



Communication of Progress

An affirmation of ongoing support for the UNGC

16

A Message from the CEO

Nasdaq continues to support the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. With this communication and others, we express our intent to advance these principles within our sphere of influence.

Business leaders are often tempted to think and act in the short term, with only short-term goals in mind. In some ways, the market itself incents us to do so. But many investors, advisors, researchers, broker-dealers, pension fund managers, foundations, regulators—and, yes, stock exchanges—are heeding the call to create better long-term outcomes.

Market operators tend to think of risk in terms of efficiency, resiliency, and access. In order to overcome risk, one must gather relevant data, measure real impacts, and leverage a combination of technology and human insight to devise mitigation strategies. The more you know, the greater the problems that can be solved.

Many would argue that a basic lack of data on carbon usage and environmental efficiency poses a risk to investment returns. The negative social performance of a company can undermine recruitment and retention rates, which results in bottom-line impacts. Improper governance practices can pose real risks to the “intangibles” – an elusive mix of IP, brand value, and reputational dynamics that underlies up to 80% of a company’s stock price.

These and other environmental, social, and corporate governance performance metrics (otherwise known as ESG) are important not only to Nasdaq, but to companies everywhere. There is a real and measurable correlation between corporate ESG performance and other positive outcomes: higher returns, lower investor turnover, lower costs of capital, and access to long-term-minded owners. These ESG metrics are sometimes called *non-financial*, but their impacts are certainly financial.

Thus we have been outspoken advocates for more responsible corporate practices—first and foremost, through the UN Global Compact, but also through our founding of the UN Sustainable Stock exchanges initiative and the formation of a Sustainability Working Group at our trade association. Our direct engagement with investors, companies, and regulators has helped to forge industry consensus on the purpose, practicality, and materiality of ESG data. Over the last five years, more than 50 exchanges have joined us in this effort, and we bear the responsibility for this advocacy carefully.

The Global Compact highlights values and principles that our company and our employees believe in. Creating better communities, empowering entrepreneurs, educating young people, addressing health and safety, and using scarce resources efficiently: These are the ultimate expressions of our corporate responsibility, and we intend to live up to them.

Robert Greifeld
Chief Executive Officer
Nasdaq

Human Rights

First and foremost, Nasdaq affirms its support for the [Universal Declaration of Human Rights](#) as an appropriate and reasonable indicator of corporate responsibility in this regard.

Nasdaq uses this opportunity to also reaffirm its commitment to providing a workplace that is free from unlawful discrimination, harassment and retaliation, and where employees are treated with respect. Much of the text below is sourced from our (U.S.) employee handbook, and thus has real and practical policy implications.

Overview

Nasdaq is committed to establishing and maintaining a productive work environment that is free of unlawful discrimination, harassment and retaliation, and where employees are treated with respect and dignity. Accordingly, Nasdaq does not tolerate any form of unlawful discrimination, harassment or retaliation against any employee by any person, including other employees, temporary agency employees, contractors, vendors, customers, clients, couriers or guests.

It is expected that all employees observe the highest standards of conduct and avoid any behavior that could be interpreted as unlawful. Employees and managers who experience or witness behavior or conduct which may constitute or contribute to discrimination, harassment or retaliation are expected to report immediately such occurrences using established reporting channels.

Protected Classes

Nasdaq is committed to providing its employees an environment that is free from workplace harassment on the basis of one's membership in a protected class, including specifically sexual harassment and where no employee is subject to hostile, offensive, or intimidating actions in the workplace on such basis. Protected classes include:

- Age
- Color
- Disability
- National origin
- Ancestry
- Race
- Religion
- Gender
- Sexual orientation
- Gender identity and/or expression
- Veteran status
- Genetic information

Our policies also cover any other legally protected classification based on applicable law of the state and/or city in which the employee regularly is assigned to work for Nasdaq.

