas by students mentored by NICE employees

In 2023, several tech events took place to create collaborations, and three were global events in which NICErs participated from all around the globe:

Tech Fest

The annual Tech Fest took place in 2023, with around 600 NICErs from CX R&D and Product Management participating and listening to 47 speakers across 28 live sessions, which included both demos and lectures. The gathering brought NICErs 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 2023, 2,000 NICE employees joined the hackathon event from 21 locations worldwide. The Sparkathon's main objective was to encourage innovation and collaboration among NICErs and to develop new ideas that could drive the company's growth and success. During the 48-hour global hackathon, NICE representatives from four divisions (CX, Actimize, Compliance and Public Safety) came together and worked on 520 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.

Nurturing the Next Generation of Innovators

At NICE, we invest in the future of technology and innovation. Our engineers, AI innovators, IT superstars, Talent Acquisition champs and many more NICErs get involved in regular events and programs throughout the year to connect with university and college students and talk about NICE.

Our NICErs demonstrate our innovation and technology, offer mentoring, and present students with exciting career prospects so they can take the first steps in their professional journeys. Unique opportunities are provided to new graduates to begin their careers at NICE. In 2023, over 60 graduates began their hi-tech careers at **Global Talent Center Pune** in engineering, tech support and professional services roles.

Our teams across the globe can be spotted at some of the most influential events and internationally renowned institutions. Here are some of our highlights in 2023 around the world:

- **Hackathons in Israel and the US** - In our Hackathon events in Reichman and Utah State University, NICE connected with over 300 students who were given the challenge to develop innovative ideas.

- **College Connect Program in India** – The program took place in Pune and offered students a coding contest, Tech Talks from NICE's experts, University Curriculum Enhancement, and a Virtual Internship Program.

- **Work Experience Program in the UK** – A comprehensive one-week program held at NICE London, where students taking their A-levels benefit from sessions with NICE experts from different fields, in the end creating and presenting a business proposal to their NICE advisors.

- **Job Fair in the US** – In Neumont College of Computer Science, Our NICErs inspired ambitious techies with potential opportunities at NICE.

AI & Generative AI Summit at NICE (Israel)

NICE hosted the <u>AI & Generative AI Summit</u> in its auditorium, attended by hundreds of researchers, data scientists, engineers, architects, and executives from various organizations and universities. Several attendees, including many from NICE, presented at the summit. NICE also had several speakers who delivered presentations at the 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.

PHOTO FINISH

In 2023, NICErs were urged to imagine that it's just been announced that they've won a NICE trip for 2 to the Paris 2024 Olympics. Their task was to snap a creative photo that captured the moment. 51 NICErs won the prize of going on an unforgettable trip to the most prestigious sporting event in the world – the Olympic Games.

Our winners received an all-round experience, attending the finals of popular sports like athletics, gymnastics, and volleyball – culminating in the extraordinary Olympics Closing Ceremony.

Employee Engagement Surveys

NICE conducts annual employee engagement surveys, in which employees give confidential feedback on the following topics indexes: employee engagement, career management, employee experience, collaboration, diversity and inclusion, development, upward feedback on their manager, demonstrating our values, 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.

In 2023, 88% of our employees participated in the survey, with a high engagement score as well as high rating in each of the above indexes.

2024 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.

Supplier Code of Conduct

In 2023, NICE reviewed and updated its Supplier Code of Conduct to reinforce safe working conditions across all our operations and the supply chain, affirming that all workers are treated with respect and dignity and that business operations are environmentally responsible and ethically conducted. All suppliers must comply with the Supplier Code and commit to it as part of their engagement.

According to 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, 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.

Records, Management and Control: commitment to retaining documents and records per applicable laws; maintaining compliance documentation related to the Supplier Code and pending litigation; cooperating with NICE in audits, inspections, and information requests; obligation to implement corrective actions for any violations; and appreciation for support in conducting responsible business practices.

