

# Sustainability Report 2021 - Sweden

## Introduction

This Sustainability report for the financial year 2021 is published by Nasdaq AB (org.no. 556243-8001). This report is prepared, taking into account local Swedish sustainability metrics and criteria, according to the requirements stated within the Swedish Annual Accounts Act. Global practices and reporting standards which were leveraged for the benefit of the Swedish program, were considered.

Based on the requirements within the Swedish Annual Accounts Act, the following subsidiaries are in scope of the statutory requirements:

- Nasdaq Clearing AB (org.no. 556383-9058)
- Nasdaq Stockholm AB (org.no. 556420-8394)
- Nasdaq Technology AB (org.no. 556314-8138)
- Nasdaq Exchange and Clearing Service AB (org.no. 556788-5123)
- Cinnober Financial Technology AB (org.no. 556548-9654)

This report comprises information on not only the entities mentioned above, but all Swedish operations collectively referred to as “**Nasdaq Sweden**” within the following pages of this document unless otherwise stated. The reporting period for the information, unless otherwise noted, is January 1 to December 31, 2021.

We have endeavored to include all necessary and meaningful information applicable to Nasdaq Sweden on a stand-alone basis. Where such information is not available on a stand-alone basis, we have provided information pertaining to the Nasdaq group, which includes all legal entities domiciled in Sweden.

## Sustainable Business Model

As a global exchange and technology leader, we recognize our unique responsibility in championing inclusive growth for a more sustainable and prosperous future. By democratizing financial knowledge, we strive to equip all market participants, especially under-represented communities with the tools and knowledge to access wealth creation opportunities and participate in the capital markets.

We can power stronger economies, create more equitable opportunities, and facilitate the efficient flow of capital. Our sustainability strategy is intrinsically linked to advancing Environmental, Social and Governance (ESG) in an ethical and efficient manner for capital market participants of all types.

Nasdaq is fully committed to continuing our ESG efforts and leading the shift towards more sustainable and inclusive capital markets. Guided by our purpose to drive inclusive growth and prosperity, our Company’s impact extends well beyond our own operations by empowering markets and communities with strategic solutions that have measurable and lasting impact. At the epicenter of the capital markets and technology, we play a key role by engaging and educating our clients on climate risks and providing ESG-focused marketplace solutions that help clients achieve their

own ESG objectives. Our corporate sustainability strategy seeks to maximize the impact of our own organization towards our overarching commitment to power stronger economies, create more equitable opportunities and contribute to a more sustainable world.

For a detailed description of our products and services please refer to the Annual Reports of Nasdaq AB, its Swedish subsidiaries, and the consolidated financial statements of Nasdaq Inc.

## ESG Materiality Assessment

Nasdaq is committed to continuously advancing our longer-term ESG strategy, advocacy, and oversight. We engage with internal and external stakeholders at all levels on ESG matters on an ongoing basis.

During 2021, we deepened our corporate and community ESG efforts, including expanding ESG oversight of our own operations and furthering our commitment to greater sustainability and climate change awareness. In addition to providing frequent and robust reporting on our ESG efforts and continuously working to identify emerging ESG trends, we encouraged our employees to participate in our ESG initiatives and engaged with our clients and stakeholders to pursue ESG-related opportunities and accelerate the ESG progress of corporate issuers.

Nasdaq periodically conducts significant impact assessments to identify and prioritize ESG topics that are most relevant to our business and stakeholders. Facilitated by Nasdaq's ESG Advisory team, we completed an organization-wide significant impact assessment in 2021 to inform our sustainability strategy and support our approach to ESG governance and reporting. This assessment incorporated a rigorous analysis of potential high impact topics and the collection of input from a variety of ESG reporting frameworks, ratings and assessments, benchmarking exercises, surveys, and interviews with internal and external stakeholders.

In the first quarter of 2022, we updated our assessment by incorporating additional frameworks (e.g., WEF and the Sustainable Development Goals) and engaging external stakeholders to reaffirm the high impact topics which pose the greatest risk or opportunity to our business:

- Business Ethics
- Data Privacy & Cybersecurity
- Diversity, Equity & Culture (previously Diversity, Inclusion & Belonging)
- Employee Engagement & Satisfaction
- Human Capital Management
- Risk Management

There were no significant changes to our priority topics, but we found stakeholders placed greater emphasis on Nasdaq's ethical business practices and our ability to influence public policy. While these six areas are critical to our sustainability strategy, targets, and resource allocation, additional ESG topics continue to drive our business practices and reporting due to stakeholder interest and importance to Nasdaq's corporate strategy and culture.

