

# Sustainability Report 2022 - Sweden

## Introduction

This Sustainability report for the financial year 2022 is published by Nasdaq AB (org.no. 556243-8001). This report is prepared, considering 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:

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

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, 2022.

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 the unique role we can play in creating a more sustainable and prosperous future for all. By democratizing financial knowledge, we strive to equip all market participants, including 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) best practices in an ethical and efficient manner within our organization and helping our clients to advance their own ESG strategies.

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 advance economic prosperity for all, 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

We are 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 2022, we deepened our corporate and community ESG efforts, 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 ESG materiality assessments<sup>1</sup> to identify and prioritize ESG topics that are influential on our business and important to our stakeholders. In 2022, facilitated by Nasdaq's ESG Advisory team, we commenced an organization-wide assessment of Nasdaq's priority topics to inform our sustainability strategy and approach to ESG governance and reporting. This assessment weighed the potential relevance of a wider universe of topics identified as potentially impactful by leading ESG reporting frameworks, ratings and assessments, benchmarking exercises, surveys, and interviews with internal and external stakeholders. Twenty-one ESG-related topics were identified by the assessment to be relevant to Nasdaq's business. The assessment determined that the 13 topics below, are Nasdaq's highest priority ESG-related topics:

- Data Privacy & Cybersecurity
- Risk Management
- Board Composition & Governance
- Business Ethics & Integrity
- Human Capital Management
- Anti-Financial Crime & Anti-Money Laundering
- ESG & Sustainable Finance Products
- Transparency & Reporting
- Employee Engagement & Satisfaction
- Diversity, Equity & Inclusion
- Customer Relationship Management
- Decarbonization & Climate Strategy
- Innovation & Technology

While these 13 areas are critical to our sustainability strategy, targets, and resource allocation, additional ESG topics are important for our reporting to stakeholders, and to Nasdaq's corporate strategy and culture. For further information on Nasdaq Group's materiality assessment relating to sustainability, please refer to the "Nasdaq 2022 Sustainability Report" available on the Nasdaq Group webpage.

<sup>1</sup> References to materiality and similar terms refer to ESG topics that we have found to be relevant to our business based on our recent materiality assessments.

# Environmental

## Climate Change Strategy

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.

Nasdaq's climate strategy endeavors to reduce our greenhouse gas (GHG) emissions, mitigate our corporate climate and biodiversity risk exposure and promote awareness throughout our entire value chain. This strategy is driven by our two separate but linked environmental programs:

- Carbon neutrality program: By calculating our annual carbon footprint, procuring renewable power and investing in high-quality carbon offsets.
- Carbon net-zero program: By driving initiatives that are designed to optimize and reduce emissions across Nasdaq's entire business operations and value chain, we aim to achieve our short-term and long-term net-zero science-based targets, which have been verified and approved by the Science Based Targets initiative (SBTi).

In 2022, we achieved carbon neutrality for a fifth consecutive year through our carbon neutrality program. 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.

Internally, the Global Green team brings together Nasdaq employees who are passionate about the environment, publishes regular knowledge-based resources, and works to drive sustainable initiatives through our local offices and communities. The Green Team aims to instill a culture of environmental advocacy and action through educational sessions that focus on sustainable practices, informative webinars and community outreach. Nasdaq supports the Green Team's commitment to creating positive change throughout the Company and our neighboring communities as we drive to achieve our longer-term net-zero goals.

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 ("Supplier Code"). In 2022, Nasdaq asked new suppliers and existing top suppliers to attest to our Supplier Code, confirming they have policies and practices consistent with the Supplier Code or, to the extent they do not, will adhere to the applicable standards in the Supplier Code. 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.