Reporting Concerns: commitment to maintaining an open and safe environment for raising concerns through the Speak Up policy, available 24/7 at www.nice.ethicspoint.com, which permits anonymous reporting where allowed by law. NICE encourages the immediate reporting of any violations of this Supplier Code and strictly prohibits retaliation against those who report concerns in good faith.

Paying attention to conflict minerals

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 our 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 efforts to of avoiding conflict minerals, 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.

In 2023, NICE conducted a supply chain survey with 82 contract manufacturers and suppliers identified during the applicability assessment phase. The survey was based on the Electronics Industry Citizenship Coalition/Global e-Sustainability Initiative (EICC/GeSI) and evaluated the sourcing of conflict minerals to ensure compliance with regulations and ethical sourcing practices, particularly in conflict-affected regions. In 2023, 80% 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 80 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. As of 2023, 270 teenage girls have completed the program, with an additional 118 that will continue into the second year. 60% 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.

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.

SheTech

In 2023, a tech conference aimed at exposing teen girls to hands-on activities in science, technology, engineering, and math (STEM) hosted 100 girls who participated in our workshop on "Ethics and Artificial Intelligence." In this workshop, they explored the ethical considerations that arise when implementing AI for self-driving cars. Given that 90% of high school girls report not knowing a woman or a role model in a STEM-related role and only 15% pursue STEM education, this exposure is crucial. Our employees did a great job of introducing these young women to technology, sparking their interests, and educating them on potential career opportunities in the field in a fun and stimulating way!

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 2023, we celebrated 13 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 NICErs globally participated in the GCM and tallied up an impressive 40,000 hours of community service in 2023. 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 2023, due to the October 7th war in Israel, NICE demonstrated support for local communities affected by the war through various initiatives, including:

- Assisting in the establishment of a community kitchen for evacuated residents from Kibbutz Holit, Be'eri, and Sderot, donating ingredients and supplies that resulted in the preparation of thousands of meals.
- Providing in-demand equipment to those in need, including essential supplies and support.
- Donating dozens of computers, games, and art supplies for evacuee children staying in hotels.
- Contributing NICE office equipment (over 400 laptops, in addition to monitors, printers, etc.) to the Forensic Identification Unit.
- Supporting war-affected farmers from the South by purchasing their produce and sending it to the families of NICE employees.

In addition, NICE actively engaged supporting communities affected by recent events through various volunteer efforts The company established a "war room" for volunteers, where dozens of employees continuously worked to collect, sort, and pack goods for evacuated families and others in need.

Recognizing the importance of supporting families displaced from the south and north, as well as those with a spouse serving in active reserve duty, NICE invited these families to participate in company events designed for children. One such event, themed around "Trolls", attracted approximately 200 attendees.

Additionally, at the beginning of the war, we organized online summer camps for employees' children and invited the public as well. These camps featured a wide range of engaging content for children, such as magic shows, science lessons, and more.

Most of these donations and volunteering efforts were carried out with the help of NICE employees and their families. With nearly 1,000 employees across the country, the support and volunteering efforts were direct and accessible to various communities and entities without the need for additional partnerships or collaborations.

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 2023. Our Israel office donated a truckload of equipment to shelters for women and children at risk, classrooms for children living with Autism, and to a school operating in a neighborhood serving under-privileged families. We contributed hundreds of computers and monitors, bulletin boards, shelves, tables, chairs and loads more office equipment.

Another special donation is to the "Ezer Mizion" organization for a unique project supporting children with cancer. The project, called 'The Lego Man,' provides hospitalized children with Lego sets, offering meaningful engagement and alleviating the monotony of extended hospital stays.

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.

Throughout 2023, NICE continued to support the community through the following programs:

- **Eitan Association Race** – On Autism Awareness Day, over 40 NICErs and their family members took part in the "Eitan Run", organized by an association that promotes equal opportunities for people with special needs through professional sport activities. In line with the association's slogan "Every Body Can", NICErs woke early on their weekend to participate in the 3km, 5km and 8km funruns, alongside "Eitan trainers" accompanying people with disabilities.

- **School Bag Donation** - NICE collect second-hand school bags during the summer vacation which are distributed to kids at risk all over the country before school starts.

