

2022

Environmental, Social & Governance Report

Embracing Our Responsibility to the World

We are proud to share our progress across the four pillars that underpin our ESG strategy.



ESG Report Introduction

KEISHA BELL

Managing Director - Head of Talent
Management and Diversity, Equity & Inclusion

DEAR STAKEHOLDER,

DTCC's purpose-driven culture enables us to embrace our mission and values with excitement and energy. Our mission is unique in the financial services industry, and it helps drive our environmental, social and governance strategy. Our ability to protect the stability of the global financial markets is underpinned by our commitment to rigorous risk management, strong governance and growing and developing our people.

Throughout our 50-year history, we have always sought to making an impact through our employee and community engagement programs, philanthropy, and volunteerism. More recently, we have strengthened this focus by developing a cohesive ESG strategy that incorporates a broader set of priorities, actions and metrics.

Our framework is comprised of four pillars – governance, people, environment, and prosperity – which follows the World Economic Forum's Measuring Stakeholder Capitalism recommendations. This framework enables us to identify the risks and opportunities in each area. It also serves as a guide to maximize the positive effect we have on society and helps us carefully manage the environmental and social impact of our business.

We have developed our ESG priorities through research to identify the issues that are most relevant to our people and business.

As we publish our second ESG report, we remain focused on building our ESG strategy to achieve our goals. This strategy will continue to evolve to reflect new challenges and needs. And, as it does, we will embrace our responsibilities, and strive to contribute to a sustainable economic growth – helping to protect healthy markets, enhance our own business resiliency, and deliver positive impact for our clients, employees, and communities.



Governance

Governance is foundational to achieving long-term value. In this section, you will see metrics and disclosures outlining DTCC’s approach to good governance, including:

- Purpose, mission and vision
- Governance body composition
- Approach to managing ethical behavior
- Risk management and oversight

A Purpose-Driven Organization

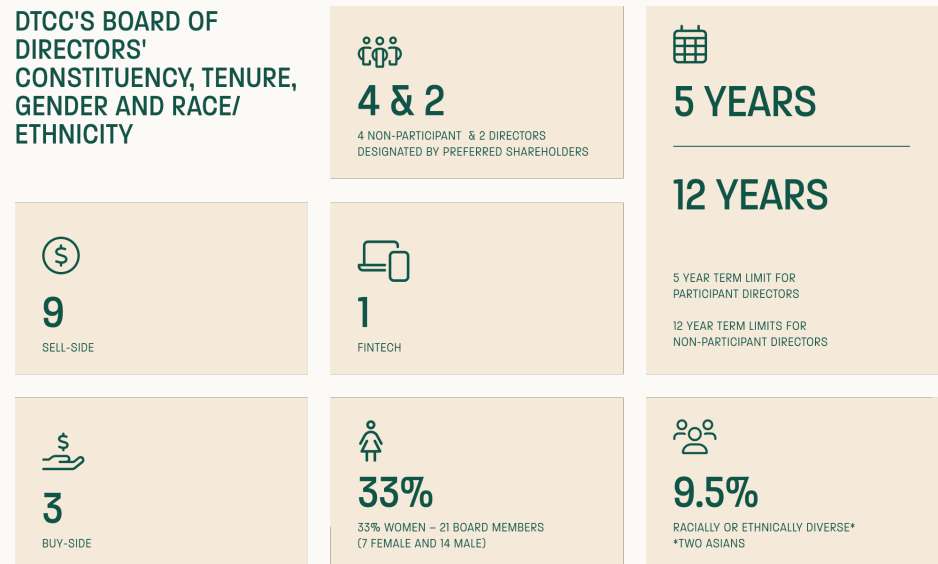
We act as trusted stewards for the industry, protecting and advancing the global capital markets by leveraging our insights, innovating purposefully, and delivering value. We are committed to attracting and retaining top talent through our human capital strategy, enabling employees to fulfill their roles with excellence and integrity, as well as upholding a strong purpose-driven culture. Our people are client-focused, forward-thinking, creative, passionate, courageous and experts, enabling the whole firm to deliver for our clients, partners and the industry at large. We are responsible citizens, actively advancing ESG principles and managing related risks. At DTCC, we are stewards of progress.

Governance Body Composition

The DTCC Board of Directors is currently composed of 21 Directors. Of these, 13 are participant Directors who represent clearing agency members, including international broker/dealers, custodian and

clearing banks, and investment institutions; four are non-participant Directors; two Directors are designated by DTCC’s preferred shareholders, ICE and FINRA; and the remaining two Board members are DTCC’s Non-Executive Chairman and its President and Chief Executive Officer. The Board plays a critical role in setting the strategic direction of DTCC, providing oversight and offering guidance on topics including risk management, regulatory matters, technology, innovation and the development of new products and services.

Below is information about DTCC’s Board of Directors’ ESG-related competencies, tenure, gender and membership of under-represented social groups.



DTCC'S BOARD OF DIRECTORS' ESG-RELATED COMPETENCIES

THIS INFORMATION IS CURRENT AS OF MARCH 2023.



THESE ARE COMPETENCIES RELATED TO DTCC'S ESG PRIORITIES. ANY BOARD DIRECTOR THAT HAS SOME, CONSIDERABLE OR EXTENSIVE EXPERIENCE IN EACH OF THESE COMPETENCIES IS INCLUDED IN THE PERCENTAGE CALCULATIONS.

Ethical Behavior

The DTCC Code of Conduct for Employees and The DTCC Code of Conduct for Contingent Workers express and reinforce our foundational values and demonstrate the commitment of all who work at DTCC to conduct themselves with the highest integrity.

The Code of Conduct also features clearly defined reporting and escalation guidelines and consequences up to and including termination of employment for policy violation.

Here are some of the key topics covered in the Code of Conduct:

- Compliance with the law: this includes ethical business practices, fraud and bribery prevention, anti-money laundering, conflicts of interest, and global sanctions.

- Protection of confidential information: this includes confidential client information, insider trading prohibition, and protection of Personally Identifiable Information (PII).
- Safeguarding DTCC assets and reputation: this includes information security, electronic communications, social media activity, intellectual property, and records management.
- Ethical conduct: this includes personal integrity and professional conduct, anti-harassment & anti-discrimination, whistleblower policy, diversity equity and inclusion, gift and entertainment restrictions, and workplace safety.
- Community impact and commitments: this includes human rights and social responsibility.

There are preventative measures in place to build awareness of expectations and discourage violations. This includes a global ethics hotline, awareness and remedial training, communication campaigns, monitoring and reporting and employee and people manager outreach.

100% of DTCC employees and contingent workers are required to take training on anti-bribery and anti-corruption policies.

In addition, contingent staff who access DTCC's networks are subject to DTCC's Code of Conduct and must complete related training. In 2022, 99.95% of employees and contingent workers completed the training.



ANTI-CORRUPTION

DTCC believes that corruption poses serious legal and reputational risks to the business. Therefore, compliance with relevant laws is something that is taken very seriously.

DTCC and its subsidiaries are subject to numerous laws in the jurisdictions in which they operate relating to bribery and corruption prevention, anti-money laundering, insider trading and global sanctions. DTCC has controls in place to ensure identification and compliance with regulatory requirements and identified bribery and corruption risks. Controls are designed to reduce both the impact and likelihood of a risk event.

DTCC employees must comply with personal investment account disclosure requirements and trading restrictions, ensuring robust controls are in place to prevent trading on the basis of non-public information which may affect securities.