## 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:

<b>2022</b>	<b>Water Consumption</b>	<b>Water emissions</b>
<b>Region</b>	<b>Water (Kiloliters)</b>	<b>Emissions (MTeCO2e)</b>
Americas	20,857	23
APAC	4,213	4
EMEA	14,105	16
<b>Total</b>	<b>39,175</b>	<b>43</b>

<b>2021</b>	<b>Water Consumption</b>	<b>Water emissions</b>
<b>Region</b>	<b>Water (Kiloliters)</b>	<b>Emissions (MTeCO2e)</b>
Americas	27,967	34
APAC	4,728	6
EMEA	19,046	23
<b>Total</b>	<b>51,741</b>	<b>63</b>

## Waste

Waste reduction, recycling and compost diversion are key 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 several 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 2022 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:

2022	Waste and Recycling (Weight) (MT)			Waste and Recycling Emissions (MT eCO2)		
Region	Incinerated	Landfilled	Recycled/ Composted	Incinerated	Landfilled	Recycled/ Composted
Americas	48	114	108	21	59	9
APAC	0	10	8	0	6	1
EMEA	1	71	106	0	37	8
<b>TOTAL</b>	<b>49</b>	<b>195</b>	<b>222</b>	<b>21</b>	<b>102</b>	<b>18</b>

2021	Waste and Recycling (Weight) (MT)		Waste and Recycling Emissions (MT eCO2)	
Region	Landfilled	Recycled/ Composted	Landfilled	Recycled/ Composted
Americas	179	90	29	12
APAC	78	31	13	5
EMEA	23	22	4	5
<b>TOTAL</b>	<b>280</b>	<b>143</b>	<b>46</b>	<b>22</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.
- 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 2022 and 2021 electricity (MWh) consumption tables below incorporate data for Swedish office space and data centers.

2022 Country	Total Energy Consumption MWh/Year	Total Electricity Consumption MWh/Year	Renewable Electricity MWh/Year	% Renewable Electricity	Total Scope 2 Location-Based Emissions <sup>1</sup> (MT CO2e)	Total Scope 2 Market-Based Emissions <sup>2</sup> (MT CO2e)
Sweden	10,310	10,310	10,310	100%	148	0
<b>Total</b>	<b>10,310</b>	<b>10,310</b>	<b>10,310</b>	<b>100%</b>	<b>148</b>	<b>0</b>

2021 Country	Total Energy Consumption MWh/Year	Total Electricity Consumption MWh/Year	Renewable Electricity MWh/Year	% Renewable Electricity	Total Scope 2 Location-Based Emissions <sup>1</sup> (MT CO2e)	Total Scope 2 Market-Based Emissions <sup>2</sup> (MT CO2e)
Sweden	13,255	13,203	13,203	100%	188	0
<b>Total</b>	<b>13,255</b>	<b>13,203</b>	<b>13,203</b>	<b>100%</b>	<b>188</b>	<b>0</b>

<sup>1</sup> According to GHG Protocol Scope 2 Guidance, location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries.

<sup>2</sup> According to GHG Protocol Scope 2 Guidance, market-based method quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with instruments, or unbundled instruments on their own.

## 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’s position at the intersection of markets and technology provides us with a unique perspective on how the ESG ecosystem is evolving. It also offers compelling opportunities to support our clients as they navigate their own sustainability journeys through a suite of ESG-related solutions designed to minimize complexity and reduce friction. Our ESG-focused capabilities suite encompasses a wide range of marketplace, technology, data & analytics products, and solutions that clients leverage as they develop, execute and advance their own ESG strategies and platforms.

### ESG Solutions for the Investor Community

#### Sustainable Debt Markets

The Nasdaq Sustainable Debt Market is comprised of dedicated segments for listing green, social, sustainability and sustainability-linked bonds, structured products and commercial papers.

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. The number of sustainable debt instruments listed on Nasdaq grew by 11% during 2022 and the volume of listed bonds grew by 27%.

	December 31, 2022	December 31, 2021
Listings on the Sustainable Debt Market	471	424
Issuers on the Sustainable Debt Market	129	108

#### Sustainable Bond Network

The Nasdaq Sustainable Bond Network connects issuers of sustainable bonds with investors, empowering them to evaluate impact and make informed investment decisions on sustainable bonds. The platform allows issuers of sustainable bonds to make their sustainable bond data more accessible to investors and other stakeholders. Investors can in turn use the platform to evaluate, track and create impact reports based on issuers’ ESG bond reporting.