- **Larger Than Life** – NICE supports the "Larger Than Life" cancer organization and in 2023, hosted children with cancer in the NICE Family Club activities where they could play around, enjoy films, and more.

- **International Women's Month** - Collecting self-care products for female victims of violence - Within the framework of our activities for International Women's Month, NICErs from our Israel office made their mark by supporting an organization that aids female victims of violence and girls at-risk. NICErs brought in huge amounts of self-care and hygiene products, cosmetics, toiletries, and clothing. All the items were packed up and are now being sent to women and girls at-risk who stay at shelters across the country.

- **Celebrating sustainability** - NICErs in our Israel office celebrated 'tu-beshvat' festival in a way that supports sustainability and ecological awareness: a pop-up shop with over 1,600 second-hand clothes, great music played by DJs with disabilities, fresh herb plants purchased in support of a local community nursery.

- **Book Week** - NICE Israel hosted a Kids' Book Week event where hundreds of NICErs donated beloved books which were sold at the office to raise funds for a local non-profit organization supporting at-risk youth. To foster a love of reading from a young age, preschoolers and elementary students from underprivileged backgrounds visited the NICE office during the week. They enjoyed fun-filled days of engaging book readings, arts & crafts and a pizza-making workshop. Our NICErs had a great time with the children, who left with smiles, a new school bag for the year, and a box full of goodies.

- **HaGal Sheli (My Wave)** – NICE support this educational NGO that works with at-risk youth, using surfing as an empowering educational tool. The program teaches youth how lessons learned in the waves can be applied to life, helping them pave new paths. NICErs and their teens participated in surf lessons, enjoying both the experience and the opportunity to connect with the organization's mission. Through HaGal Sheli Nice donated 11,395 USD in 2023.

- **"Wrapping Memory" exhibition** - NICE hosted the "Wrapping Memory" exhibition – an initiative by the Department of Visual Communication at Bezalel Academy of Arts and Design Jerusalem. Artworks were displayed that capture and commemorate the beauty of the region of Israel near the Gaza border before the October 7th massacre. The project was established to raise funds for the people harmed that day, and aid in the region's restoration.

- **Brit Haleviot** - The organization works 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** – 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.

- **NICE has established a club for parents of newborns.** As part of the club, we donate a full basket of food and diapers for every baby born and "joined" to NICE. The donation is primarily intended for single mothers or families in need.

Pune Office - Our Pune office is also very involved in contributing to the local community. In 2023, NICE partnered with the Doorstep 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. In addition, as part of our community outreach initiatives, NICE, in partnership with Rotary Club, fitted out a fully equipped e-learning classroom for a government aided school in Pune, that serves over 1,000 students (standards 1-10) from disadvantaged backgrounds.

Across the globe, NICE focuses on finding meaningful ways to give back to our communities. A community cause that we love to champion is the education of our youth, and particularly, giving them access to technological education and tools.