To protect itself from unlawful entities and ensure compliance with all global sanctions regulations, DTCC has established a Global Sanctions Policy. DTCC has implemented a program to screen clients, agents, employees, third parties and securities against the various global watch lists to prevent DTCC from conducting business with entities and individuals listed.

DTCC Compliance periodically screens all vendors for relevant adverse news that may indicate participation in modern slavery and would flag participation in bribery or corruption. Adverse news screening is also carried out for new clients as part of the onboarding process.

A 2022 Corporate Compliance Risk Assessment determined that DTCC's controls are sufficient to address regulatory requirements

and identified bribery and corruption risks. The Compliance Risk Assessments team did not identify any additional material remediation or mitigation that is necessary to reduce residual risk.

PROTECTED ETHICS AND REPORTING MECHANISM

At DTCC, our employees and clients have access to a global ethics hotline as well as supportive measures such as a whistle blower policy, all of which are highlighted in our Code of Conduct. These resources give employees the ability to seek advice, share any information or concerns, or report conduct by anyone in the Company that they believe to be a violation of policy, ethics or the law.

Employees can report concerns 24 hours a day, 7 days a week and have the option to do so anonymously. DTCC Human Resources collaborates with relevant partners to investigate and resolve issues with follow-up and reporting as appropriate. For example, relevant regulators are notified of whistleblower reports as required.

Risk of Incident of Child Labor

Our suppliers are predominantly highly skilled IT professionals, putting DTCC at low risk of incidents of child labor or modern slavery. Despite this, we recognize the dangers of child labor and modern slavery and support the Modern Slavery Act. This is why DTCC will not offer any employment (including internships) without compensation, and we closely monitor our vendors and address any suspected non-compliance with our vendor engagement requirements.

Risk and Opportunity Oversight

Risk management is a primary function of DTCC and has been since the organization's inception 50 years ago. The company's risk management framework includes effective and efficient identification, measurement, monitoring and control of credit, market, liquidity, systemic, operational and other risks for the DTCC enterprise, our members and the marketplace. To learn more, visit our Managing Risk website.

A risk that has gained prominence over the past few years is climate-related risk. DTCC's primary exposure to climate-related risk is in the form of direct physical risk to our sites around the world. Each of our DTCC locations has its own set of risks associated with climate change. Recent observations and modeling indicate a global mean sea level rise, which at some point may affect DTCC offices, staff and third parties located along coastlines. In addition, critical infrastructure and resources in metropolitan regions may have underlying vulnerabilities, including age, deterioration, construction or maintenance flaws and usage that exceeds capacity. This infrastructure becomes directly vulnerable to climate change risk factors, such as extreme heat, heavy downpours, sea level rise and coastal storms. Additionally, interdependent infrastructures create vulnerabilities that can develop into cascading impacts.

With respect to potential direct impacts from transition risks, defined as the risks associated with a move toward a lower-carbon economy and the implementation of defensive controls to counter climate change impact, DTCC's businesses are not directly impacted by changes to a low-carbon economy (e.g., as a result of business with fossil fuel or alternative energy companies, or as a result of direct involvement in energy markets).

OUR ACTIONS

DTCC maintains robust metrics on financial and operational risk, including coverage for potential risks posed by member firms and other counterparties or third parties. These metrics show that as risks have evolved, DTCC has responded by implementing risk mitigants or increasing resources to be able to absorb these risks. DTCC also maintains risk tolerance plans across risk categories to track the level of risk relative to the company's risk appetite. Given the increasing importance of climate-related risk, DTCC's Systemic Risk Office (SRO) has also included climate-related financial risk as one of the many potential systemic threats it actively analyzes and monitors.

The SRO conducts a systemic risk barometer survey, which is an annual pulse check of member and non-member firms that monitors emerging trends on significant risks that may impact the safety, resiliency and stability of the global financial system. Climate risk has consistently placed among the top risk concerns by market participants since it was added to the survey a few years ago.

In February 2023, DTCC published a white paper, "Climate-Related Financial Risk - A Financial Market Infrastructure's Perspective", to provide insight on how climate-related financial risk applies to DTCC and, by extension, other Financial Market Infrastructures (FMIs) as well as what can be done to address this type of risk. More specifically, the paper examined the exposure of FMIs to climate-related physical risk and transition risk and identified unique aspects of these exposures as they pertain specifically to FMIs. The paper then built on this analysis to explore the interplay of regulation and FMIs, and it suggested how existing regulatory frameworks and standards could be applied to effectively mitigate climate-related challenges.

DTCC has also continued to gather more information over the past year on risk exposure related to ESG, with a particular focus on climate-related risk exposure. Given DTCC's subsidiaries' roles as central counterparties, one key aspect of their climate-related risk exposure is indirect exposure via their member firms. As a result, DTCC's Counterparty Credit Risk (CCR) department has begun to incorporate an assessment of each member's exposure to climate-related risk into the overall assessment of credit risk. CCR plans to review the Task Force on Climate-related Financial Disclosures (TCFD) reports from its publicly traded full-service members, and CCR has begun to ask due diligence questions of each member related to physical and transition risk. DTCC also continues to monitor regulatory developments in this space, which should enhance transparency and standardization of disclosure over time.

Beyond considering direct and indirect impacts of climate change to mitigate potential risks, DTCC believes it is important to be a positive partner in combating the causes of climate change. The Environment section of this ESG report outlines anticipated enhancements to DTCC's existing programs that were designed with this goal in mind.

In addition, DTCC Global Business Continuity maintains standards and practices for how the organization will address defined impacts posing a high level of risk to the continuity of enterprise operations, including climate-related risk. Governance and implementation of proactive and reactive measures are well sustained via integration with risk functions throughout the enterprise and alignment with risks in the financial sector. Programs within Business Continuity continue to be expanded to consider and act upon climate change risk across DTCC operations, locations and geographies.



“There is a growing recognition that global warming is not only an environmental issue, but that it also poses a myriad of economic, strategic, legal and other risks that might impact the stability of the global financial system. Given these developments, we have published an FMI-specific white paper that explores how existing regulatory frameworks and standards could be applied to effectively mitigate climate-related challenges. We hope that this paper will contribute to a better understanding of this important topic and that it will foster a constructive dialogue with our members, the regulatory community and other stakeholders.”

ADRIEN VANDERLINDEN

DTCC Systemic Risk Executive

People

The world we returned to this year was very different from the one we left in March 2020. One of the most notable changes was a massive shift in the global talent landscape. Expectations changed dramatically as candidates and employees reevaluated their thoughts about work and the place it held in their lives, reconsidering how, when and where they worked, as well as what they wanted their work experience to be.

We focused our efforts on renewing our Employee Value Proposition (EVP) and defining pillars that are most likely to influence whether candidates join the firm and current employees stay with us: Community, Growth, Our Ways of Working and Holistic Well-Being. Our EVP — a combination of rewards, benefits and experiences that our colleagues receive in return for the capabilities and contributions they bring to the workplace — is integral to attracting the right talent to DTCC as well as retaining the best and brightest employees.

We know that a strong EVP is more than tangible rewards; it ensures that a person feels a sense of belonging before, during and after they join DTCC. This year's People section provides a comprehensive update on how DTCC is building its workforce for the future.

Building Belonging

The essence of DTCC is comprised of its people, core values and a fundamental belief in inclusion - who we are and how we operate together to support our clients and the industry. We are committed to fostering a thriving community and creating a workplace that looks like the world that we serve.

Publishing our demographic diversity data is part of our commitment to increasing representation.

