

Nuance Communications Issues Inaugural ESG Report

Global Conversational AI Company Outlines Environmental, Social, and Governance Sustainability Strategy, Policies, Programs, and Progress to-Date in its 2020 Report

BURLINGTON, Mass., July 7, 2020 /PRNewswire/ -- [Nuance Communications, Inc.](#) (NASDAQ: NUAN) announced today that it has released the "[Nuance 2020 ESG Report](#)" detailing its Environmental, Social, and Governance (ESG) sustainability strategy, policies, and programs that underscore the company's ongoing commitment to creating value and making a positive and lasting impact for its employees, customers, shareholders, and community. While the company has been pursuing work in each of these areas for several years, this is the first time it has formally reported progress on these initiatives.

"Our 2020 ESG Report is not meant to be a checklist of accomplishments— it's an overview of the strong foundation that we are committed to building upon," said Mark Benjamin, Nuance CEO. "We believe it is our responsibility, as global citizens and technology leaders, to ensure we are creating a supportive, inclusive, ethical, and equitable culture for our employees; investing in and caring for our communities; keeping our customers' products and data secure; increasing our engagement with our shareholders; further reducing our carbon footprint; and continuing to support our customers both in normal times and amidst a global pandemic."

"Nuance is an innovative company on the forefront of Conversational AI technology. The Nuance Board, along with the Executive Team, share an unwavering belief in being transparent about our policies and operations with our employees, customers, shareholders, and communities," said Lloyd Carney, Chairman of the Nuance Board. "One of Nuance's core values is 'Act with Integrity,' and this report is just one more way we are upholding that principle."

[Nuance's 2020 ESG Report](#) is aligned with the Sustainability Accounting Standards Board (SASB) framework, a state-of-the-art format for communicating ESG-related activity and impact in a structured manner. Highlights of the report include:

- Corporate governance and business ethics: Nuance continues to implement programs and initiatives to foster the highest ethical standards, including a newly refreshed and rebranded ethics helpline, detailed Supplier Code of Conduct, refreshed Code of Ethics and Business Conduct, updated internal policies, a robust Enterprise Risk Management program, a refreshed and diverse Board of Directors, and ongoing enhanced shareholder communication and outreach.
- Data privacy, compliance, and security: Nuance maintains comprehensive data security, strong systems resilience, and has implemented several measures to ensure highly-available and redundant infrastructure to support high customer demands that are also compliant with industry standards such as International Standards Organization (ISO) 27001, Systems and Organizational Controls (SOC) 2, HITRUST CSF, Health Insurance Portability and Accountability Act (HIPAA), and the Payment Card Industry Data Security Standard (PCI-DSS). The company also recently launched the [Nuance Trust Center](#) to inform customers, internal and external stakeholders, and other interested parties about data privacy, security, and compliance initiatives, as well as certifications, policies, and programs.
- COVID-19 response and customer relief offers: Due to increased agility and tighter alignment resulting from its recent transformation efforts, Nuance quickly responded to the COVID-19 pandemic, seamlessly shifting its global workforce to a remote work environment, and enabling uninterrupted support to healthcare providers and enterprise businesses. Additionally, the company provided more than 50,000 free temporary product licenses to healthcare providers to help keep clinicians from sharing microphones, COVID-19 Content Packs for all Dragon Medical customers, complimentary services and

access to solutions to facilitate telehealth, as well as temporary volume spike capacity and solutions, such as virtual agents, for enterprises needing to quickly automate self-service in order to handle increased call demands.

- **Fostering an inclusive and empowering workplace environment:** Nuance is committed to hiring talent with diverse backgrounds and skillsets and has made significant changes to its recruitment process in support of this objective. It continues to support the ongoing growth and development of employees by fostering a culture of inclusivity through Nuance Networks and Employee Resource Groups (ERGs), providing supportive benefits, and upholding equal compensation practices. These activities, along with regular employee engagement surveys and feedback data, help the company stay competitive and have resulted in numerous Employer of Choice Awards over the last 12 months.
- **Reduction of the carbon footprint of data centers and office buildings:** Nuance continues to take substantial steps to lower its greenhouse gas (GHG) emissions footprint and mitigate exposure to climate-related risks by transitioning to the public cloud and upgrading the information technology (IT) infrastructure in the data centers it maintains. As a result of the hyperconverged infrastructure (HCI) implementation, the company expects an estimated 60 to 70 percent reduction in energy in its three largest data centers by the start of fiscal year 2021.
- **Investment in local communities:** Through the Nuance Foundation, the company recently established Nuance Cares, a global program that includes a dollar-for-dollar match for employee charitable donations up to \$1,000 per year, and a volunteer program that provides each employee 16 hours of Volunteer Time Off (VTO) annually. During fiscal year 2019, charitable contributions from employees, executives, and Board members exceeded \$175,000, and more than 4,725 hours of volunteer time was recorded. To assist local communities with COVID-19 relief efforts, the company offered virtual volunteering opportunities and increased its employee charitable donation match to 2-to-1 through June 30, 2020.

To learn more about Nuance's sustainability strategy, policies, and programs, as well as the company's ongoing commitment to upholding the highest standards for its employees, customers, shareholders, and communities, visit the [Nuance 2020 ESG Report](#).

About Nuance Communications, Inc.

Nuance Communications (NASDAQ: NUAN) is the pioneer and leader in conversational AI innovations that bring intelligence to everyday work and life. The company delivers solutions that understand, analyze, and respond to people – amplifying human intelligence to increase productivity and security. With decades of domain and AI expertise, Nuance works with thousands of organizations globally across healthcare, financial services, telecommunications, government, and retail – to create stronger relationships and better experiences for their customers and workforce. For more information, please visit www.nuance.com.

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Safe Harbor and Forward-Looking Statements

Statements in this document regarding future performance and our management's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "intends" or "estimates" or similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including but not limited to: the impact of the COVID-19 pandemic, the effects of competition, including pricing pressure, and changing business models in the markets and industries in which we operate; fluctuations in demand for our existing and future products; changes to economic, political, and

regulatory conditions in the United States and internationally; our ability to attract and retain key personnel; further unanticipated costs resulting from our FY17 malware incident including potential costs associated with governmental investigations that may result from the incident; our ability to control and successfully manage our expenses and cash position; potential future cybersecurity and data privacy incidents or breaches; our ability to comply with applicable domestic and international laws and policies; fluctuating currency rates; possible quality issues in our products and technologies; our ability to realize anticipated synergies from acquired businesses, to cut stranded costs related to divested businesses, and to capture the expected value from strategic transactions including the spin-off of our Automotive business; and the other factors described in our most recent Form 10-K, Forms 10-Q and other filings with the Securities and Exchange Commission. We disclaim any obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

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