The database simplifies sustainable investing with an intuitive, easy-to-use solution that allows investors to discover, compile and compare sustainable bonds as well as generate impact reports. The platform also provides issuer-level information on UN Sustainable Development Goals allocation. In 2022, we launched functionalities that reports on the EU taxonomy alignment of projects financed by issuers’ green and sustainable bonds.

	December 31, 2022	December 31, 2020
Issuers on the Nasdaq Sustainable Bond Network	1 550	1 012
Bonds on the Nasdaq Sustainable Bond Network	14 222	8 928

## ESG Indexes

The OMX Stockholm 30 ESG Responsible Index (OMXS30ESG), introduced worldwide in June 2018, was the first ESG version of an established exchange benchmark. It was followed by the listing of ESG index futures contracts in November 2018. The 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 liquidity of its constituents' results in a highly suitable underlying benchmark for derivatives products. In addition, the 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 evaluated twice a year, at the beginning of January and July. In November 2021, Nasdaq expanded its ESG derivative offering with the listing of options based on the OMXS30ESG Index. We manage dozens 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 OMX Helsinki 25 ESG Responsible Index, the OMX Copenhagen 25 ESG Responsible Index, and the Nasdaq Future Global Sustainability Leaders Index. 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.

## Green Equity Designations

Nasdaq launched Green Equity Designations on the Nordic markets in 2021 in response to increased demand for sustainable investments and extensive growth in Nasdaq Sustainable Bond Markets. With issuers and investors searching for more green performance indicators on the equity market, Green Equity Designations aim to enable visibility and transparency for investors with two voluntary designations, Nasdaq Green Equity Designation and Nasdaq Green Equity Transition Designation. Through Green Equity Designations, Nasdaq can support environmentally sustainable companies or companies committed to transition to increase their visibility, transparency and credibility towards investors, business and other stakeholders.

The Nasdaq Green Equity Designation is currently available for companies on the Nasdaq Nordic stock exchanges. As the financial ecosystem is getting ready for upcoming sustainability and climate-related regulations, Nasdaq sees increasing interest in green equity classification from companies and investors outside the Nasdaq Nordic exchanges.

**Nasdaq ESG Data Hub** was launched as a data solution, which offers investors and other stakeholders' easy access to a wide range of unique and comprehensive ESG data sets, accompanied by detailed product descriptions, unique selling points and use cases. The platform enables users to find data sets relevant to specific UN Sustainable Development Goals (SDGs) and encourages investors to consider the ESG impacts of their investments. Data sets within the product are wide ranging – they assist our customers with their own projects and the impact is at the customer level.

In 2022 we added several new data sets to the product from third party providers. We also added our Sustainable Bond Network data to the platform. For 2023, we continue to look for unique data partners to add to the solution, based on feedback and the needs of customers. We plan to integrate ESG data into our broader data marketplace, Nasdaq DataLink.

**Nasdaq ESG Footprint** is an easy-to-implement platform that measures the global sustainability effect of a portfolio and individual securities. Through an intuitive dashboard, investors and managers have access to the real-life effects of each investment, along with alternatives that may better suit an individual's sustainability goals. Within ESG Footprint, there are multiple datasets that provide insight into the core impact of business and investment opportunities on SDGs. These datasets (SDG Signals, SDG Fundamentals, SDG CAPX) allow investors to evaluate companies' alignment against the SDG framework. In 2022, we added functionality that helps customers meet their SFDR requirements. In addition, we launched the product with a group of 20 banks in Denmark that are providing SFDR overlays for all their retail customers. In 2023, we continue to invest in the product and are looking to add an EU Taxonomy overlay to the product as well as continually improving data quality.