# Environmental

## Climate Change Strategy

During 2021, we continued our carbon neutral program for a fourth consecutive year. The program aims to reduce and offset the Nasdaq carbon footprint of our global office and data center portfolio, corporate travel, waste and water use, employee commuting and goods and services consumption, among other areas, through the purchase of renewable energy credits and carbon offsets focused on carbon removal.

Climate change and resource scarcity are challenges to society and to business. As a responsible corporate citizen operating technology and exchange businesses across the globe, Nasdaq Sweden endeavors to lessen our environmental impact and make our operations efficient. We understand the importance of taking efforts to reduce our carbon footprint and actively promoting sustainable business operations.

To ensure that our efforts are effective, we are an active and longstanding UN Global Compact signatory and reaffirm our support every year for Principle 7: "Businesses should support a precautionary approach to environmental challenges." Nasdaq leverages the precautionary approach in risk management generally, and particularly when it comes to climate action and awareness. This approach is directly in line with a corporate culture that values ethical business and innovation.

Internally, the Global Green team, one of employee networks, brings together Nasdaq employees who are passionate and knowledgeable about the environment and who want to drive change and sustainable initiatives in their office and community.

Through virtual education webinars, newsletters and employee engagements, the Global Green team offers employee awareness trainings on ESG topics, on a range of ESG topics, such as supply chain, consumption, waste reduction/recycling, travel and how individuals can impact their communities.

With respect to our business functions, we account for a relatively small, manageable environmental impact due to the use of natural resources in our global operations. We focus our environmental efforts on a few key areas, including the way we use resources, manage our workspaces, and conduct business travel. These efforts seek to lessen the environmental impact of our organization by reducing atmospheric carbon emissions, and managing water and waste associated with our business. Nasdaq Sweden conserves natural resources by leveraging innovation, technology, education, and a culture of continuous improvement.

Nasdaq also encourage its suppliers to adopt sustainability and environmental practices in line with our published Environmental Practices Statement and our Supplier Code of Ethics. To the extent practical and feasible, we expect suppliers to provide us with information to support our reporting and transparency commitments related to sustainability and environmental impacts. On top of these reduction efforts, Nasdaq achieved carbon neutrality in 2021 for a fourth consecutive year through sourcing renewable electricity, the purchase of certified Renewable energy certificates ("RECS") and Carbon offsets.

## Water

Nasdaq Sweden consumes water in two main categories, office space that we lease from within commercial buildings and data center space that we lease rack space and operate out of. We therefore do not have a significant impact on water systems. Water conservation initiatives are pursued to align to Nasdaq Sweden's ESG goals with the aim to

reduce consumption of all resource categories. Nasdaq Sweden's focus is to make a net positive impact on water demand by:

- Continuing our sustainable Leasing strategy of consolidating offices in the same city and selecting office buildings with Green/Energy Certifications and water conserving infrastructure.
- Prioritizing Data Center operators with ISO Certifications, renewable energy offerings, and sustainability policies, including closed loop cooling systems that greatly reduce wastewater volumes.
- Reduced water consumption being incorporated into building infrastructure and operations

Water consumption data relating to Nasdaq Group obtained directly from utility providers and/or from Landlords or datacenter operators, is presented per region for comparative purposes. Nasdaq Sweden forms part of the EMEA region:

2021	Water Consumption	Water emissions
Region	Water (Kiloliters)	Emissions (MTeCO2e)
Americas	27,967	34
APAC	4,728	6
EMEA	19,046	23
<b>Total</b>	<b>51,740</b>	<b>63</b>

2020	Water Consumption	Water emissions
Region	Water (Kiloliters)	Emissions (MTeCO2e)
Americas	83,260	20
APAC	9,832	2
EMEA	30,178	7
<b>Total</b>	<b>123,270</b>	<b>29</b>

## Waste

Waste reduction, recycling and compost diversion are chief priorities for Nasdaq Sweden in the operation and management of its facilities. Our sustainable leasing strategy ensures efficient waste disposal and diversion of recyclable and compostable materials. We also implemented a number of automated tools to help reduce paper waste and other inefficiencies. Green certifications signify offices with innovative (and effective) waste management and recycling programs.