At DTCC, our Diversity & Inclusion theme for 2022 was "Building Belonging". Belonging at work is defined as the experience of being wholly accepted and included by those around you. It's an emotional outcome rooted in feeling secure, supported, and an important member of a group, and this is a key aspect of our retention efforts. We brought this theme to life in 2022 by increasing support for groups that have been historically under-represented, linking these efforts to existing work to expand our talent pool. We also consolidated these activities within the Office of Diverse Talent Management & Advancement (DTMA) to take a more holistic approach to our outreach and engagement. As a result, we're able to expand opportunities for internal mobility, training and development for all employees.

Diversity and equity are essential in bringing different points of view to the table, which is why we have implemented new programs and enhanced existing ones to bring the broadest perspective possible to innovate and solve business challenges.

Diversity and Inclusion – Action and Recognition

The DTMA team brought our theme to life during 2022 by increasing support for groups that have been historically under-represented. Our October 2022 Diversity & Inclusion Employee Engagement Survey score was 81, which is 5 points above the industry benchmark. We have consistently scored above the benchmark in D&I for the past several years, which indicates our employees seem to agree that we've created an inclusive workplace environment.

We also continue to be recognized externally for our diversity and inclusion achievements. Once again, DTCC was recognized by Seramount as one of the Top 100 companies for working mothers and fathers, and we scored 100% on the Human Rights Campaign for the 12th consecutive year.

INCLUSION WORKS

- 1,500 registered users actively learning about D&I and ESG.
- Launched a monthly leaderboard highlighting employees who completed the most learning topics.
- Awarded learning credits for training hours achieved through this program, which can be applied to meeting employees' D&I performance goals.

COUNT ME IN – SELF-IDENTIFICATION PROGRAM

- 31% of our employees self-identified, which is above the benchmark for an organization of our size.
- Launched self-ID program for our Board of Directors.

JUNETEENTH 2022

- Sponsored our first-ever educational trip to the National Museum of African American History and Culture in Washington, D.C. for 50 participants.
- Opportunity to learn about the rich knowledge of African American history curated at the museum.
- Encouraged participants to host a teach-back session and/or a relevant volunteer experience for their department or peer group to spread the learning across DTCC globally.

ALLY TO UPSTANDER TRAINING

- 1,264 employees have participated in this training during the two-year period 2020-22.

RACIAL EQUITY TRAINING

- Piloted this new program with 2 training sessions. Expect to fully launch in Q4 2023.

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EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs) are the brand and culture carriers of our organization. It is important that we acknowledge and understand how they impact our work, our culture and feeling of belonging. All the ERGs are overseen by an advisory council and DTCC's Management Committee. Their work is organized across three areas: Workplace Belonging, Professional Development and Recruitment.

In 2022, membership in our ERGs experienced rapid growth, particularly outside the U.S., driven in part by their activities throughout the pandemic to regularly engage colleagues across time zones, business lines and functions. To build upon this, we expanded the ERG Leadership teams and, for the first time since our ERGs launched more than 10 years ago, we now have ERG Leadership (Co-Chair and/or Executive Sponsor) representation

across all regions and primary office locations. This has led to increased collaboration across teams, heightened employee interest in ERG initiatives and recognition of how ERG events are supporting our colleagues' personal and professional development.

In addition, we successfully launched the ERG Recruitment Tribe as part of the ERG structure. This group partners with Talent Acquisition to improve our diverse talent pipeline. ERG Recruitment Tribe members provide referrals and volunteer their time to represent DTCC at external facing events that we hold with our diversity partners such as the Association of Latino Professionals for America (ALPFA), Reaching Out MBA (ROMBA) and Grace Hopper.



ARISE



BOLD



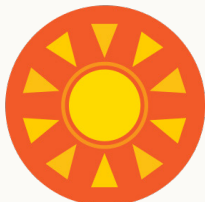
IGNITE



MVP



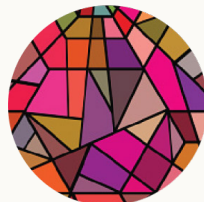
PRIDE+



UNIDOS



WETHRIVE



WINS

SUPPLIER DIVERSITY PROGRAM: MOVING FROM OUTCOME TO IMPACT

The DTCC Supplier Diversity Program aims to build a more diverse supply base and expand the organization's strategy to attract novel solutions. Increasing DTCC's investment in its relationships with diverse suppliers promotes collaboration and innovation. In 2022, DTCC's goals were to increase its use of diverse suppliers (including small businesses) and deploy the DTCC Supplier Diversity Program with internal and external stakeholders.

To move the needle on these goals and targets, DTCC has developed a robust roadmap. As part of DTCC's next steps in 2023, the firm will explore levers to increase its diverse spend through building new supplier relations and enhancing existing ones.

Sourcing, Recruiting, and Retaining Diverse Talent

Competition for talent remained fierce in 2022, with organizations seeking to recruit the best people to their workplace. DTCC was no exception, and we streamlined our hiring process to identify and recruit new employees. This year, we implemented several initiatives to position us as a leading company of choice for potential candidates, with a focus on raising brand awareness, expanding our talent pool reach and enhancing talent engagement. These actions have enabled us to continue attracting the talent needed to drive the organization forward.

DIVERSITY SOURCING

As part of our diversity sourcing focus in 2022, we attended external events such as ALPFA, Grace Hopper, ROMBA and more. As a result, DTCC interacted with 588 unique diverse prospects. Additionally, 78 Associate Director and above level prospects were engaged in 2022. Of all direct diversity sourcing applicants, 38% moved through to the interview stage, compared to an average of 17.5% overall.

CONTINUED SOURCING PARTNERSHIPS

HACKERRANK

DTCC and HackerRank hosted two coding contests in August and October of 2022. Over 700,000 candidates clicked on DTCC ads published on our HackerRank challenges page and homepage, which yielded over 13,000 registrants. Of that group, over a thousand worldwide participants completed the contests, and more than 3,000 applied for jobs at DTCC.

We continue to partner with HackerRank in our ongoing efforts to continue engaging with active candidates and building our talent pipelines.

DICE

Dice continues to be a preferred platform to target active prospects and candidates for our U.S.-based IT roles. Our continued partnership with Dice allows us to engage with people on the platform through our company pages.

DTCC has been able to participate in virtual engagements and career fairs through Dice, such as a Diversity, Equity and Inclusion

event that focused on female talent and yielded over 300 prospects.

HANDSHAKE

Our partnership with Handshake allows us to connect directly with thousands of students based on demographics, interests and background. For example, Handshake's ambassador program enables DTCC to speak candidly with students and provide insights on opportunities at DTCC, our company culture and give them the ability to envision themselves pursuing a career at DTCC.

In 2022, DTCC created over 30 campaigns on Handshake to either promote open roles or provide opportunities for students to engage directly with DTCC through our events. We sent 121,000 messages, received 97,000 views on our job postings and garnered 7,000 unique applicants – an average of 178 applicants per job posting.

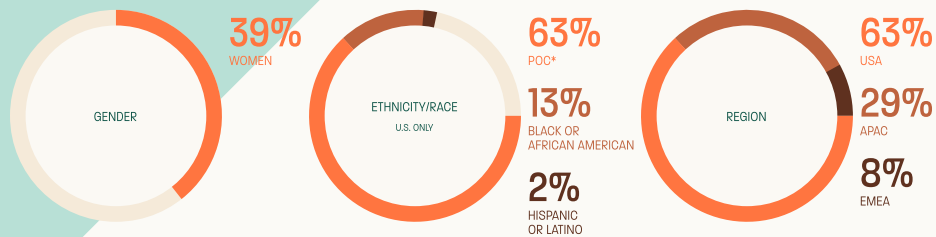
INCREASING BRAND AWARENESS

The Talent Acquisition team has continued offering recruiter "ask me anything" sessions, virtual open houses and the community reflection series for potential candidates to connect with DTCC leaders. In 2022, we hosted 5 events which yielded over 800 registrants, 180 applicants and 23 seasoned external hires.