### **ESG Solutions for Corporates**

**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.

**Nasdaq OneReport** is an ESG data management, reporting, audit trail and disclosure software that allows companies to simplify ESG reporting. It optimizes workflows, facilitates reporting to frameworks, research and ratings organizations and helps disclose ESG progress against a variety of metrics to multiple stakeholders. Nasdaq OneReport's continued advancement and evolution is driven by our customers' demands for a tool which is the industry leader in the number of Frameworks, and Research & Ratings Organizations provided.

In 2022, Nasdaq OneReport became the first Global Reporting Initiative (GRI) software provider to receive GRI certification for the revised Universal and Topic Standards, released in Fall 2021, through GRI's Certified Software and Tools Provider program. The platform also added new frameworks and ratings organizations such as the Just Capital and Bloomberg Gender Equality Index. In preparation for upcoming regulations, Nasdaq OneReport created an EU ESG Reporting Readiness Module to help support clients with EU Taxonomy, Corporate Sustainability Reporting Directive (CSRD) and Sustainable Finance Disclosure Regulation (SFDR) for organizations to easily access, share and document key organizational stakeholders. In 2023, with the ever-evolving ESG landscape, Nasdaq OneReport will continue to update its platform with the latest regulatory frameworks, helping clients mitigate risks and accelerate their ESG efforts.



# 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 2022, by adding new professional development opportunities as well as new platforms leveraging artificial intelligence (AI) to bring internal job opportunities as well as short-term developmental projects directly to employees.

### Employee Demographics

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

Sweden		
Career level	2022	
	Female	Male
Executive	17%	83%
Senior	28%	72%
Mid	25%	75%
Entry	32%	68%
Not Disclosed	0,1%	

Employment contract for Nasdaq Sweden (permanent & temporary) by gender	
– Temporary employees for Nasdaq Sweden (Fixed term, interns, student workers)	13 Female / 29 Male (0 undeclared)
– Permanent (Regular employees)	237 Female / 662 Male (1 undeclared)
– Total:	42 Temporary / 900 Permanent
Employment type for Nasdaq Sweden (full-time & part-time) by gender:	
– Female	234 full-time / 16 part-time
– Male	645 full-time / 46 part-time
– Undeclared (Not declared, zero data)	1 full-time / 0 part-time

## Attracting and Retaining Employees

Our people are the primary driver of our success. Nasdaq is committed to attracting top talent and retaining, developing and motivating our employees. In 2022, Nasdaq maintained our historical levels of employee retention.

We are actively working to establish Nasdaq Sweden 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, we launched our newly designed career website during September 2022, to provide a much better candidate experience. As a result of this initiative, we experienced an increase in the number of website visitors applying to a role at Nasdaq. We seek to hire locally wherever possible, for all levels of individual contributor, manager and executive. Additionally, we introduced new hire and employee exit surveys to better understand why employees join, and leave, Nasdaq. The table below summarizes our 2022 and 2021 new hire and turnover data for all global operations, age groups, and employee categories.

### Workforce Attrition (Sweden)

- 2021: 10%<sup>1,2</sup>
- 2022: 11%<sup>1,2</sup>

<sup>1</sup>The Nasdaq Group enterprise average rate was 12% for 2021 and 11% for 2022.

<sup>2</sup>This number combines 9% (8%) voluntary attrition and 2% (2%) 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 2022, we continued to assess 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.

During 2022, we launched the Career Hub (part of our enterprise Human Resources technology platform) to provide AI-enabled, customized career development recommendations and planning resources for every employee. The Career Hub provides recommendations for training programs, mentors, informal networking and short-term gigs via the Talent Marketplace where employees can find project opportunities outside of their day-to-day roles to develop their skills directly and encourage mobility through visibility of internal open job requisitions.

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. In 2022, we introduced a five-point manager assessment regarding each employee's behavior relative to our Core Values as part of the year-end review to reinforce the importance of our culture. 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 Nasdaq resources include offering access to more than 26,000 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.