The below table represents the disposal and treatment of waste generated in Nasdaq Group's operations in 2021 and covers facilities not owned or controlled by the company. Waste and recycling are presented per region for comparative purposes. Nasdaq Sweden forms part of the EMEA region:

2021	Waste and Recycling (Weight) (MT)			Waste and Recycling Emissions (MT eCO2)		
	Landfilled	Recycled	Composted	Landfilled	Recycled	Composted
Americas	170	87	3	29	11	1
APAC	78	29	2	13	5	0
EMEA	23	17	5	4	4	1
<b>TOTAL</b>	<b>280</b>	<b>133</b>	<b>10</b>	<b>46</b>	<b>20</b>	<b>2</b>

2020 Region	Waste and Recycling (Weight) (MT)			Waste and Recycling Emissions (MT eCO2)		
	Landfilled	Recycled	Composted	Landfilled	Recycled	Composted
Americas	47	62	12	14	2	0
APAC	48	28	10	14	1	0
EMEA	37	49	18	11	1	0
<b>TOTAL</b>	<b>132</b>	<b>139</b>	<b>40</b>	<b>39</b>	<b>4</b>	<b>0</b>

## Energy

Energy consumption, the reduction of energy demand and its corresponding Greenhouse Gas emissions is a high priority for Nasdaq Sweden. Greenhouse gas emissions related to energy consumption throughout the organization globally is the main source of Nasdaq Groups' operational emissions and is an area that Nasdaq can control and impact through changes in operations, strategy and policies. Our key focuses are;

- Reduce energy requirements, corresponding greenhouse gas emissions and waste generation of our global operations through thoughtful sustainable initiatives and strategies. Some of these strategies include;
  - occupancy and vacancy sensors are installed throughout the Nasdaq office spaces to automatically turn off the office space lights to save on energy consumption
  - when office and data center infrastructure and equipment approach end of life, replacing it with newer more energy efficient and/or sustainable products.
- Proactively procure renewable energy from projects that are less than 5 years old and feed power into the same energy distribution network as our operations.
- Purchase unbundled renewable energy certificates from projects that are less than 5 years old and feed power into the same energy distribution network as our operations to replace any fossil fuel electricity power consumed (indirectly removing the release of greenhouse gases from the atmosphere.

The 2021 and 2020 electricity (MWh) consumption tables below incorporates data for Swedish office space and data centers

2021 Country	Total Power Consumption MWh/Year	Renewable Power MWh/Year	% Renewable	Net Emissions (MtonCo2e)
Sweden	13,255	13,203	100%	188
<b>Total</b>	<b>13,255</b>	<b>13,203</b>	<b>100%</b>	<b>188</b>

2020 Country	Total Power Consumption MWh/Year	Renewable Power MWh/Year	% Renewable	Net Emissions (MtonCo2e)
Sweden	12,422	9,921	80%	36
<b>Total</b>	<b>12,422</b>	<b>9,921</b>	<b>80%</b>	<b>36</b>

## Emissions

CO2 emissions are tracked on an enterprise level and include global data for Nasdaq's office space, data centers, business travel, employee commuting, and goods and services consumption.

As described in the "Energy" section above, Nasdaq Group has effectively zeroed out its emissions through an aggressive carbon neutrality project. Net emissions for the enterprise - including Sweden - is effectively zero metric tons of carbon dioxide equivalent (MT CO2e).

## ESG Products and Services

Nasdaq is one of the leading providers of ESG screened products and services. Through our fundamental role in financial markets, Nasdaq has the ability to adjust the flows of capital towards a more sustainable use.

### Sustainable Debt Markets

Nasdaq Group operates one of the leading markets for green, social and sustainable debt, the Nasdaq Sustainable Debt Market, where we provide dedicated segments for listed green, social and sustainable bonds, structured products and commercial papers. It was launched in 2015 and was the first of its kind.

Our sustainable debt markets are designed to highlight sustainable investment opportunities to investors with a green, social or sustainable investment agenda. Nasdaq Sustainable Debt Market is open to all types of issuers that are looking to issue securities that meet our listing criteria, which are based on the green and social bond principles as well as the sustainability – linked bond principles, for which the International Capital Markets Association (ICMA) acts as a secretariat. Total listed volumes on the Nasdaq Sustainable Debt Market increased 56 percent year over year in 2021.

	December 31, 2021	December 31, 2020
Listings on the Sustainable Debt Market	424	272
Issuers on the Sustainable Debt Market	112	68

### Sustainable Bond Network

Launched in late 2019, is a global platform that aims to increase transparency for environmental, social, and sustainable bonds. The platform offers issuers the ability to disclose their ESG investments in an efficient reporting solution. Through the portal, investors can also access standardized and consolidated data in one centralized location, improving disclosure quality and consistency. The portal also allows investors to generate impact reports, run allocation reports, and evaluate information. At the end of 2021, this bond network had 1012 issuers of more than 8,928 bonds.