This commitment applies to all employment related actions, including recruitment, employment assignment, training, compensation, the application of performance management and employee development, benefits, promotions, transfers, corrective actions including disciplinary actions, layoffs

and terminations. Employment assignment refers to those work responsibilities and tasks given out by Nasdaq or placement of an individual in a particular position with particular responsibilities.

It is the responsibility of every employee, manager and supervisor to maintain fair employment practices at all times. Anyone engaged in unlawful discrimination will be subject to disciplinary action up to and including termination of employment. Any employee who has a complaint, question or concern about the application or administration of this policy or becomes aware of any violation of this policy should report their concern immediately using established reporting channels. Any manager who becomes aware of any violation of this policy must report it using the same reporting channels.

If any employee of Nasdaq believes that he or she has been subjected to discrimination, harassment, and/or retaliation, the employee has the right to make a formal complaint. Managers are responsible for assuring that no employee is subjected to conduct that constitutes workplace discrimination, harassment, or retaliation. If they receive notification of a complaint, they should immediately use established complaint channels to report the issue.

Nasdaq does not require an employee to confront the alleged harasser prior to making a formal complaint, or to contact his or her manager prior to making a formal complaint. Any employee may directly contact HR or senior management in the event they believe their manager is engaging in conduct inconsistent with this policy.

Nasdaq will tolerate no form of retaliation against an individual who (1) has complained about illegal discrimination, harassment, and/or retaliation, (2) has engaged in lawful opposition to such practices; and/or (3) has participated in an investigation or proceeding involving such practices. Any employee or manager who is found to have retaliated against an individual under these circumstances will be subject to disciplinary action, up to and including termination of employment.

Persons with Disabilities

Nasdaq recognizes its obligations to comply with disability discrimination laws and, in appropriate circumstances, to provide reasonable accommodation for individuals with disabilities. Consistent with its obligations under the Americans with Disabilities Act (ADA) and applicable state and local laws, it is Nasdaq's intent in adopting this guideline to establish procedures for requests for reasonable accommodation and to alert employees about how such requests will be handled.

Immigration Law Policy

In compliance with the federal Immigration Reform and Control Act of 1986 (IRCA), as amended, and any state law requirements, if applicable, Nasdaq is required to attest to the United States Government that all persons the Company hires in the United States are either U.S. citizens or authorized aliens and are legally entitled to work in the United States.

In order to comply with this law, Nasdaq must verify the applicant's identity and right to work in the United States. We are required by law to examine certain documents in order to do this. A new hire has three (3) days to complete the Employment Eligibility Verification Form I-9 and present the required documents in order to remain employed. If an employee is authorized to work in the U.S. for a limited time period, the individual will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed. New hires who fail to produce the required documentation are ineligible for employment and will be terminated.

Fair Labor

It is Nasdaq's policy to comply with the provisions of the Fair Labor Standards Act and state and local wage laws. The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal, State, and local governments.

Compensation Practices

Nasdaq strives to provide a total compensation package (base salary, incentives and benefits) that is internally equitable and externally competitive. Internally, we strive for compensation commensurate with responsibilities and requirements of a position as well as the individual's experience and performance. Externally, we strive for compensation that will effectively attract, retain and motivate employees, consistent with corporate strategic and operational objectives and the availability of our financial resources. To help maintain competitive compensation practices, Nasdaq regularly conducts and reviews salary surveys.

Each position at Nasdaq has been assigned a specific market reference point. Periodically, Nasdaq may evaluate individual jobs to ensure that they are market-priced appropriately and review job specifications to ensure that they are accurate. In general, salaries are reviewed on an annual basis. If granted a merit salary increase, it will be based upon the prior 12-month calendar year performance.

We have a share-based compensation program that provides our Board of Directors with broad discretion in creating employee equity incentives. Share-based awards granted under this program include stock options, restricted stock (consisting of restricted stock units), and PSUs. Grants of equity awards are designed to reward employees for their long-term contributions and provide incentives for them to remain with us. For accounting purposes, we consider PSUs to be a form of restricted stock.

