

# **2013 COMMUNICATION ON PROGRESS**

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United Nations Global Compact



## A LETTER FROM THE CHIEF EXECUTIVE

It has been one year since we first joined the Global Compact, and I am pleased to report our continued commitment to its principles and the successful integration of these principles into our strategy, culture, and operations.

- As Environmental, Social, and Corporate Governance (ESG) issues become more prevalent in the capital markets, investors, stakeholders, and regulators are using new data to drive their decisions. NASDAQ OMX has actively supported the development and refinement of established and emerging sustainability reporting channels. To this end, we have:
  - Co-hosted events with the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), and the Sustainability Accounting Standards Board (SASB);
  - Joined the Advisory Board of SASB;
  - Distributed ESG education and information to listed companies;
  - Lent our promotional support to many of these groups; and
  - Partnered with Harvard Business School to create a corporate education program on Integrated Reporting.
- As part of our commitment to provide an open and efficient market, NASDAQ OMX became a founding partner and leader of the Sustainable Stock Exchange Initiative, as well as the new ESG working group at the World Federation of Exchanges. Our advocacy and leadership has:
  - Increased investor engagement with exchanges;
  - Expanded issuer understanding of the purpose and value of ESG disclosures; and
  - Helped to define the role that exchanges should play in a self-regulating environment.
- In terms of our own operation, we have made many strides in the last 12 months, including:
  - The first comprehensive energy and water usage audit of all our global locations, enabling us to identify, isolate, and remedy inefficient resource consumption;
  - An enhanced carbon disclosure report, allowing us to properly estimate (and perhaps even mitigate) our own carbon footprint;
  - Achieving carbon neutrality on our Helsinki exchange for the second straight year, providing valuable guidance for the rest of our operation; and
  - Fostering the creation of a women's networking support group within the company, which will help us attract, retain, and develop a diverse workforce.

These are just a few of our key accomplishments. I look forward to another year of participation and progress with the UN Global Compact.

Regards,

Bob Greifeld, Chief Executive Officer  
The NASDAQ OMX Group, Inc.

# ABOUT THIS REPORT

NASDAQ OMX has voluntarily committed to report, on an annual basis, our progress of actions in adhering to the 10 principles in the areas of Human Rights, Labor, Environment and Anti-Corruption as detailed by the United Nations Global Compact.

In this report, we list and explain all the initiatives, policies and accomplishments we have made in the areas of corporate responsibility and governance. Additionally, this report will detail how we intend to continuously improve actions and results to further align our business strategy with the 10 principles of the United Nations Global Compact.

The reporting period of this COP is November 21, 2012- November 21, 2013.

# HUMAN RIGHTS

**At NASDAQ OMX, we fully support and adhere to the human rights principle as defined by the UN Global Compact. We respect and uphold human rights in all of our business operations and is engrained into our corporate values.**

We emphasize the core values of integrity, trust and responsibility in our brand, our products and our people. We strive to create a work environment that rewards ethical behavior and encourage our employees to put these ideals into practice in their everyday work.

We believe in transparency and accountability because our mission can only be realized if we earn the trust of the investing public, regulators, our employees, vendors, members, shareholders and listed companies.

Our Global Code of Ethics, which is available in three different languages, provides a framework of obligations that our employees and executives must comply to ensure NASDAQ OMX unqualified commitment to promoting ethical conduct. The Global Code of Ethics is available in our internal employee website and in our public facing Investor Relations website.

In addition to ensuring that our employees uphold ethical behaviors, NASDAQ OMX does its own part in ensuring rights for our employees. We publish and make available in our internal employee website, the Employee Privacy and Safe Harbor Policy. We respect the privacy of individuals and this policy is in place to protect the personal Information of our employees,

We provide a 24/7 hotline for employee security while travelling and support for medical advice, work environment and crises. Human Resources support is also available for employees to report any concerns at the workplace that may violate their human rights.

In order to ensure that our company is up to date and constantly improving our Ethical practices, we provide ongoing Ethics and Compliance training sessions for employees conducted by a dedicated Global Ethics Team with regular Ethics Council meetings to discuss best practices and industry regulatory standards.

As an exchange company our operations are not exposed to direct Human Rights conflicts; as of today, there have been no reports of Human Right abuses within our company. However, as a Self-Regulatory Organization (SRO), we have been actively engaging with other exchanges to encourage sustainable reporting as part of their regular annual reporting, which includes reporting on Human Rights issues.

# LABOR

**NASDAQ OMX's success depends on the success and the well-being of our employees. We respect our employees' right and freedom of association and recognize the right to collective bargaining. We do not support any forms of forced or compulsory labor and abhor the idea of child labor. We promote fair labor and do not discriminate with respect to employment and occupation.**

NASDAQ OMX recognizes that we are as good as our employees; they are our greatest assets. We believe in a diversity of high performing employees and we are there to make sure they realize their full potential. We strive to make NASDAQ OMX one of the most attractive and engaging workplaces in the financial services industry because in turn, high performance drives exceptional service and solutions that move our global economy forward.