	December 31, 2021	December 31, 2020
Issuers on the Nasdaq Sustainable Bond Network	1 012	323
Bonds on the Nasdaq sustainable Bond Network	8 928	4 600

### ESG Solutions for Corporates

**Nasdaq OneReport** is an ESG data management, workflow and reporting tool, allowing companies to communicate their climate exposure effectively. OneReport offers a suite of features including Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) reports. Acquired by Nasdaq Group in 2020, OneReport was the first tool to receive Global Reporting Initiative (GRI) Certification for the revised Universal Standards released in the fall of 2021. OneReport's continued advancement and evolution is driven by our customers' demands for a tool which is ahead of the market and is able to rapidly adopt new and anticipated ESG regulations and frameworks.

**ESG Advisory** is a service solution that pairs companies with consultative ESG expertise to help analyze, assess and action best-practice ESG programs with the goals of attracting long-term capital and enhancing value. Services include ESG strategy development, Board engagement strategies, ESG investor engagement advice, and ESG reporting guidance for companies.

Nasdaq's broader Corporate Platforms businesses support a range of ESG outcomes including identifying and engaging with investors on ESG topics, investor relations workflow platform, ESG stakeholder sentiment and secure Board collaboration tools

## **ESG Data Disclosure Products**

**Nasdaq ESG Portal** has been implemented as part of Nasdaq's commitment to more sustainable markets and to support our listed companies, to provide a central repository and database for listed companies in the Nordics and Baltics. The portal captures a wide range of actionable environmental, social and corporate governance data, providing a cost-effective manner for firms to showcase their ESG efforts. The companies that report via the portal are given a report every quarter on how they compare to their peer group on a range of ESG metrics. For investors, standardised data for these companies can be accessed via a separate data feed, or through our Nordic Equity Totalview feed.

Nasdaq-listed firms seamlessly release their data directly into the portal, for compilation by Nasdaq into standardized ESG metrics which may then be integrated by each firm back into their portfolio and processes. The portal captures a wide range of actionable environmental, social and corporate governance data, providing a cost-effective manner for firms to showcase their ESG efforts.

**Nasdaq ESG Footprint**, powered by **Matter**. Matter is a Copenhagen-based ESG data startup and a Nasdaq Group Ventures portfolio company. The company aggregates and provides high-quality ESG data on public companies from trusted sources. Matter enables asset managers, financial advisors, and other financial institutions to conduct portfolio and single security ESG analysis and personalized impact reporting for clients. The company also offers Sustainable Finance Disclosure Regulation (SFDR) reporting capabilities and proprietary ESG news sentiment insights. Through an intuitive dashboard, investors both retail and professional have access to the real-life effects of each investment, along with alternatives that may better suit an individual's sustainability goals. Amongst other data points, the dashboard provides 5 quantifiable impact metrics e.g. GHG-emissions, re-generation, waste production, more than 20 beneficial and controversial corporate topics e.g. weapons, tobacco, clean tech and more than 15 controversial sovereign issues e.g., corruption, financial secrecy, child labor.

## **ESG Indexes**

Nasdaq index OMXS30ESG was the first ESG version of an established benchmark of an exchange to be introduced worldwide in June 2018 and was followed by the listing of ESG index futures contracts in November 2018. OMX Stockholm 30 ESG Responsible Index (OMXS30ESG) is an ESG responsible version of the OMX Stockholm 30 Index, which is the leading share index on Nasdaq Stockholm. The OMXS30ESG is based on OMXS30, which consists of the 30 most traded securities on Nasdaq Stockholm, followed by a systematic criteria-based ESG screening where securities that fail the criteria are excluded. The OMXS30ESG Index is a market cap weighted index.

The index liquidity results in an index that we believe is highly suitable as the underlying for derivatives products. In addition, OMXS30ESG is also constructed to be used for structured products, such as warrants, index bonds, exchange traded funds and other non-standardized derivatives products. The composition of the OMXS30ESG index is revised twice a year, at the beginning of July and January. As of December 31, 2021, we had over 4 million contracts traded and 17 active market participants. In November 2021, Nasdaq expanded its ESG derivative offering with the listing of options based on the OMXS30ESG Index.

We manage a number of indexes that integrate ESG criteria into the index methodology. We achieve this in a variety of ways, with some indexes designed purely as ESG and others designed with ESG criteria as an overlay to a broader investment thesis. The index with the largest tracking fund is the ISE Cyber Security Index. Others include the Nasdaq Clean Edge suite, and the Nasdaq Future Global Sustainability Leaders Index. In addition, in 2021 we created ESG versions of two of our flagship indexes and now offer the Nasdaq 100 ESG Index and the Nasdaq Next Generation 100 ESG Index.