Restricted stock is generally time-based and vests over two to five years, beginning on the date of the grant. Stock options are also generally time-based and expire 10 years from the grant date. Stock option and restricted stock awards granted prior to 2014 generally include performance-based accelerated vesting features based on achievement of specific levels of corporate performance.

Workplace Safety and Health

Nasdaq is committed to providing a safe and healthful working environment. In support of this goal, Nasdaq strives to comply with relevant federal, state, and local occupational health and safety laws and regulations. Nasdaq endeavors to minimize the exposure of our employees, contractors, and other visitors to our facilities to health and safety risks. To accomplish this objective, all Nasdaq employees are expected to work diligently to maintain safe and healthful working conditions and to adhere to proper operating practices and procedures designed to prevent injuries and illnesses.

The responsibilities of all employees of Nasdaq in this regard include:

- Exercising maximum care and good judgment at all times to prevent accidents and injuries;
- Seeking first aid for all injuries, regardless of the severity;

- Reporting all injuries and work-related illnesses to managers;
- Reporting unsafe conditions, equipment or practices to managers;
- Using safety equipment provided by Nasdaq at all appropriate times;
- Conscientiously observing all safety and security rules and regulations at all times;
- Reporting any suspicious behavior or unattended suspicious packages, and
- Participating fully in all safety and security training provided by Nasdaq.

Key Demographics 2015		
Total Employees	3,779	100%
Male	2,452	65%
Female	1,327	35%
U.S.	1,567	42%
Non-U.S.	2,212	58%

Environment

Nasdaq has always been a believer in the virtues of environmental responsibility. We were practicing corporate sustainability – in many different places and in many different ways – long before the term became so prevalent and fashionable. Efficiency and transparency formed the foundation of our brand 40 years ago, and they still drive our decision-making every day.

Key Highlights

- Research and publication of an annual Corporate Sustainability report, following the GRI standard and content index.
- BWISE (our enterprise governance, risk management, and compliance software tool) includes Sustainability Performance Management as part of its suite of products, making information gathering for sustainability reports simpler and more transparent.
- A substantive energy and water usage audit of all global facilities.
- Standard environmental reporting to the Carbon Disclosure Project.
- Through the Sustainable Stock Exchanges Initiative, Nasdaq works with other key exchanges to develop and promote environmental, social, and corporate governance guidelines.
- Through the World Federation of Exchanges, Nasdaq promotes sustainability dialogue and consensus with other stock markets and exchanges. Nasdaq served as chair of the first-ever Sustainability Working Group at the WFE.
- Continuing infrastructure improvements, including more LEED and other environmental certifications for our global offices.
- Nasdaq Helsinki (a WWF Green Office diploma winner) is one of a small number of stock exchanges to be completely carbon neutral.
- Regular assistance of listed companies in ESG and CR matters, helping them better handle sustainability as an aspect of their own operation.
- Key partnerships with advocacy groups, non-governmental organizations and economists in the last three years to better understand the interplay of sustainability metrics and market dynamics.

Sustainable Data Centers

Data centers are one of the largest consumers of energy in order to both properly operate and cool the facilities. Nasdaq utilizes data centers to operate our capital markets throughout the world. When it came to establishing new relationships with data center providers, Nasdaq took the opportunity to leverage innovation and renewable resources by teaming up with DigiPlex, one of the leading data center operators in the Nordics.

Leveraging innovative technology for over 12 years, the DigiPlex data centers are powered entirely by renewable energy sources such as hydropower and wind power. To remove excess heat that builds up in their data centers, DigiPlex uses an award-winning evaporative cooling system – Air-to-Air. This system provides up to 25% in energy savings in comparison to industry averages. The Air-to-Air cooling system

utilizes local climate and adiabatic conditions to provide “free” cooling which improves the Power Utilization Efficiency factor (PUE) in all the data centers that they operate.