Recognizing the critical role our people managers play in developing and retaining our talent, in 2022 Nasdaq offered over a dozen leadership and management development programs for every level of leader in the firm. Performance objectives were created for each of our managers that measured them in terms of their managerial effectiveness, with the outcomes included in each manager's year-end performance evaluation. In 2023, we launched our flagship High Potential program, LEAD, which will focus on preparing mid-level managers for future leadership roles through a curriculum based on building business acumen, leadership skills, peer networking and senior leader job shadowing opportunities.

## **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**

Nasdaq's People Team is responsible for ensuring equitable employment and career development practices across the company, as well as fostering a culture of inclusion and belonging for all. During 2022, we focused on educating our employees on diversity topics, including optional diversity training for all employees, and required inclusive leadership training for all managers. This includes our "Conscious Inclusion" training, a training focused on learned best practices and tactics to create a more inclusive environment.

Additionally, we have also adopted new initiatives to increase a culture of inclusion in the workplace, including broadening our mentoring programs and introducing a renewed focus on sponsorship. In 2022, we examined key people processes (e.g., hiring, development, performance management, advancement) to ensure they are equitable and allow all Nasdaq employees similar access to develop professionally and advance in their careers. In response to this examination, we launched our new Accelerate(Her) program, specifically designed to develop high-potential female talent at Nasdaq by matching small cohorts of participants to Nasdaq's most senior executive women for career coaching and sponsorship.

## **Data and Information 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.

Reflecting the unique risks and potential harm posed by mishandling or misuse of personal data, Nasdaq'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). Nasdaq Sweden appreciates the special obligations that apply to processing personal data and individuals' rights to privacy and personal data protection. Nasdaq's privacy compliance program is designed to enable adherence to laws and regulations applicable to personal data that it processes, including, as applicable, the European General Data Protection Regulation (GDPR) as well as its posted Privacy Policy and contractual commitments to customers, vendors and other counter-parties.

Our personnel are expected to protect and secure the confidentiality of non-public information that they receive, access or create in connection with their work at the company. This includes adhering to any laws, regulations and/or non-disclosure agreements that restrict the use of data (including personal data), require measures to safeguard it, and limit disclosure of information. It also requires that personnel limit their use of information technology assets (e. g., laptops, phones and other devices) to permitted activities so that data is not put at risk, and that they promptly report any suspected improper use or potential disclosure of data. Nasdaq has numerous policies in place to further safeguard our technology and use thereof, including:

- Acceptable Use policy
- Data Classification policy
- Information Security policy
- Mobile Device policy

The Nasdaq Data Classification Policy identifies how to classify data, assets, and documentation. Nasdaq classifies data into four major categories: Public, Internal Use Only, Confidential, and Highly Confidential.

We provide training on overall information security to all our employees on a regular basis. Our most recent “Ethics in Action” webinar focused on privacy, the ethical handling of data and overall data protection and was available to all employees. We also provide tailored Information security training session to multiple audiences. Therefore, the company works continuously, education and training of all employees, which ensures that employees are well informed about data security and ethical handling of personal data and other data.

Nasdaq Sweden expects that its suppliers share our commitment to data and information privacy by complying with the Nasdaq Supplier Code. As stated in the Supplier Code, Nasdaq expects suppliers to comply with applicable laws and regulations and contract terms relating to personal data and privacy including laws and regulations of the jurisdiction where personal data originated. Suppliers must disclose all jurisdictions in which they intend to process data on behalf of Nasdaq and provide all information requested by Nasdaq to assess the transfer of personal data to such locations.

To support these principles, Nasdaq maintains a comprehensive and consistent set of information security documentation and requirements intended to protect the security, reliability, integrity, accuracy, confidentiality, and availability of Nasdaq information assets. These documents record the security controls and personnel responsibilities established to protect Nasdaq information and information systems against both accidental and unauthorized access, modification, interference, disclosure, and destruction. These include our Information Security policies, which apply to personnel (full-time and part-time employees, and contractors) working for Nasdaq Sweden. In 2022 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 critical 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 (UNGP). 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 UNGP's, with recommendation on best practices.