## Social

### Human Capital Management

The company’s most valuable asset is its people, and Nasdaq Sweden has made deliberate investments to ensure that it remains an employer of choice to attract, retain and develop top talent. Nasdaq Sweden strives to create a work environment in which individuals are empowered to establish their own work objectives, aligned with Nasdaq Sweden’s overall business strategy and within the context of their area of discipline. In concert with a compensation program that includes annual grants of equity shares in the company for every employee, this encourages our employees to “act like an owner,” reinforcing a shared sense of belonging and commitment to our collective success

Nasdaq Sweden has extended its commitment to attracting, retaining, developing, and motivating its employees throughout 2021, adding new professional development opportunities as well as new platforms leveraging artificial intelligence to bring internal job opportunities as well as short-term developmental projects directly to employees. During 2021, we launched a year-long campaign called “Your Career Journey” to engage employees and managers in sustained professional development, and we established a core curriculum to customize curated development training for employees at each level of seniority. We created performance objectives for each of our managers measuring them on managerial effectiveness, and the outcomes were included in each manager’s year-end performance evaluation.

### Employee Demographics

The following table illustrates Nasdaq Sweden employees gender distribution by career level.

Sweden		
Career level	2021	
	Female	Male
Executive	15%	85%
Senior	30%	70%
Mid	25%	75%
Entry	27%	73%
Not Disclosed	0,1%	

<b>Employment contract for Nasdaq Sweden (permanent &amp; temporary) by gender</b>	
- Temporary employees for Nasdaq Sweden (Fixed term, interns, student workers)	18 Female / 21 Male (1 undeclared)
- Permanent (Regular employees)	239 Female / 674 Male (1 undeclared)
- Total:	40 Temporary / 914 Permanent
<b>Employment type for Nasdaq Sweden (full-time &amp; part-time) by gender:</b>	
- Female	232 full-time / 25 part-time
- Male	660 full-time / 35 part-time
- Undeclared (Not declared, zero data)	1 full-time / 1 part-time

## Attracting and Retaining Employees

Nasdaq's commitment to and investment in attracting, retaining, developing, and motivating its employees strengthened throughout 2021. In 2021, Nasdaq maintained our historical levels of employee retention, which continued to be above industry average. We believe that our people centric culture, based on our core values: Act as an Owner, Play as a Team, Fuel Client Success, Lead with Integrity, Expand Your Expertise, and Drive Innovation give us a distinct advantage – helping us to attract and retain the best talent.

We are actively working to establish Nasdaq as a destination employer, having created a dedicated Talent Attraction team and establishing key partnerships to attract diverse talent in across all markets in which we operate. To continue strengthening our employer brand, Nasdaq's career site will be refreshed to provide world-class candidate experience to attract the best talent to Nasdaq in a competitive market. We seek to hire locally wherever possible, for all levels of individual contributor, manager and executive.

The table below summarizes our 2021 and 2020 new hire and turnover data for all global operations, age groups, and employee categories.

### Workforce Attrition (Sweden)

- 2020: 11.%<sup>1,2</sup>
- 2021: 10%<sup>1,2</sup>

<sup>1</sup>The Nasdaq Group enterprise average rate was 7% for 2020 and 12% for 2021.

<sup>2</sup>This number combines 8% (10%) voluntary attrition and 2% (1%) involuntary attrition

## Growth and Advancement

Nasdaq's Performance Management program has been established to enhance the job performance and professional growth of each employee. Under this program, every employee is asked to create a professional development plan for themselves each year, in concert with their manager, and record this plan in our HR software.

In 2021, we combined our Talent Management and Learning and Development teams to produce a single, integrated approach to all facets of Talent Development. In addition, we introduced multiple new technology-enabled platforms for skills development. Using this structure, in 2022 we plan to identify the current state of our talent, define the skills needed to achieve our strategic goals, set performance objectives to measure individual growth, provide opportunities for skills development, and utilize the process to advance talent equitably.

In order to identify our talent needs, Nasdaq makes extensive use of people analytics data in the following areas: measuring employee performance, strategic workforce planning, identifying flight risks and critical roles, and uncovering individual as well as organizational skills gaps.

In addition to providing mechanisms for ongoing feedback throughout the year, managers informally assess his or her employees in writing during the mid-year period and complete a formal year-end performance review by the end of each calendar year. Both parties meet to discuss the written assessment, which is recorded internally. These performance evaluations become part of the employee's formal personnel record and serve as factors for consideration in internal job transfers, and advancement decisions. The goal and purpose of the performance review program is to:

- Ensure that each employee has a clear understanding of what is expected by his or her manager;
- Align the activities of each employee to their respective Business Unit's goals and to Nasdaq's annual goals;
- Discuss the employee's job performance with respect to personal objectives and skills development; and
- Inform each employee of the knowledge and skills he or she must acquire or improve to grow in the present job, move into another role, or advance at Nasdaq.