We place a lot of investment in our people and exercise best practices in employee engagement. Our Global Human Resources Department (HR) is dedicated to providing a wide range of employee-related products and services which support the strategic goals of the organization as well as employee satisfaction and effectiveness. Our HR policy requires a dedicated Business Partner for every employee to ensure that all voices are heard and not misrepresented.

We understand that in order to foster a culture of high performers, we need to ensure our employees' happiness and well-being. We understand that every employee's work-life circumstances are different so we encourage flexible working arrangement for employees who require extra time to take care of a loved or are going through a tough time in their home life. Additionally, we provide various health fairs and in office health improvement options to ensure that our employees are well taken care of when it comes to their personal wellness.

In addition to ensuring their personal well-being, we believe in rewarding our employees for their performance. We continuously analyze the industry standard for compensation and make sure that we provide competitive compensation to our employees. In addition to the remuneration packages, a reward can come in the form of providing continuous training and education that supports the furthering of their careers. We provide compensation for employees who would like to pursue continued education and provide mentorship for women through the Women's Initiative Network. We also provide regular career development support through training sessions and tools.

We promote a two- way dialogue with our employees because we believe in listening to the people who drive our results. We hold annual comprehensive surveys called the Business Effectiveness Survey (BES) to help us assess our past decisions, hold each other accountable for our commitments, and to provide an opportunity for all employees to voice their views on what we are doing well and what we can improve going forward. In 2012, we had over 91% participation rate and NASDAQ OMX's Employee Satisfaction Index scored 76, which was two points higher than the year before.

# ENVIRONMENT

**At NASDAQ OMX, we undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.**

The term sustainability refers to our ongoing, enterprise-wide effort across multiple areas of expertise, including resource management, real estates, materials, supply chain, education, philanthropy among others. We acknowledge the scarcity of limited resources by managing materials in a responsible and thoughtful manner. This ensures our survival as a company, as well as the preservation of this planet for the business opportunities of tomorrow.

NASDAQ OMX strives to make sustainability a part of its corporate structure and way of life. Over the years, through employee initiatives, we have implemented office recycling programs, changed our paper supply to recycled paper and participated in corporate questionnaires such as the Carbon Disclosure Project (CDP).

Our real estate management team has made many efforts across the organization to reduce waste and improve the efficiency of our office environments. Our headquarters at One Liberty Plaza (OLP) and our satellite NASDAQ MarketSite, Rockville and our San Francisco offices are in LEED certified buildings. Our future offices will follow LEED specifications as well as we have standardized our construction and facilities practices to achieve a green element and reduce costs. Examples of these practices include: purchasing office furniture that can be recycled and remodeled, use open office concept spaces for natural lighting, install motion sensor and programmed lighting, and use low-to-no VOC paints for our walls. NASDAQ OMX also subscribes to renewable energy by purchasing electricity from outside vendors such as wind turbine farms. Our Helsinki office has earned a Green Office diploma and achieved carbon neutral status for the second consecutive year.

In the coming year, NASDAQ OMX will complete its renovation of the iconic MarketSite tower in Times Square. The new tower will leverage new media technology to dramatically reduce its overall energy consumption from the current model. This will not only reduce our corporate carbon footprint but will also give the tower an extended life, double that of its predecessor.

An Environment Committee was formed in Rockville, MD to monitor and improve the environmental efficiency of the workplace. This committee aims to help employees make smart, environmentally sound decisions both in and out of the workplace. Committee members are dedicated to the efficient use of resources and to the improvement of physical space. This employee intervention model has extended to the Helsinki office and is being considered at other NASDAQ OMX office locations.

In addition to the efforts made in our space, we promote green and sustainable investing in the capital markets. NASDAQ OMX owns and operates NASDAQ OMX Commodities which offers power, natural gas and carbon emission markets and clearing services for commodity markets globally.

# ANTI-BRIBERY AND CORRUPTION

**NASDAQ OMX takes issues on bribery and corruption very seriously. We work against all forms of corruption including extortion and bribery, and expect all of our employees and stakeholders to uphold their professional obligation to be transparent and ethical.**

Our business, by its nature, depends upon the confidence we instill in investors, regulators, and other stakeholders. The actions of each and every employee contribute to our reputation; we take issues on corruption, insider trading and compliance very seriously.

We have a dedicated Ethics and Compliance team consisting of 12 members that are located across the globe to ensure full coverage in all areas of our operations. In addition to the dedicated Ethics and Compliance team, we have in place an Ethics Council, consisting of employees drawn from all departments and locations of the company to act as “ethics ambassadors,” meeting regularly to provide feedback from employees and help ensure broad awareness of ethics principles. The members meet regularly to discuss relevant issues.