2024 Targets:

- Create a true impact on the community that we equally affect

- 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

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 91% 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.
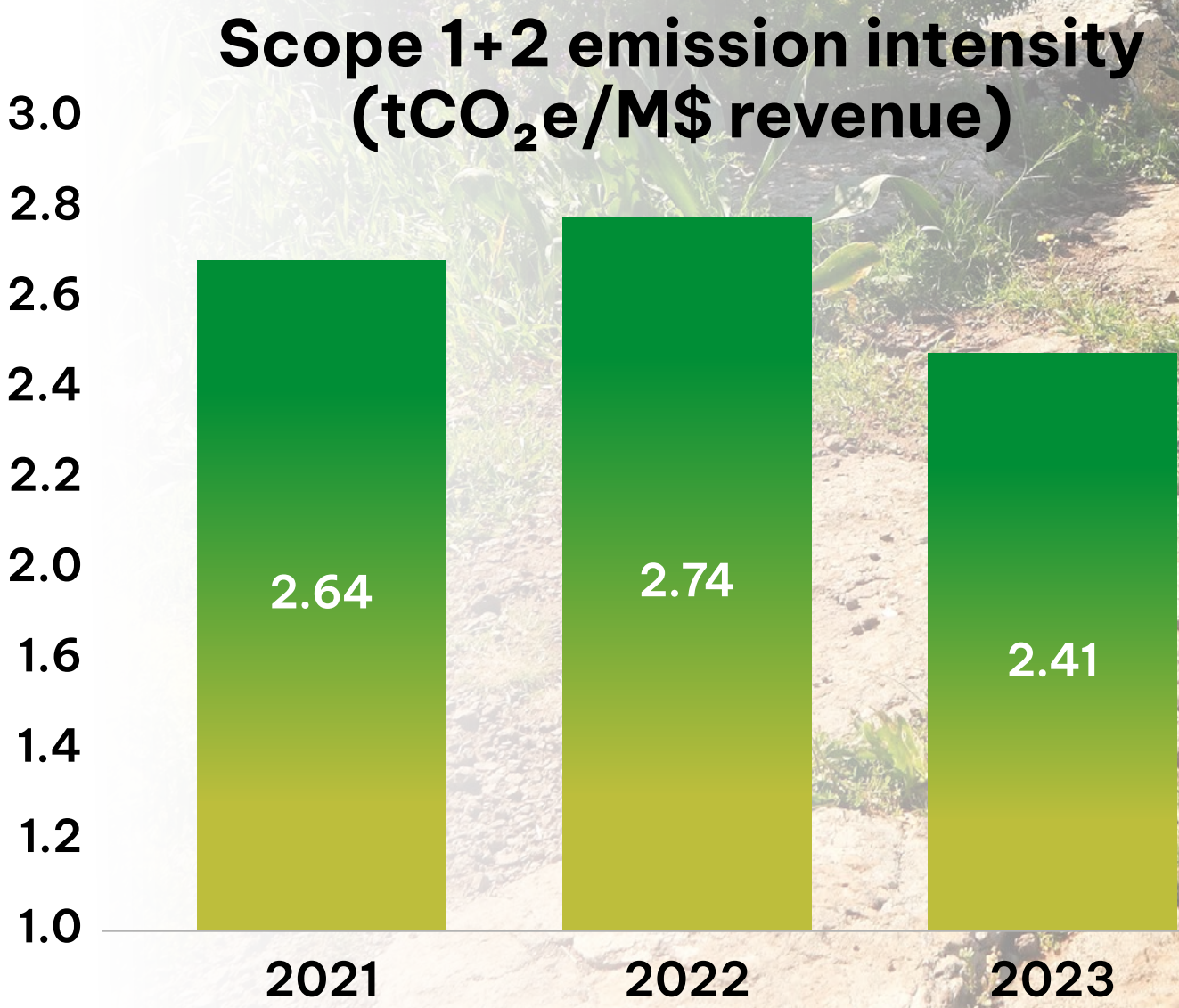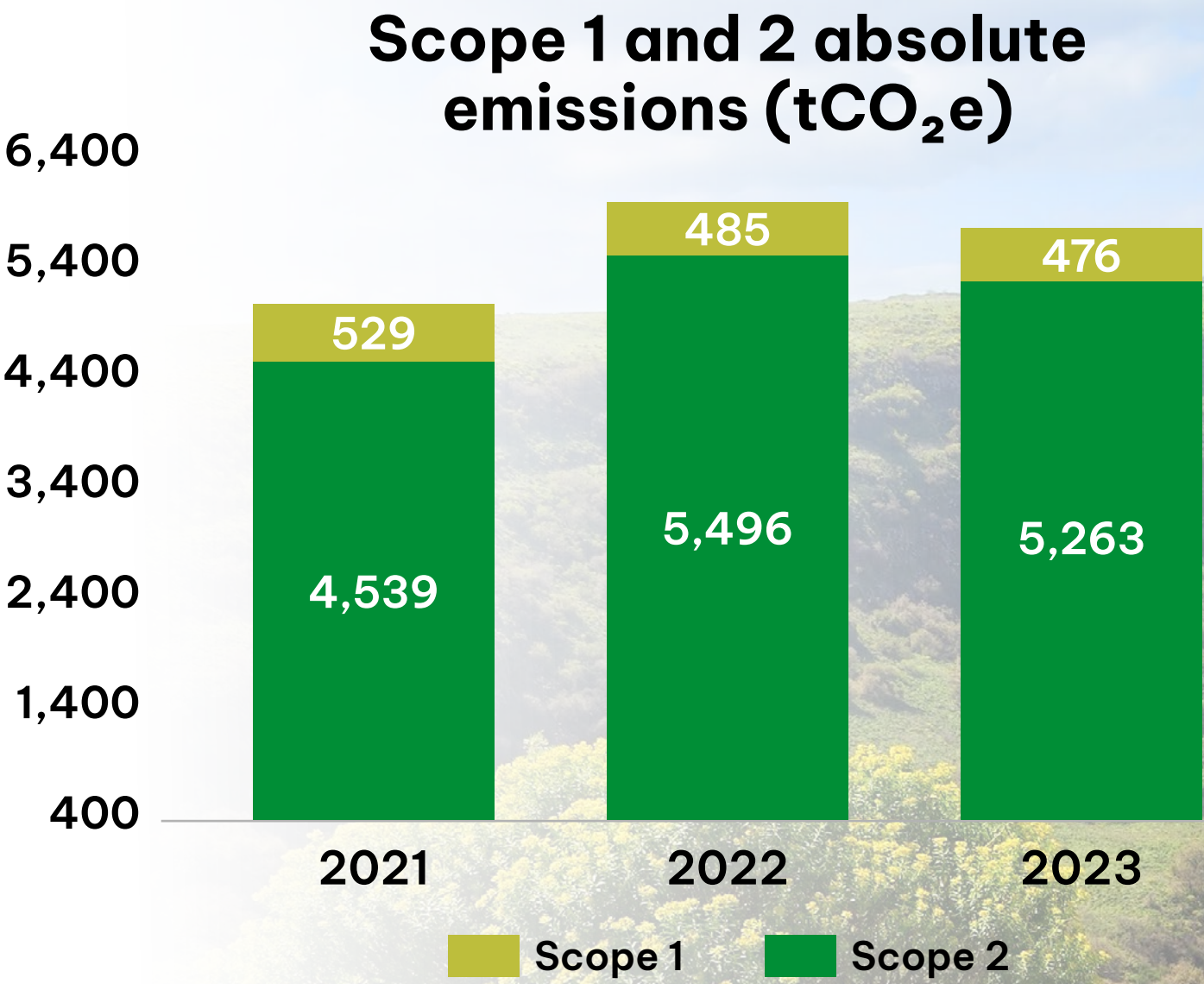
Climate Change