## **Training and Education**

Nasdaq Sweden supports the development of its employees through each important transition in their careers – as new entrants to the organization, as developing professionals, as managers of teams and people and as leaders who lead the global organization. Under the 70/20/10 Learning Principle, where 70% of development happens on the job, 20% through exposure, coaching & mentoring and 10% by formal training, the company offers a variety of professional development experiences via many channels that support diverse learning styles.

We have invested heavily in professional development for our employees, creating a dedicated Career Development internal website that serves as a central point for dozens of career resources. These resources include offering access to more than 18,000 professional in-person and online employee development programs and job-specific training, providing tuition assistance to employees enrolled in degree-granting academic programs, holding internal career fairs and career networking programs, providing one-on-one mentoring, and access to professional coaching opportunities.

Finally, in 2021 we launched a Talent Marketplace where employees can find project opportunities outside of their day-to-day roles to develop their skills directly as well as to gain visibility to internal open job requisitions to encourage mobility. In 2022, we plan to introduce another professional development feature to our existing platform that will connect our 70/20/10 skills development paradigm in a single future-focused place.

## **Wellness and Financial Security**

As a leading global provider of trading, exchange technology, information and public company services, we believe it is important to offer valuable and flexible benefits programs to our employees. Comprehensive health, wellness, vision and injury and accident coverage, health and wellness advice and preventive medicine are included in our Nasdaq Sweden benefits program. In addition, disability insurance, life insurance, and enhanced voluntary group life insurance are available. Nasdaq Sweden also supplements our employees' pensions through the Sweden Pension Plan.

## **Diversity, Equity and Culture**

Our Diversity, Equity and Culture efforts are focused on supporting our diverse employee populations, as well as educating our entire population. In 2021, we had nearly 80% of global managers complete conscious inclusion training, as well as 100% completion from our executive team. In 2021, we renamed our Diversity, Inclusion, and Belonging (DIB) team as the Diversity, Equity, and Culture (DEC) team, a modification which reflects our focus on ensuring equitable practices across the company, as well as a culture of inclusion and belonging for all. Given this shift, we have also implemented performance-based metrics to measure our executives' DEC goals as it relates to year-end incentive compensation. In 2022, we plan to put a bigger emphasis on inclusion, including mandating diversity training for all managers in our organization.

Additionally, we have adopted new initiatives to increase a culture of inclusion in the workplace, including broadening our mentoring programs and introducing a new focus on sponsorship. Our Equity Pillar, a new focus for Nasdaq in 2021, is to ensure we have a focus on building an equitable and sustainable focus on people practices and processes. This is providing business unit-specific data and supporting critical conversations with leaders around opportunities to increase equity in their teams. In 2022, we will be examining key people processes (e.g., hiring, development, performance management, advancement) to ensure they are equitable in nature and allow all Nasdaq employees similar access to develop and advance in their careers.

## **Data Privacy**

Data compromise and/or intentional misuse may also be categorized as a human rights violation. As part of a global technology company and exchange operator, Nasdaq Sweden views data as its lifeblood. Accordingly, we are committed to appropriately securing nonpublic data used as part of our business operations, including information that Nasdaq Sweden generates in the performance of its services, and data provided to us by third parties, including customers, vendors, business partners, employees and other stakeholders.

This commitment is reflected in our engrained culture of security, our robust policies and procedures for data systems and processing activities, our mechanisms for monitoring our information systems and data use, the role-based training that we provide to staff on data protection, and the team of skilled information security and technology professionals who design, protect, and maintain our information systems. Reflecting the unique risks and potential harm posed by mishandling or misuse of personal data, Nasdaq Sweden's privacy program builds on the foundation of our information security program to apply special governance, policies, procedures and training on the use, handling and processing of personal data and performance of activities that impact privacy rights (as determined by the jurisdictions in which we operate).

To support these principles, Nasdaq Sweden maintains a comprehensive and consistent set of information security documentation and requirements including our Information Security Policies, which apply to personnel (both employees and contractors) working for Nasdaq Sweden. In 2020 and 2021, no breaches to our information systems were reported/identified.

## Human Rights

Nasdaq Sweden supports fundamental human rights—both inside and outside our company—and demonstrates its commitment by enacting responsible workplace practices across our global enterprise. Nasdaq believes in the fundamental dignity of every human being and the rights of every individual to live and work safely and humanely, without fear of oppression or coercion.

A material risk for human rights relates to operations of listed companies that operate in areas where the enforcement of national legislation and international conventions might be limited. Our Vision, Mission and Values Statements, along with our Code of Ethics and Employee Handbooks, emphasize responsibility, integrity, and values-based decision-making and set forth our standards for conducting our business ethically and consistent with our moral principles.