Our broad strategy combined the use of talent market data, a wide range of recruitment events targeted at diverse audiences and enhanced use of our social media channels to reach prospective candidates across the marketplace.

EXTERNAL HIRES

All of our efforts have resulted in hiring numbers which maintained our commitment to increasing representation in our workforce.



*ASIAN, BLACK OR AFRICAN AMERICAN, HISPANIC OR LATINO, NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER, AND TWO OR MORE RACES

MITIGATING TURNOVER

We've weathered the dynamics of "The Great Resignation," "quiet quitting" and the tightest labor market in generations well compared to our industry colleagues, with employee attrition around 11% in 2022 — below the average in financial services.

GENDER
11%
WOMEN

REGION
10%
USA
12%
APAC

ETHNICITY/RACE
U.S. ONLY
11%
POC (ASIAN, BLACK OR AFRICAN AMERICAN, HISPANIC OR LATINO, NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER, AND TWO OR MORE RACES)
13%
BLACK OR AFRICAN AMERICAN
8%
HISPANIC OR LATINO
17%
NOT DISCLOSED

13%
EMEA

Promoting Pay Parity

Pay equity is essential to attracting and retaining a diverse and inclusive workforce. More than that, it's a matter of fairness and a reflection of our commitment to creating an environment that respects and rewards the contributions of all employees regardless of race, sex, religion or other characteristics. At DTCC, we focus on maintaining pay equity among ethnicities in our U.S. locations and across genders in our global workforce. Our colleagues recognize these efforts, rating us highly on several equity measures in our 2022 employee engagement surveys.

We work closely with business leaders and hiring managers to ensure pay parity across all employees.

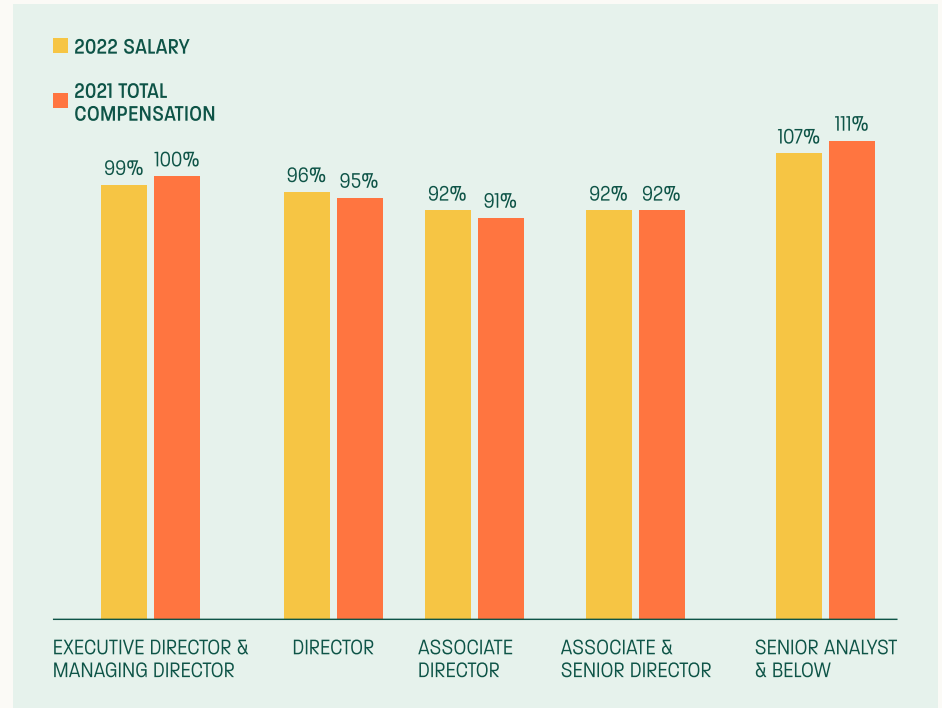
UNITED STATES

Our U.S. gender pay equity review shows female DTCC employees' salary and total compensation as percentages of male employees' earnings. Across each corporate title, females are compensated at 90% or greater relative to their male peers. Our ethnicity pay equity review found that our African American and Latinx employee salaries at all levels are 89% or greater relative to white peers.

While we've maintained these statistics from 2021 and there are various factors impacting them, they're not good enough — our goal is 100% pay parity. To achieve this, we're taking several actions, including annually reviewing gaps in pay and making recommendations to adjust salaries.

2022 U.S. GENDER PAY EQUITY

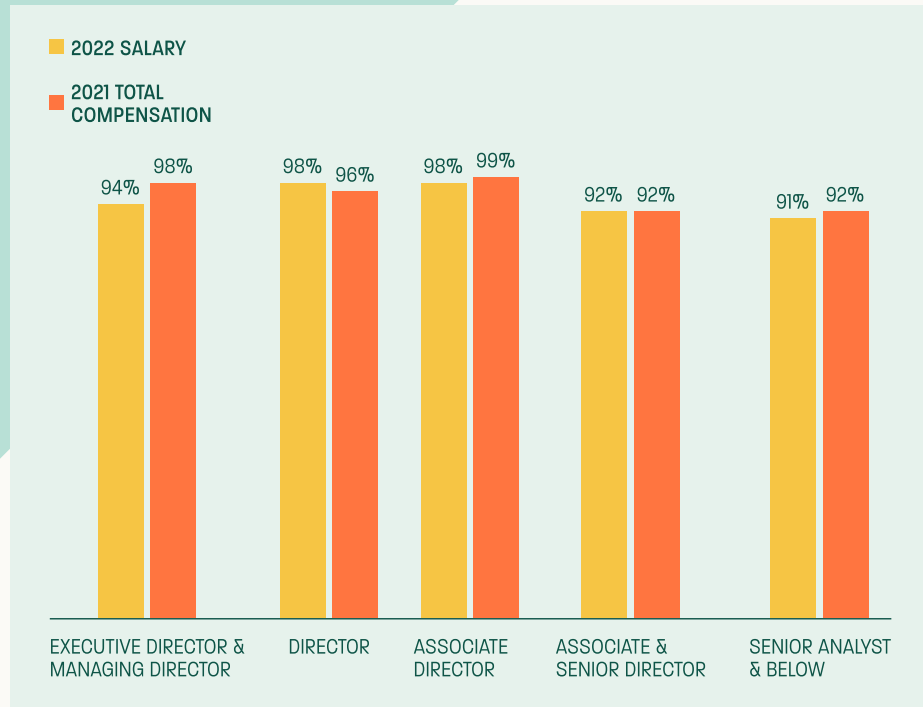
FEMALE PAY AS A PERCENTAGE OF MALE PEERS' PAY*



*AS OF SEPTEMBER 30, 2021

2022 U.S. ETHNICITY PAY EQUITY

AFRICAN AMERICAN AND LATINX PAY AS A PERCENTAGE OF WHITE PEERS' PAY*



*AS OF SEPTEMBER 30, 2021

UNITED KINGDOM

Annually, we are required by UK regulation to publish the gender pay gap for DTCC Europe. Unlike the global pay equality review, this review is irrespective of key compensation drivers such as location, role, responsibilities, level in the organization or years of experience. Its focus is an aggregate comparison of all males and females.