Following the completion of this assessment, in 2022 we evaluated our level of potential human rights risk exposure in the high-priority areas identified by the third-party assessment and confirmed that our risk exposure is low. However, we understand that supply chains are complex and continually evolving and global human rights conditions change, and we will continue our vigilant human rights due diligence. We are evaluating processes and technologies that could enable us to enhance our current risk-monitoring capabilities in the future.

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 2022 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 by European regulators. Nasdaq Sweden embraces good governance by holding 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. In 2022, we furthered 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. 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, 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 employees, contract workers and others who conduct work on behalf of Nasdaq.

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 values business practices in a series of robust policy documents, all freely available for download on our ESG Resource Centre at <https://www.nasdaq.com/esg/resource-center>. During 2022 and 2021 no breaches to our ethical values were reported/identified.

## **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. Nasdaq's Supplier Code outlines our expectations for Business Partners including those expectations related to bribery and corruption. 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, contractors and third parties doing business with Nasdaq have multiple channels for raising ethics and compliance concerns or allegations of misconduct. These channels include directly contacting our Global Ethics Team through dedicated communications channels and reporting through our SpeakUp! Line. 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. During 2022 and 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 Sweden 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, Global Trade Controls and Sanctions Compliance, as well as applicable regional policies require 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 2022, Nasdaq delivered mandatory high-level sanctions and AML compliance training to all of its employees and, in 2023, is planning to provide targeted in-depth training for employees in the Sales and Accounting functions.

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 U.S. 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 2022 and 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. Nasdaq's Chief Information Security Officer (CISO) who reports directly to Nasdaq's Chief Information Officer within Nasdaq's centralized Global Technology organization manages the Information Security Department (ISD).

The ISD team is responsible for:

- Performing and coordinating security assessments and vulnerability scans of Nasdaq's internal, external and third-party applications;
- Implementing and maintaining Nasdaq's various information security-related policies and standards;
- Middleware and vulnerability management in addition to special projects as designated by the CISO;
- Nasdaq's compliance efforts for General Data Privacy Regulation (GDPR) and all supporting data privacy and protection efforts;
- Configuring Nasdaq Group infrastructure and the applications running thereon in accordance with Nasdaq's configurations policies, processes and standards;
- Development of internal tools and solutions to drive efficiency and enhance monitoring and visibility through operational metrics and compliance operating Nasdaq's Global Security Operations Center (GSOC), which monitors security event logs, 24/7/365, from Nasdaq networks, systems, applications and databases and creates log files of known and unknown events; and
- Monitoring threats against Nasdaq, its technology stack and its peer organizations, and providing recommendations for securing potentially vulnerable populations at Nasdaq in the context of emerging threats.

On an annual basis, the Information Security team reviews and updates its governance documents, such as the Information Security Charter, the Information Security Policy and the Information Security Program Plan, and then presents the revised documents to the Audit & Risk Committee for review and/or approval.

Our Audit & Risk Committee receives quarterly reports, as well as additional reports as needed, on cybersecurity and information security matters from our Chief Information Security Officer. A Cybersecurity Dashboard is presented each quarter, which contains information on cybersecurity controls; incidents and threats to the Company's information security; and ongoing prevention and mitigation efforts for such threats. Additionally, during 2022, the Information Security team continued to execute on the Cybersecurity Strategic Plan, which outlines the strategic vision and associated goals for the cybersecurity of Nasdaq's global operations for the three-year period from 2020 through the end of 2022. We completed the projects tied to the 2020-2022 Strategic Plan and Nasdaq Information Security is in the process of creating the 2023-2025 Strategic Plan, which will be presented to the Audit & Risk Committee.

The Nasdaq Information Security Management System (ISMS) that governs the global enterprise infrastructure and supports key global information security processes, and includes technology, personnel, locations and data centers, conforms to ISO 27001 requirements and is ISO 27001 certified.

## Other sources

For further information on Nasdaq Group's efforts relating to sustainability, please refer to the "Nasdaq 2022 Sustainability Report" and Nasdaq's 2023 Proxy Statement available on the Nasdaq Group webpage.