These principles and standards shape our interactions with fellow employees, clients, suppliers, communities, and markets around the world—and with our community of shareholders, too. They are foundational to our company and enable our continued success. Nasdaq Sweden has incorporated within its Code of Ethics, corporate policies, or programs specific requirements to put the following principles into practice:

- Equal Employment Opportunity and Discrimination
- Harassment
- Non-Retaliation
- Diversity and Inclusion
- Data Privacy
- Health and Safety
- Labor Standards

Human rights are reinforced through training and effective employee communication, including town halls and topic specific webinars. In 2021, Nasdaq collaborated with an independent third-party to initiate a formal human rights assessment consistent with the UN Guiding Principles on Business and Human Rights (UNGPs). The assessment focused on:

- Outlining current expectations of financial institutions with regards to human rights
- Building an internal understanding on human rights
- Undertaking an initial, high-level gap analysis of Nasdaq's current policies and practices against the UNGPs, with recommendation on best practices.

Nasdaq views human rights due diligence as a continuous process, which we constantly adapt and improve. We acknowledge the responsibility to respect human rights as outlined in the UNGP. In 2020 and 2021, no direct adverse impacts on human rights were identified/detected.

# Governance

## **Business Ethics**

The Nasdaq Ethics and Compliance program is designed to meet or exceed available standards, including guidelines published by U.S. and European regulators. In 2022, we plan to further the use of automation and analytics in supporting compliance programs to drive effectiveness and reduce risk. Additionally, we aim to enhance employee training programs through additional focus on targeted topics.

Nasdaq embraces good governance by striving to hold ourselves to the highest ethical standards in all interactions. Our Global Ethics Program supports and promotes meaningful implementation of the Code of Ethics throughout our business. The program is based on industry-leading practices and led by our Chief Risk Officer, and is supported by a cross functional, geographically diverse team, with oversight by our Audit and Risk Committee. External compliance experts are also regularly consulted. The Nasdaq Ethics Program provides values-based guidance, heightens compliance risk awareness, strengthens decision-making, and drives sound business performance through its five pillars: Executive and Board Leadership; Policies and Controls; Risk Assessment; Outreach and Training; and Monitoring, Audit, and Response.

Nasdaq leaders strive to create an ethical culture in which employees understand our commitment to integrity as foundational to our Purpose, Vision, Mission and Values, and feel comfortable raising issues or concerns without fear of retaliation. Managers encourage ethical conduct and compliance with the law by modeling integrity and personally leading ethics and compliance efforts; including cyber and information security, when evaluating and rewarding employees; and ensuring employees understand that business results are never more important than ethical conduct and compliance with Nasdaq policies and the law.

The Nasdaq Code of Ethics, or the Code, in conjunction with other policies, procedures, standards and handbooks, outlines the responsibilities expected of Nasdaq officers, directors, and employees in conducting business in accordance with the highest standards of ethics and compliance. The Code is applicable to the Board, all of our full-time and part-time employees, (including the principal executive officer, the principal financial officer and the controller and principal accounting officer), contract workers and others who conduct work on behalf of Nasdaq. There is also a separate Nasdaq Code of Conduct for the Board, which contains supplemental provisions specifically applicable to directors.

Ethical values are reinforced through training and effective employee communication, including town halls and topic specific webinars. Nasdaq also embeds its commitment to governance, transparency, integrity, and ethical business practices in a series of robust policy documents, all freely available for download on our Investor Relations website at [ir.nasdaq.com](http://ir.nasdaq.com).

Nasdaq is proud of its rigorous market regulation over listed companies in the area of financial reporting and public communications. Our own standards, then, must be above reproach. We require robust internal controls to ensure that our records accurately and fairly reflect the transactions and dispositions of our assets.

## **Anti-Corruption**

There are corporate risks related to violations of rules and laws governing corruption, bribery and similar unlawful activities. Companies risk losing their license to operate, exposure and punishment by market forces, as well as potential prosecution and imprisonment for the individuals involved.

Some of our other liability risks arise under the laws and regulations relating to the tax, employment, intellectual property, anti-money laundering, technology export, foreign asset controls, foreign corrupt practices areas, employee labor and employment areas, including anti-discrimination and fair pay laws and regulations.

Liability could also result from disputes over the terms of a trade, claims that a system failure or delay cost a customer money, claims we entered into an unauthorized transaction or claims that we provided materially false or misleading statements in connection with a securities transaction.

Nasdaq Group and Sweden seeks to comply with Foreign Corrupt Practices Act (FCPA), UK Bribery Act, and other anti-bribery and anticorruption laws, including reviewing “red flags” for corruption and situations where extra diligence must be exercised. Nasdaq Sweden regularly evaluates the efficacy of its operation, impact, products and services in order to increase positive outcomes and decrease negative outcomes.