Maintaining Our Employees' Well-being

Employee benefits are the cornerstone of our Employee Value Proposition and, more importantly, a critical success factor in maintaining the health and productivity of our teams. In 2022, we conducted a comprehensive review of our U.S. benefits offerings, using a market-leading benefits brokerage service company to understand common benefits practices and market trends. We also partnered with other brokerage firms to collect market insights for other countries. We then used these insights to identify potential improvements to enhance benefits in targeted areas and regions. Because we know that wellbeing is not just physical and emotional but also financial, we also monitored trends in compensation and took smart and responsible actions to retain and attract top talent. As part of this, we became more flexible and nimbler in offering competitive compensation to employees and external candidates.

We integrated wellbeing into our culture through both physical programs and educational sessions that focused on the whole person and their individual needs. Our engagement surveys also helped shape our wellbeing programs by giving us deeper insights into the individualized needs of our colleagues.

ENHANCED BENEFITS OFFERINGS

U.S.

- Increased back-up child/adult dependent care days from 20 to 30 days per employee per year
- Enhanced family planning benefits to cover adoption and surrogacy at \$20,000 per employee lifetime
- Introduced whole life insurance with long-term care rider as a voluntary benefit

U.K.

- Increased back-up child/adult dependent care days from 20 to 30 days per employee per year
- Changed pension provider for better employee experience and risk management
- Building on free employee annual physical check-up, provided employees with free access to Nuffield Health 24/7 for enhanced mental health/wellbeing support

PHILIPPINES

- Implemented a health first aid program for enhanced resources and support
- Introduced critical illness benefit

"DTCC TAKES A GENUINE INTEREST IN EMPLOYEES' WELLBEING" SCORES

77

4 POINTS OVER BENCHMARK

"I AM SATISFIED WITH THE BENEFITS OFFERED AT DTCC" SCORES

75

2 POINTS OVER BENCHMARK

"I BELIEVE I AM COMPENSATED FAIRLY FOR WHAT I DO" SCORES

70

5 POINTS OVER BENCHMARK



Protecting the Health and Safety of Our Employees

DTCC is committed to the health and safety of all personnel globally. We have established and implemented a global health and safety policy to support a safe working environment for all.

Due to the nature of DTCC's business, it is highly unlikely that our staff would be prone to serious work-related injuries or fatalities. In 2022, there were only 12 minor medical events that were reported. In those instances where an emergency response was needed, either the member of staff required no further medical attention or they were transported to the hospital, treated and released.

Any time there is a medical-related event on DTCC premises, initial first aid is provided and/or emergency medical services are requested to respond. In 2022, DTCC did not experience any serious work-related injuries or fatalities.

Building Skills for the Future

One of DTCC's top priorities is supporting all employees on their personal and professional journeys from the moment they join the firm. We see growth opportunities as both an important part of attracting people and as a critical enabler to develop existing talent within our company. Our Employee Value Proposition reinforces the culture and values of the organization, and, within that framework, professional development and career progression ignite the sparks that motivate individuals to innovate and propel us forward. This has become even more important when faced with the challenges of recruiting top-quality talent in a highly competitive job market.

In 2022, we launched several programs and offerings to equip our employees with the critical skills to navigate a dynamic and accelerating external environment. By supporting personal and professional journeys, we have proactively developed a diverse talent pipeline that can meet current and future business needs. We've accomplished this by strengthening our assessment, identification, development and tracking of our colleagues earlier in their career journeys. We've asked our people managers to model the EVP — both through training and community — to build the trust and leadership behaviors that inspire innovation in the business through individual and team performance.

 **127,896**
2022 TOTAL HOURS OF TRAINING

 **25**
2022 AVERAGE TRAINING
HOURS PER EMPLOYEE

 **\$390**
2022 AVERAGE SPEND
PER EMPLOYEE

ADVANCING WOMEN LEADERS (AWL)

We have worked to reduce the obstacles women face in attaining promotions to management levels at DTCC. One of the steps we have taken is pivoting our Advancing Women Leaders (AWL) program from the Director level to the Associate Director level to address the “broken rung” identified in the McKinsey Women in the Workplace report, in which we have participated for four consecutive years. In 2022, we had 22 total participants in AWL, including the cohort from the previous year.

EMERGING WOMEN LEADERS (EWL)

We have continued expanding our Emerging Women Leaders (EWL) program, shifting it from Associate Directors to Senior Associates. This seven-month program challenges the group to grow through a dynamic combination of on-the-job learning experiences, visibility and education. In response to business demand, the 2022 program increased its cohort size to 42 participants from an average of 25 women in previous years.

MCKINSEY BLACK LEADERSHIP ACADEMY

We also placed our second cohort into the McKinsey Black Leadership Academy, which was designed to help organizations enhance networking and development resources for Black professionals. The 2022 cohort was comprised of 18 participants at the Associate Director and Director levels who participated in the McKinsey Management Accelerator program, and three Executive Directors who participated in the Black Executive Leadership Program.

DEVELOPING EARLY CAREER TALENT

We remain committed to attracting early career professionals through the EDGE (Exploration, Development, Growth, Experiences) Analyst program. The two-year program provides employees with a comprehensive understanding of our company, the industry, the technical and functional skills needed for the various business areas and the leadership skills required for success. In 2022, we had 58 EDGE Analysts and hosted 74 interns.

EDGE REDESIGN FOR INFORMATION TECHNOLOGY

Our Early Career pipeline programs are an important source of emerging talent, infusing our organization with cutting edge knowledge and potential future leaders. In 2021, we identified an opportunity to re-imagine the IT EDGE program into a more experiential, rotation-based learning journey, both to stay current with best practices of our competitors and to build the valuable skills needed for the future of the organization. The two-year program was completely reformulated to create immersive, hands-on experiences from orientation, through “roadshow” tours of each department in the business line, and six-month rotations through specific, critical path experiences that build the breadth of understanding across IT.

The program offers education, experience and exposure throughout, to develop technical, leadership, and organizational skills and knowledge. The program has reached its sixth month of delivery at this time and has received exceptionally high ratings.

PEOPLE MANAGER COMMUNITY

In 2022, we launched a new virtual program to facilitate knowledge sharing on a wide range of subjects, including how to motivate and engage teams in a hybrid work environment for our people managers. This community provides a forum via MS Teams for people managers at all levels to collaborate, share best practices and learn from one another. It also allows us to reinforce a best-in-class approach to people leadership by sharing key updates and resources directly with the community. As of December 2022, the Community has 1,292 active users.

CLIENT SERVICES PEOPLE MANAGER LEARNING PATH

Over the last two years, the DTCC Client Services organization has undergone tremendous change and transformation. Client Services leadership recognized that although people managers are navigating various priorities, it is essential that they also take time to prioritize their own growth and the development of their teams. We launched a customized learning path to support people managers in leading teams, building a strategic mindset and driving change through influence. This six-month program included online learning through Harvard Manage Mentor, leader-led discussion groups to contextualize learning, and just-in-time resources to reinforce key skills. Fifty-seven people managers are actively participating in this ongoing learning and eight Director/Executive Director level leaders are facilitating the discussion groups.

THE CATALYST LEADERSHIP PROGRAM

The Catalyst Leadership Program is designed to develop the growth mindset, learning agility and future focus for DTCC's

high-performing Directors. In 2022, we had 21 participants. We intentionally kept this cohort small to allow for a highly individualized development experience so participants can focus on self-development, leadership skills and strategic thinking.

Verbatim quotes from our Phase I survey as of 9/22/22 (90% response rate):

- "It has been a great experience so far, and the process of working with my team and developing our plan was exciting. I look forward to the journey ahead."
- "I find the program extremely organized and well planned out. Thanks for all the great work."
- "I loved the Hogan and 360 review activities as well as the very insightful personalized analysis that identified my strengths and weaknesses."