Climate change is widely recognized as 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 we expressed in NICE's Climate Change CDP questionnaire, which has been annually submitted since 2012, and publicly since 2021.

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 8% 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 actual electricity consumption data collection to 91% in the 2023 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 (tCO_2e)

Year	Scope 1	Scope 2
2021	529	4,539
2022	485	5,496
2023	476	5,263

Scope 1 — Scope 2

Scope 1+2 emission intensity (tCO_2e/M\$ revenue)

Year	Intensity
2021	2.64
2022	2.74
2023	2.41

In 2023, we implemented various initiatives that resulted in approximately a 23% reduction in Scope 1 and 2 emissions at our office in Israel. These initiatives include:

- Transitioning to a new, energy-efficient office, which features lighting systems with LED and automatic light shutdowns. The initiative was implemented due to the result of an external energy survey in 2020, indicating that an investment of USD 140,000 can save up to one million kWh per year.

- Moving to a more efficient office and reducing total space area by 34%.

As a result, our total Scope 1 and 2 absolute emissions slightly decreased by 4%, and our emissions intensity[5] decreased by 12% compared to 2022.[6,7]

Although most of NICE's Scope 3 emissions are not monitored, emissions from data centers and international air travel are of particular relevance. NICE's top data center suppliers estimates the company's carbon footprint associated with its services is 408 tCO_2e in 2023. The decrease in Scope 3 emissions vs. 2021 is attributed to NICE's selection of suppliers who use renewable energy. The increase in Scope 3 emissions vs. 2022 is due to an increase in supplier spend on data centers. NICE's data center suppliers are committed to using renewable energy and/or improving energy efficiency, with Energy Star Certification being a prime example. NICE's top two data center suppliers are committed to matching 100% of consumed electricity with renewable energy sources.

Cooling Smarter: NICE Pune's Energy-Efficient Upgrade

At our Pune office, we upgraded the cooling system in the server room to boost energy efficiency and reduce environmental impact. The outdated three-phase Precision Air Conditioning units, which used the R-22 refrigerant with a high GWP (Global Warming Potential), were replaced with two new single-phase High Wall AC units utilizing the more eco-friendly R-32a refrigerant.

This change has cut our energy consumption by around 2,000 kWh per month, providing immediate cost savings and reducing our carbon footprint. The new units also deliver reliable cooling, essential for protecting our IT infrastructure. This initiative supports our broader goal of achieving at least a 20% reduction in energy usage for the cooling system.

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:

- **Cost optimization and resource efficiency** - Significant investments in cost optimization allow for more efficient use of resources, reducing energy and computational needs to run the software.

- **Architecture best practices around elasticity** - Dynamically scaling cloud infrastructure with both scale-out and scale-in strategies, ensuring resources are only utilized when needed, reducing idle time and energy consumption.

- **Multi-tenant system design** - Developing a multi-tenant architecture that optimizes resource sharing across clients, improving overall resource utilization and contributing to a more sustainable software operation.

- **Shutdown of development resources** - Leveraging tools to automatically shut down development resources during off-hours, minimizing unnecessary energy usage.

- **Energy-efficient code** - Writing optimized code that consumes less CPU, memory, and energy, contributing to a lower carbon footprint.

- **Sustainable data management** - Implementing strategies such as data compression and efficient retrieval to reduce storage requirements and energy use.

- **AWS well-architected framework** – We adhere to the AWS Well-Architected Framework, which includes sustainability as one of its key pillars, ensuring our cloud architecture is designed with environmental impact in mind.

- **Sustainable development practices** – Using automated tools like continuous integration and testing to minimize energy consumption during development.

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.

[5] Emissions intensity is defined as the ratio of total tracked scope 1 and scope 2 CO_2e emissions and NICE's annual revenue.

[6] Scope 2 figures for 2021 and 2022 have been updated due to an inaccurate reporting of electricity consumption measurement units from two different sites. These updates also affect the emission intensity, which has been updated retroactively. 2021 and 2022 figures were updated retroactively as emission factors continue to improve, and are updated each subsequent year.

[7] Our total Scope 2 emissions reflect approximately 91% measured emissions and 9% estimated emissions.

NICE's solutions to utilize dark data and decrease the use of data centers

Dark data refers to unstructured, unused data that organizations often store for compliance, incurring costs and increasing energy consumption and emissions. NICE addresses this by offering a unified cloud platform that integrates technologies, reduces the need for multiple servers, and uncovers valuable insights from dark data. Our solutions prevent redundant data storage, optimize knowledge content, and provide tools for automatic data deletion.

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 2023, our volume of E-waste was under 2 tons.

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 37% of our total office locations, we are committed to expanding our reporting coverage to gain a better understanding of our overall consumption. In 2023, our offices consumed 8,655 m³ of water[8], representing a 54% reduction compared to 2022.

The savings are primarily due to initiatives implemented in Israel, including:

- NICE Flex – due to remote working, 40% of the workforce currently uses the facilities.
- New water infrastructure – upgrades were made to toilets, pipes, and faucets.
- A new water leakage monitoring system was installed.

EARTHDAY.ORG

Earth Day Around the World

In 2023, NICErs across the globe celebrated Earth Day with a variety of fun, eco-friendly events that were both educational and future thinking. From receiving potted plants which NICErs decorated, to planting trees, herbs, and flowers at our offices, participating in educational recycling workshops and even pledging to reduce their personal carbon footprint, NICErs made the most of this day. Delicious plant-based meals were on offer to help our teams fuel up while they dug into the dirt and reconnected with Mother Earth.