The following three main risks and mitigating actions have been defined:

- **Unlawful Gifts or Inducements to Government Officials:** Under Nasdaq’s Code of Ethics and its Gifts, Business-Related Events & Anti-Bribery and Corruption Policy, the company has a zero-tolerance policy towards corruption.
- **Improper Gifts or Inducements to Commercial Counterparties:** Nasdaq Sweden staff are prohibited from giving gifts in exchange for favorable treatment, that violate contractual agreements with counterparties or that are contrary to corporate policies applicable to the recipient.
- **Engagement of Suppliers and Third-Party Representatives:** No Nasdaq Sweden employee may authorize any third party to engage in conduct that the Nasdaq Sweden employee could not do his/herself. To protect against this risk, all Nasdaq Sweden vendors are screened for corruption risk prior to engagement and continuously monitored for corruption issues during the period of their work for the company.

Raising concerns about potential violations of these Codes or other policies is critical to protecting individual and company interests and upholding our commitment to act with integrity. All Nasdaq employees can raise issues, seek guidance and report potential ethics and compliance concerns or allegations of misconduct through our SpeakUp! Program. The SpeakUp! Line is operated by a third-party hotline provider that enables Nasdaq to communicate with an individual reporting an issue on an anonymous basis. In addition to the SpeakUp! Program, individuals can directly and confidentially contact our Audit & Risk Committee Chair via email or physical mail. In 2021, no potential violations were reported/identified.

### **Anti-Financial Crime and Money Laundering**

As a self-regulatory organization (SRO) and operator of regulated financial systems such as exchanges, a clearinghouse and central securities depositories, Nasdaq is deeply committed to ensuring that markets operate fairly and do not facilitate financial crime including money laundering and terrorism financing. Nasdaq’s Code of Ethics requires compliance with all anti-money laundering (AML) laws and regulations that apply to our business. For covered operations, this includes conducting any required know-your-customer (KYC) diligence, monitoring transactions, and reporting suspicious activities. Members of Nasdaq’s exchanges are required to have in place AML and other diligence programs to screen their clients and market participants in accordance with the applicable US and EU laws and

regulations. In addition to legal requirements related to AML, Nasdaq is implementing a risk-based anti-financial crime framework in key business segments to augment its compliance programs.”

Across our global enterprise, Nasdaq has implemented comprehensive policies and screening programs to enable compliance with economic sanctions that apply to its business. This includes screening all customers, vendors and other business partners against applicable sanctions lists such as those published by the United Nations, US Department of Treasury, Office of Foreign Assets Control, the European Union and the United Kingdom along with other jurisdictions where Nasdaq operates. Nasdaq has appointed senior level employees to oversee its sanctions compliance program and reviews its sanction compliance policy annually with its Board of Directors.

In operating our markets, Nasdaq maintains robust surveillance teams that monitor our markets for potential suspicious trading activity and compliance with our market rules. Our surveillance teams use sophisticated software that leverages models and analytics to identify suspected risks, which are then escalated and reviewed. Nasdaq cooperates with the Securities and Exchange Commission, financial supervisory authorities, Financial Industry Regulatory Authority, The European Securities and Markets Authority and other exchanges to address suspected violations, to deter, identify and prosecute unlawful activity affecting the securities market. Nasdaq also licenses its technology to regulators and financial firms to help them monitor their markets and activity.

Nasdaq believes it is important for our employees to stay informed regarding the latest developments in anti-financial crime and money laundering and provides regular updates and training sessions on this topic. As a KPI in this area, Nasdaq Sweden refers to its corruption testing and auditing program. Under this global program, vendor payments and employee expense reimbursements are reviewed on a monthly basis with a risk-based sample audited. As validated by this testing, Nasdaq Sweden has not identified any transactions that violate applicable corruption laws during 2021.

## **Risk Management**

Nasdaq’s Group Risk Management (GRM) function has established an Enterprise Risk Management (ERM) framework to identify, assess, monitor, measure, and treat risks, including information-security risks. GRM facilitates ERM Framework execution within Nasdaq’s business units and expert functions, coordinates risk management activities across the Company, and aggregates and reports risk information on a regular basis. For a detailed description of our risk framework, please refer to the Annual Report.

## **Information and Cyber Security**

The information security department is responsible for coordinating the protection of the Nasdaq Group’s core business operations and information against real-world cyber threats, by employing technology, policy, processes, education programs, and sound design techniques across the organization.

## **Other sources**

For further information on Nasdaq Group’s efforts relating to sustainability, please refer to the official “Nasdaq 2021 Sustainability Report” and Nasdaq’s 2022 Proxy Statement available on the Nasdaq Group webpage.