CARE PROGRAM: DEVELOPING CLIENT RELATIONSHIPS

When Relationship Management (RM) reorganized in 2021, it reinforced a commitment to developing more impactful relationships with key clients and stakeholders, with an emphasis on building trust and evolving into strategic advisors. To support this new vision, in January 2022, we launched a series of highly interactive, instructor-led, half-day learning sessions entitled "CARE: Developing Client Relationships" for all relationship managers and "High Performance Coaching" for RM leadership. These programs focused on the skills needed to enhance collaboration, gain a deeper understanding of our clients' needs and expectations, and proactively offer insights, strategies and solutions to drive business growth. To further reinforce learning, in July 2022, Relationship Managers participated in a reinforcement session to discuss progress, fortify key skills and

identify focus areas for development. Due to its success, this training was expanded to the Sales team, with workshops hosted in October and November of 2022. Fifty-four Relationship Managers and 30 Sales employees completed this training. Overall, this training curriculum represents a significant investment and commitment to transforming the way we help our clients – and our organization – succeed in our constantly changing industry.

BUSINESS ARCHITECTURE OFFICE (BAO) SPECIALIZATIONS

To support the growth and development of all employees in the BAO, we created a customized, on-demand learning specialization in partnership with their leadership team. The program aims at strengthening our employees' leadership and interpersonal skills, DTCC business and product knowledge and understanding of emerging technologies. Employees and managers were asked to partner to identify focus areas and set aside time to dedicate to their chosen learning. All employees in Business Architecture have access to this tool. In 2022, eight employees completed the training.

FULL STACK DEVELOPER CURRICULUM

Full Stack Developers work in the IT department performing both front- and back-end operations on computer systems. Led by industry experts and DTCC staff, the Full Stack Developer Curriculum provides a framework that allows developers to build upon their existing skills and gain additional skills in areas where they lack expertise, including programming languages, databases, middleware, design architecture, security, user experience and design, big data, cloud platforms, infrastructure automation and testing. In 2022, 671 employees completed 1,562 total courses through this curriculum.

DISTRIBUTED LEDGER TECHNOLOGY (DLT) CURRICULUM

As digitalization drives changes in the global markets, DTCC continues to take a leadership role in experimenting with and deploying technologies, including cloud computing, distributed ledger technology (DLT) and machine learning. The DLT Curriculum provides multi-level DLT learning to help accelerate skills development in blockchain basics, decentralized finance, smart contracts, Ethereum, Corda, Kotlin, Daml, APIs, security and testing. In 2022, 331 employees completed 879 total courses through the curriculum.

INSTRUCTOR-LED LEADERSHIP DEVELOPMENT PROGRAMS

In addition to the targeted and business-specific trainings, instructor-led leadership development is available to all employees. Scores are the percentage of survey respondents who answered "somewhat agree" or "strongly agree" to the following statements:

"COMPLETING THIS TRAINING HAS INCREASED MY KNOWLEDGE AND/OR SKILLS ON THIS TOPIC"

97.7%

"APPLYING THE KNOWLEDGE AND/OR SKILLS GAINED WILL HAVE A POSITIVE IMPACT ON MY JOB PERFORMANCE"

96.9%

"THIS TRAINING WAS A WORTHWHILE INVESTMENT IN MY CAREER DEVELOPMENT"

97.7%

Environment



DTCC's journey to become more environmentally sustainable started in 2016 through improving efficiency of equipment in buildings (retro-commissioning), LED lighting, decommissioning aging equipment and many more. We are proud that these actions have led to a 33% reduction in energy consumption compared to 2016. We continue to invest in our sustainability journey through our ISO certifications and on-site renewable energy generation and look forward to becoming carbon-neutral in the future.

NICK DALESANDRO

DTCC Executive Director, Workplace Design Services

Reducing Our Environmental Impact

DTCC has prioritized and is committed to taking meaningful steps to reduce our energy footprint. Considering that energy consumption makes up nearly 60% of the world's greenhouse gas emissions, this is a priority for us.

DTCC has been on a journey to reduce energy use and protect and preserve the environment since 2016. We've significantly enhanced foundational capabilities, including improved energy data governance, enhanced operational framework, Energy/Environmental Certifications and analytics. These tools will ultimately help reduce DTCC's carbon footprint and, over time, achieve carbon neutrality.



2016

Started monitoring energy usage in business centers



ENERGY SAVING ACTIONS

LED lighting, decommissioning aging equipment, improving efficiency of equipment in buildings (retro-commissioned)



33% REDUCTION

in energy consumption compared to 2016, which translates to 21.4 million kilowatt hours of electricity saved



ISO 50001:2018 AND ISO 14001:2015 CERTIFICATIONS

with TUV Rheinland of North America for Brooklyn, Chennai, Dallas Beltline and Crestside, Jersey City, London, Manila, Tampa Bermuda Green and Wrexham

DTCC AIMS TO CONSISTENTLY REDUCE ITS ENERGY CONSUMPTION



ISO FRAMEWORK

Received the ISO 50001:2018 Energy Management certification for our locations. ISO 50001:2018 is the global energy management systems standard that specifies requirements for establishing, implementing, maintaining and improving an energy management system. Additionally, DTCC received an ISO 14001:2015 Environmental Management certification in 2023. Both

certifications were obtained with TUV Rheinland of North America – locations mentioned in preceding graphic.

SOLAR POWER

DTCC is continuing to install onsite solar power. However, continuous use of this energy source is currently delayed due to manufacturing and supply chain issues. DTCC remains committed to generating solar energy as part of our goal to become carbon neutral.

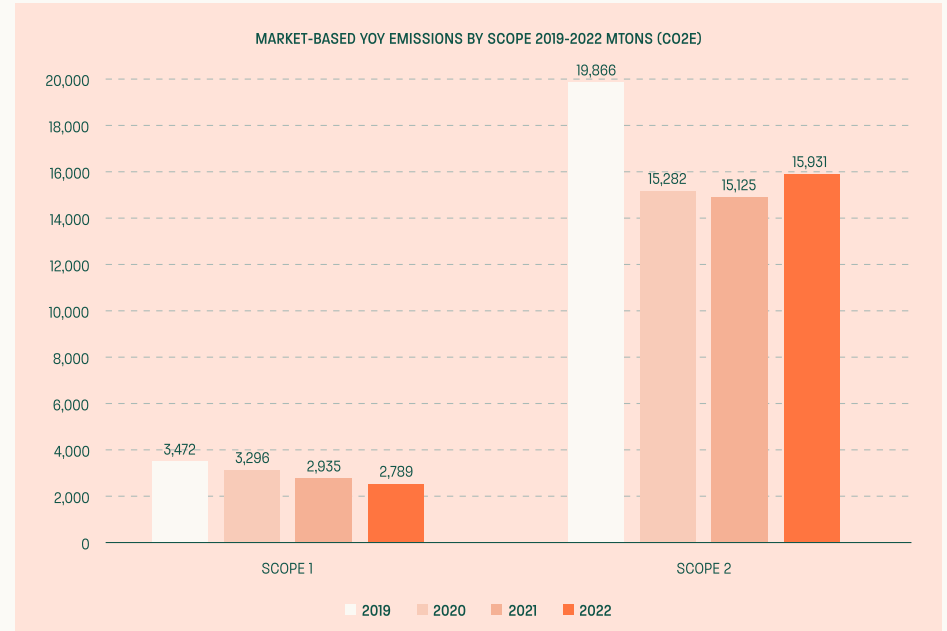


OUR EMISSIONS DATA (2019-2022)

DTCC’s GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development’s (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting.