We have a robust internal mechanism of policies and guidelines to ensure the quality and integrity of our operations and our people. All of our policies require ongoing training and certification from all of our employees within 30 days of employment and every year thereafter. All of our policies including a 24/7 international whistleblower hotline and frequently asked questions section are available to all of our employees and contractors via NASDAQ OMX’s internal employee website. Examples of these policies and guidelines we have in place are:

- + NASDAQ OMX Code of Ethics (in English, French and German)– the Code of Ethics affirms NASDAQ OMX’s dedication and commitment to the highest ethical conduct in all of our dealings, and outlines our employees’ obligations to ensure we meet that commitment. The Code outlines our policies on conflicts of interest, trading restrictions, confidentiality & communications, laws & regulations, and gifts and entertainment. The Code sets a floor, not a ceiling; we encourage our employees to do more than follow the rules.
- + Global Trading Policy with local guidelines for different countries – Because NASDAQ OMX’s business of operating exchanges around the world; delivering technology, market data, and transaction services; and providing corporate solutions to companies across the globe, we adopt high standards for trading rules. Additionally, all employees must disclose all of their trades with our legal and regulatory team.
- + Directors and Executives Trading Policy – this policy explains the requirements and procedures that apply to all Directors and Executive Officers of the NASDAQ OMX Group regarding their trading activities.
- + Document Retention Policy – As a result the position of public trust, we must comply with a number of regulatory responsibilities applicable to self-regulatory organizations (SROs), including the responsibility to retain business records for inspection by the Securities and Exchange Commission (SEC). Furthermore, NASDAQ OMX must ensure that its broker-dealer subsidiaries comply with the document retention obligations imposed upon broker-dealers.
- + The Global International Business Conduct Policy – This policy articulates our commitment to uphold both the letter and the spirit of all laws that are applicable to us worldwide. This Policy also discusses some of the most important laws to which we are subject, including anti-bribery laws, export control laws and economic sanctions laws; and provides guidance for understanding how these laws affect our day-to-day conduct.
- + The Public Disclosure Policy – This policy emphasizes our commitment to provide shareholders, the media and other market participants with accurate and timely information about NASDAQ OMX in a manner that complies with our legal and regulatory obligations.

- + The Anti-Trust and Unfair Trade Practices Policy - Federal and state antitrust and fair trading practices laws prohibit conduct by companies and individuals that may impede the efficient functioning of markets for goods or services, or that is otherwise unfair or deceptive. Such conduct is illegal and is not be tolerated by NASDAQ OMX.
- + CCG Domestic Sales Departmental Guideline Regarding Security Ownership of Prospective Transfer Listings - This Departmental Guideline supplements the Global Trading Policy and is applicable to members of a group within NASDAQ OMX responsible for gaining listings by soliciting listed companies to transfer from other markets, New Listing Sales Directors and Associates who may have access to material non-public information at certain points in the sales process. This Departmental Guideline is designed to protect these Associates and NASDAQ OMX from assertions of insider trading in companies the group seeks to transfer to NASDAQ.
- + Accounting policies and a 24/7 internal auditing hotline provide dedicated support on reported cases.

**"At every step, we do what is honest and right, not just what is easy or expedient. That is not just what we do—it is who we are."**

Bob Greifeld, CEO



# CONTINUOUS IMPROVEMENT

NASDAQ OMX believes in the virtues of sustainability and in furthering our actions in adhering to the 10 United Nations' principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. We extend that belief to external stakeholders to educate and encourage ESG and CR matters.

We believe in advocating great ideas. To that end, NASDAQ OMX- through its foundations and other channels – seeks to educate investors, market professionals and the general public about responsible investment strategies and sustainable capital formation.

Not only do we practice sustainable and ethical business practices, we also work with our customers, stakeholders, investors, and exchange peers to uphold those same practices in their own operations. We provide regular assistance to our listed companies in ESG and CR matters, helping them better handle sustainability as an aspect of their own operation. We have done so by hosting issuer and investor events that focus on sustainability, surveying our issuer about their needs in this area and partnering them with experts to help them better understand the benefits of a sustainable operation. We also have products and tools that provide companies with a better understanding of key organizational risks that can have a dramatic financial and reputational effect on an organization.

We have also established and maintained key partnerships with advocacy groups, non-governmental organizations and economists to better understand the interplay of sustainability metrics and market dynamics. Through the Sustainable Stock Exchange Initiative, NASDAQ OMX entered into a historic agreement with other key exchanges to promote sustainability guidelines. Additionally we have partnered with the World Federation of Exchanges to promote sustainability dialogue and consensus with other stock markets and exchanges.

Please refer to Bob Griefeld's CEO Letter at the beginning of this report for the latest information on our work with these groups.

## Our CSR Solutions

- **BWise** provides a leading enterprise governance, risk management and compliance (GRC) software solution that provides the assurance that our clients are in control on all financial and reputational risks.
- **Directors Desk** streamlines board workflow and communications, saving time, money and the environment by cutting costs involved in printing, binding, and mailing board packets.

# CONTACT US

We continually collect feedback and suggestions from our stakeholders and our partners as it is integral to improving our processes. We started out by listening and we continue to do so.

If you have any questions about the content in this report, or the scope of our sustainability efforts, please contact our team:

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You may also wish to follow our progress via the corporate website ([nasdaqomx.com/sustainability](https://nasdaqomx.com/sustainability)) or our social media channels:



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