2024 Targets:

- Expand scope 2 reporting coverage
- Expand water consumption reporting coverage
- Continue with CDP reporting
- Initiate TCFD reporting following US regulations
- 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

About NICE's ESG Report

This is NICE's third ESG report. The information provided in this report reflects the Company's ESG performance from January 1st to December 31st, 2023, 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.

BDO

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 2023 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 2023 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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GRI Content Index

NICE has reported the information cited in this GRI content index for the period January 1st 2023 - December 31st 2023, with reference to the GRI Standards.

GRI 1: Foundation 2021			
GRI Standard	**Disclosure**	**Description**	**Location**
GRI 2: General Disclosures 2021	2-1	Organizational details	5
	2-2	Entities included in the organization's sustainability reporting	50
	2-3	Reporting period, frequency and contact point	50
	2-4	Restatements of information	55
	2-6	Activities, value chain and other business relationships	7-9
	2-7	Activities and workers	29
	2-8	Workers who are not employees	
	2-9	Governance structure and composition	13
	2-10	Nomination and selection of the highest governance body	13
	2-11	Chair of the highest governance body	13
	2-12	Role of the highest governance body in overseeing the management of impacts	13, 14
	2-13	Delegation of responsibility for managing impacts	13
	2-14	Role of the highest governance body in sustainability reporting	14
	2-15	Conflicts of interest	13
	2-16	Communication of critical concerns	14
	2-17	Collective knowledge of the highest governance body	14

GRI Standard	**Disclosure**	**Description**	**Location**
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	14
	2-19	Remuneration policies	14-15
	2-20	Process to determine remuneration	14-15
	2-21	Annual total compensation ratio	14
	2-22	Statement on sustainable development strategy	10
	2-23	Policy commitments	28
	2-24	Embedding policy commitments	28
	2-25	Processes to remediate negative impacts	42,45
	2-26	Mechanisms for seeking advice and raising concerns	18
	2-27	Compliance with laws and regulations	17
	2-28	Membership of associations	53
	2-29	Approach to stakeholder engagement	11
	2-30	Collective bargaining agreements	27

GRI 3: Material Topics 2021			
GRI Standard	**Disclosure**	**Description**	**Location**
GRI 3: Material Topics 2021	3-1	Process to determine material topics	12
	3-2	List of material topics	12
Responsible and Ethical Business			
GRI 3: Management of Material Topics	3-3	Management of material topics	17
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	17-18
	205-2	Communication and training about anti-corruption policies and procedures	17
	205-3	Confirmed incidents of corruption and actions taken	17
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	17
Reducing our Carbon Footprint			
GRI 3: Management of Material Topics	3-3	Management of material topics	46-47
GRI 302: Energy 2016	302-1	Energy consumption within the organization	54
	302-3	Energy intensity	54
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	54
	305-2	Energy indirect (Scope 2) GHG emissions	54
	305-3	Other indirect (Scope 3) GHG emissions	54
	305-4	GHG emissions intensity	54

Responsible use of Resources			
GRI Standard	**Disclosure**	**Description**	**Location**
GRI 3: Management of Material Topics	3-3	Management of material topics	48
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	49
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	48, 54
	306-2	Management of significant waste-related impacts	48, 49
A Diverse and Inclusive Workplace			
GRI 3: Management of Material Topics	3-3	Management of material topics	28-30
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	31
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	15, 29
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	30
GRI 412: Human Rights Assessment 2016	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	28, 41
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	42, 44
	413-2	Operations with significant actual and potential negative impacts on local communities	45

Employee Development and Engagement			
GRI Standard	**Disclosure**	**Description**	**Location**
GRI 3: Management of Material Topics	3-3	Management of material topics	34-36
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	35, 36
	404-3	Percentage of employees receiving regular performance and career development reviews	36
Innovation and ESG Value Creation			
GRI 3: Management of Material Topics	3-3	Management of material topics	7-9
Customer Privacy and Cyber Security			
GRI 3: Management of Material Topics	3-3	Management of material topics	12, 20-21
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	20