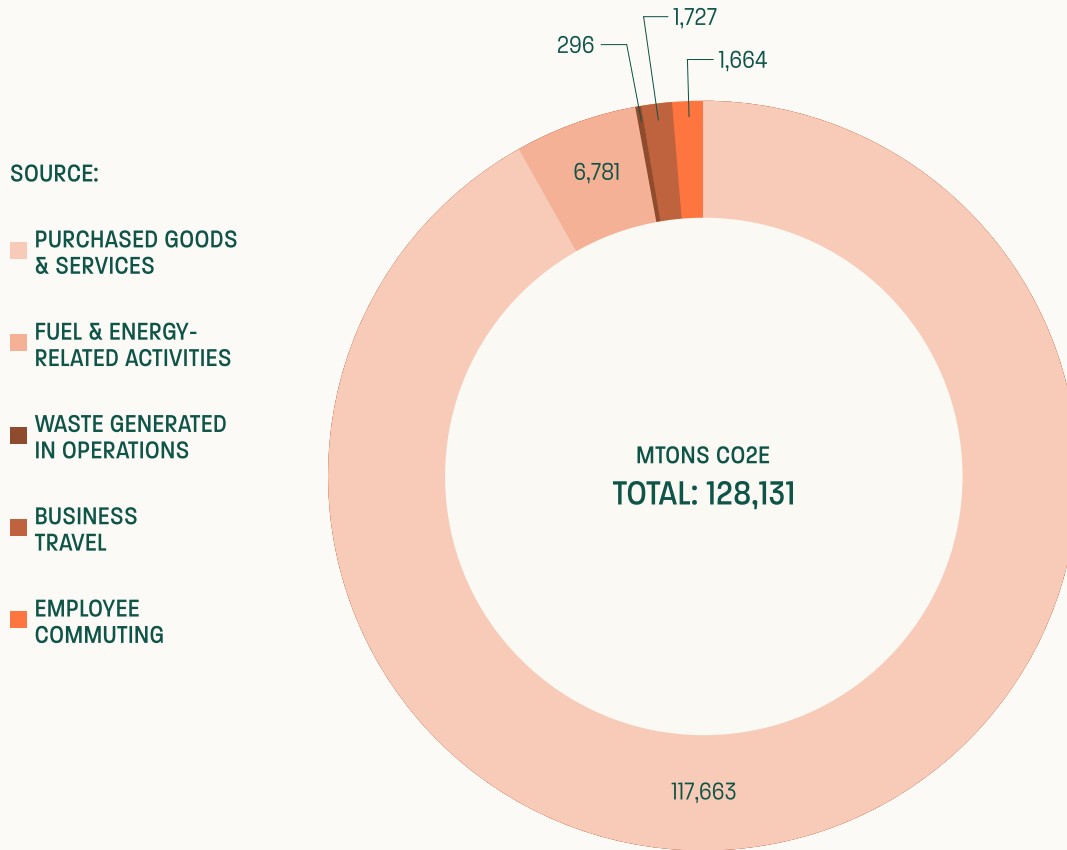
DTCC defines its organizational boundary conditions consistent with the GHG Protocol according to the “control approach” for Scope 1, 2, and 3 sources. The scope of DTCC’s organizational boundaries includes buildings in the company’s ownership or under its control.

We show year-over-year Market-Based Emissions, to the right, which quantify Scope 1 and Scope 2 GHG emissions based on the generators from which DTCC purchases electricity and other required instruments.



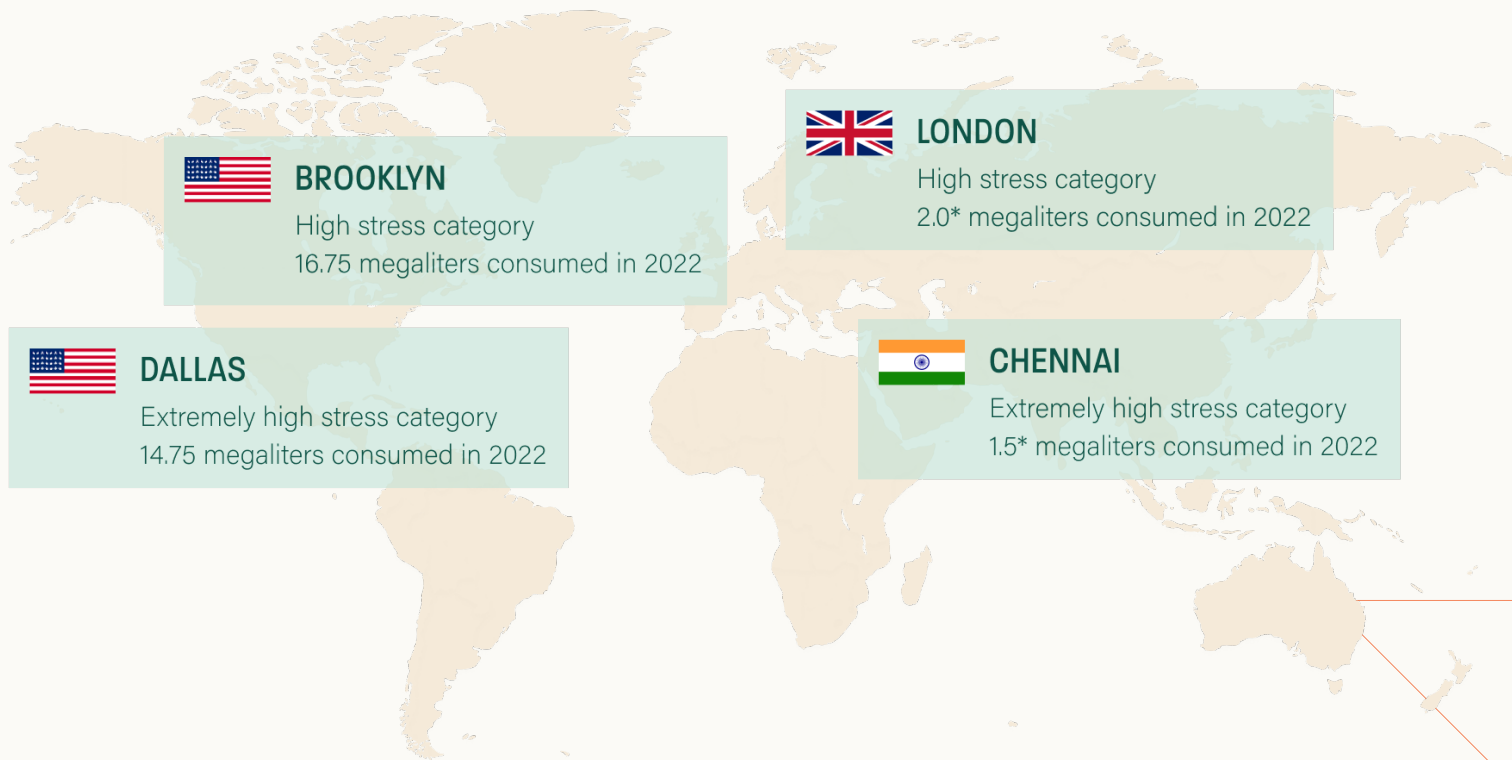
2022 SCOPE 3 EMISSIONS BY CATEGORY

DTCC has baselined its Scope 3 emissions. This is a key milestone in developing our future net zero targets.



Water Consumption and Withdrawal in Water-Stressed Areas

The following DTCC sites are located in higher tier water stressed areas, which equate to 38% of our total footprint:



*EXCLUDES WATER USED FOR BUILDING COOLING

From Physical to Digital: The Move Toward Dematerialization

As a user-owned organization, DTCC leverages its unique market position to anticipate the market's future needs and respond with solutions that lower costs, improve efficiency and bring stability and certainty to the industry. Over the years, the industry has made significant progress toward eliminating paper certificates, a process known as dematerialization. However, existing inventory of physical securities remains.

In 2021, DTCC settled 957 million assets, valued at \$462 trillion. Less than 1% of assets serviced through the depository are held in physical form. However, this still represents a value of around \$700 billion. To address this significant number of physical securities, DTCC outlined a roadmap toward dematerialization and published a white paper to the industry in 2020.

Each dematerialized security leads to a reduction in carbon dioxide emissions for the life of the security. The emissions are related to the issuance of the paper itself, as well as the servicing of the physical security, including creation, authorization, ownership change, and maturity.

Since the launch of the dematerialization program, almost 90% of all newly issued retail Certificate of Deposits (CDs) are now leveraging the e-CD platform via DTC's Underwriting Central (UWC) application. Industry adoption of e-CDs has resulted in the successful dematerialization of more than 20,000 physical certificates, a considerable milestone.

This translates into reduction in emissions by:

- Avoiding 25-30,000 courier trips per year, including air and ground motorized transport.
- Eliminating the printing of 50-60,000 pages per year (as certificates typically have multiple pages).
- And eliminating the management, storage, and destruction of paper processes.



"The impact of the COVID-19 pandemic really emphasized the importance of moving away from physical certificates to mitigate risk and cost. Our e-CDs provide efficiency and speed to market for issuers and investors."

ANN MARIE BRIA

DTCC Managing Director, Asset
Services Business Management

Prosperity

For 50 years, DTCC, through its family of companies, has been advancing industry-leading solutions that help secure and shape the future growth and development of the global financial marketplace. But above and beyond that, as an employer, we have the responsibility to contribute to the United Nations Sustainable Development Goals to promote economic growth and advancement.

We take pride in creating economic value for employees, shareholders and society through job creation and strong financial performance—all while investing in innovation and improving local communities.

Economic Contribution

DTCC created significant economic value by generating healthy returns for employees and shareholders. Full details are available in our Financial Statements and Notes.

Giving Back to Our Communities

Despite the obvious challenges of organizing in-person volunteer and philanthropy events, fundraising continued throughout the year at most of our sites. This year, DTCC has continued fundraising efforts along with organizing in-person volunteer and philanthropic events. In fact, in 2022 our employees raised more funds than in prior years, contributing \$1,093,331 in donations and company matching gifts.



\$5,177,408

2022 TOTAL PHILANTHROPIC GIVING



10,500

2022 VOLUNTEER HOURS



\$1,093,331

2022 EMPLOYEE DONATIONS AND
COMPANY MATCHING GIFTS



\$4,084,077

2022 TOTAL CORPORATE CONTRIBUTIONS

OUR EMPLOYEES MAKING AN IMPACT THROUGH GIVING

We apply the same rigor and excellence in delivering on our Corporate Social Responsibility promises as we do in protecting the global financial system. Our agenda and achievements were above and beyond in this area, with many DTCC employees contributing to this outstanding track record.

Our participation rate in employee charitable giving increased to 36% in 2022 from 25% in 2021, exceeding our goal of 35%. The amount of employee giving and matching gifts increased to \$1,093,331 in 2022, up from \$253,000 in 2021. Driving this sizeable uptick in employee giving was the quarterly special match program, which was introduced in late 2021.

PARTNERING WITH WORLD CENTRAL KITCHEN TO AID IN DISASTER RELIEF

DTCC provides support for disaster relief when a disaster or a crisis strikes in a city or a country in which it operates. This year was no different; the company provided corporate donations as well as employee matching to support several disaster relief programs.

To facilitate disaster relief, DTCC works closely with a wide range of organizations, including World Central Kitchen (WCK). In 2022, DTCC supported WCK's efforts to help those affected by Hurricane Ian, Hurricane Fiona, and the humanitarian crisis in Ukraine. WCK is first to the frontlines, providing meals in response to humanitarian, climate, and community crises.

ONE TREE PLANTED

As part of its commitment to sustainability, DTCC has donated to the nonprofit group, One Tree Planted, to plant 11,000 trees around the world.

Supporting ongoing tree-planting projects in the United Kingdom, the Philippines, India, the United States and Rwanda is just one part of DTCC's focus on sustainability – it reflects the company's larger commitment to environmental, social and governance (ESG) efforts.

DTCC will continue to work with One Tree Planted in 2023 to support additional reforestation efforts around the globe.

STEM PROGRAMS

Advancing STEM (science, technology, engineering, and mathematics) education and training remained a DTCC priority in 2022.

We have expanded DTCC's CSR program with a focus on STEM persistence, college access, readiness, completion, employment opportunities, and financial literacy. Rising Stars is our alumni program intended to continue DTCC's relationship with high school and college students who are alumni of one of our CSR partnership programs such as Girls Who Code, New York University Computer Science for Cyber Security (CS4CS), and PENCIL. The goal is to build a pipeline which will feed into DTCC's Early Career programs. In 2022, we offered programming around DTCC's business and career information, soft skills and mentoring to 78 Rising Star students, 20 of whom are college level, and several are being considered for this year's summer internship program.

The Girls Who Code (GWC) program has continued to grow since the partnership began in 2018. In 2022, we successfully hosted the GWC Summer Immersion Program for the fourth consecutive year, with more than 100 students taking part. Kicking off on July 2, our students joined 5,000 other high schoolers to become part of the largest graduating class in GWC's history. These efforts have already paid dividends as we recruited several past participants for our summer intern program and hired another as a full-time employee. DTCC engaged its Privacy, SATEC, and Cybersecurity colleagues to educate 48 New York University Computer Science for Cyber Security (CS4CS) students. DTCC also worked with Students 2 Science and supported the PENCIL School Partnership program.

Financial Investment

We invested \$162.6 million in capital investments for premises, equipment and intangible assets for the year ended December 31, 2022. Our primary investments are technology focused and involve the purchase of computer equipment and the development of software. These investments improve our core processes, increase the pace of technological innovation and align our services with our clients' needs.

For that purpose, we regularly update and upgrade our technology systems to meet industry, regulatory and compliance standards. Additionally, these investments create highly skilled jobs for our employees and vendors.

Operationally, our systems are fully backed up at alternate locations for business contingency purposes and are frequently tested to ensure that full capabilities are maintained in the event of an emergency. We also maintain significant excess capacity to manage

market volatility and related volume spikes that may require us to process substantially more transactions, which is particularly important during periods of market stress or dislocation. In addition, we play an active role on various securities industry technology committees, which include sub-committees and working groups on major technology issues, such as information security and industry-wide testing for business recovery.

SHARE BUYBACKS AND DIVIDEND PAYMENTS

During 2022, the organization paid dividends totaling \$16.9 million to our series D preferred stock shareholders. During 2021, the organization paid dividends totaling \$6.8 million to our Series C preferred stock shareholders and \$8.7 million to our Series D preferred stock shareholders.

On June 8, 2021, DTCC issued 2,000 shares of Series D Fixed Rate Reset Non-Cumulative Perpetual Preferred stock, resulting in issuance costs of \$9.1 million and net proceeds of \$490.9 million. On June 15, 2021, DTCC redeemed all 1,600 shares outstanding related to the Series C Preferred stock totaling \$400 million with issuance costs of \$9.5 million.