Appendix

Associations/Memberships

American Bankers Association	Editialis S.A.S.	Pmk Verlags Gmbh
American Registry for Internet Numbers, Ltd.	El Desarrollo De La Experiencia De Cliente – Dec	Professional Association for Customer Engagement, Inc.
Arizent	Getty Images (Us), Inc.	Shanghai Guanglin Network Technology Co., Ltd.
Asociacion Espanola De Expertos En La Relacion Con Clientes	Healthcare Information & Management Systems Society	Society Of Telecommunications Consultants Inc.
Association Francaise De La Relation Client (Afrc)	Hubspot Inc.	Sporting Edge Solutions Limited
Association Pour Le Management De La Reclamation Client (Amarc)	I.F. Executives S.L.U.	Storylane Inc.
Calendly LLC	In The Park Mdr LLC	Teenspire Global Mission LLC
Call Centre Association Limited	Inasia Media Pte Ltd.	Tenderlink.Com
Callnet.Ch	Meeting Professionals International	The Knoble, Inc.
Chartered Institute for Securities and Investment	Muck Rack LLC	T-Radius Holdings, Inc.
Corporate Mailings Inc.	National Association Of State Technology Directors	Verve Management Dmcc
Ediciones Peldano, S.A	National Investor Relations Institute	Wistia Inc.

Environment

Energy consumption	2021	2022	2023
Total fuel consumption (Gasoline) within the organization (L)	232,055	211,832	208,668
Electricity consumption in (MWh)	9,683	11,799	10,909
Total energy consumption within the organization (GJ)	42,795	49,722	46,410
Energy intensity ratio for the organization (GJ/ MM USD Revenue)	22.28	22.79	19.52

| GHG Emissions (tCO$_2$e)	2021	2022	2023
Scope 1 (direct emissions)*	529	485	476
Scope 2 (electricity emissions) – location-based approach**	4,539	5,496	5,263
Scope 1 and 2	5,068	5,981	5,739
GHG emissions intensity ratio (emissions/revenue – tCO$_2$/ MM USD Revenue)***	2.64	2.74	2.41
Scope 3****	838	303	408

Inventory based on Operational Control approach.

Electricity consumption figures for 2021 and 2022 have been updated due to an inaccurate reporting of electricity consumption measurement units from two different sites. These changes also affect the energy intensity ratio and the total energy consumption within the organization, which has been updated retroactively.

Calculated according to GHG Protocol via operational control location-based approach. Emissions include CO$_2$, CH$_4$ and N$_2$O gases. Source of GWP factors: GHG Protocol (AR5). Emission factors from DEFRA, EPA, and other local sources.

*Scope 1 includes Israel gasoline consumption. 2021 and 2022 figures were updated retroactively as emission factors continue to improve, and are updated each subsequent year.
** Scope 2 includes 100% of our electricity consumption, reflecting approximately 91% measured emissions and 9% estimated emissions.
*** Covers Scope 1 and 2.
**** Includes the share of our carbon emissions in our two main data-center suppliers.

Recycled E-Waste (kg)*	2021	2022	2023
	179.68	69.2	1,937

* Includes Israel's operations.
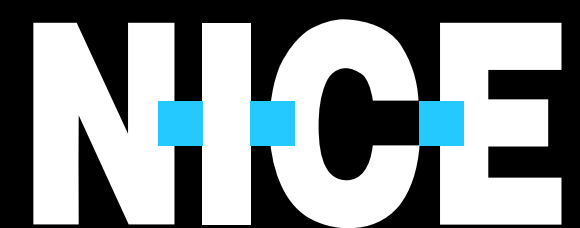
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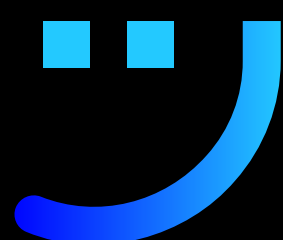
About NICE

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.