Digiplex obtains this free cooling by operating within a band of external air that falls below 14 degrees Celsius. This band of air is prevalent in the countries in Northern Europe. This free cooling engineering uses low ambient air temperatures for computer hall cooling and conserves energy that would otherwise be used for air conditioning.

As a global corporate citizen, Nasdaq plans to migrate to a similarly sustainable data center located near Stockholm, Sweden in 2016.

Sustainable Stock Exchanges

Two separate global projects—the United Nations Sustainable Stock Exchanges initiative and the World Federation of Exchanges Sustainability Working Group—demonstrate the scale, reach, and capacity of stock exchanges to drive more responsible and efficient business conduct around the world. Nasdaq has been a founder and/or vocal leader of both, helping to create a universal baseline for environmental, social, and corporate governance performance. It is through these two channels that our advocacy and intervention continues to create the most positive and lasting change.

Nasdaq was also one of six exchange founders of the Sustainable Stock Exchanges Initiative (SSE) at the United Nations, an effort that has now grown to include 53 exchange members. The SSE published detailed ESG disclosure guidelines in September 2015, and more than 25 exchanges have pledged their commitment to following those guidelines by the end of 2016.

The Sustainability Working Group (SWG) at the World Federation of Exchanges was founded and chaired by Nasdaq since 2014. This group of 25 stock exchanges works to create industry consensus and action on sustainable business practices. It, too, issued sustainability reporting recommendation in 2015.

Other Key Highlights

- Nasdaq has had a formal Corporate Sustainability program in place for almost 5 years
- We regularly engage with listed companies on sustainability issues, providing ESG education, reporting support, research, investor engagement, access to standards-setting bodies, and so on
- Nasdaq hosts quarterly issuer webinars on sustainability, covering:
 - Environmental, Social, and Governance (ESG) reporting practices, supply chain oversight and transparency, engagement with SRI-focused investors, data center infrastructure management, ROI on social outreach and employees \
- We hosted a full-day sustainability summits over the last year in New York, Helsinki, and Stockholm
- Nasdaq has partnered with and/or promoted virtually all of the significant corporate sustainability organizations, including:

- The Sustainability Accounting Standards Board (SASB) – Advisory board member
 - The Global Reporting Initiative (GRI) – Gold Community member
 - The International Integrated Reporting Council (IIRC) – Framework launch host
 - United Nations Global Compact (UNGC) – Board member, US Network
 - Boston College Center for Corporate Citizenship
- Our company universe:
 - 84% of all Nasdaq-listed companies provide some public data related to sustainability
 - 57% of all Nasdaq-listed companies provide enough sustainability data to be ranked or rated
- Nasdaq is the premiere listing venue for innovative new energy and renewable sourcing companies, including: Ballard Power Systems, DayStar Technologies, First Solar, Ocean Power Technologies, SolarCity, SunPower, Tesla, Verenum, Vivint Solar, and so on.

Ethics & Anti-Corruption

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. The Nasdaq Code of Ethics affirms our dedication and commitment to the highest standards, covering policies on conflicts of interest, trading restrictions, confidentiality & communications, laws & regulations, and gifts and entertainment.

The Code sets a floor, not a ceiling. We strive to do more than follow the rules, but rather to be respectful of others, work cooperatively and efficiently, and use resources prudently. Local laws and government regulations are also a part of the Code. If a company policy conflicts with local law, employees are held to the stricter of the two.

Nasdaq is a *Self-Regulatory Organization* (SRO), which means all employees are required to refer, for further regulatory review, any suspicious conduct or violation of the securities laws when they become aware.

Ethics Training

In November 2015 we launched the Nasdaq Ethics and Human Resources Training Center, a new eLearning site for employees and contractors. This site focuses on ethics, compliance, HR training, and related topics. The courses on the eLearning site are mandatory and are tailored to each Nasdaq associate.

Nasdaq also encourages employees and contractors to report any real or perceived incidents of impropriety or unethical business conduct via multiple channels, including an anonymous (and voice encrypted) hotline, email, or online form. There is also an established reporting oversight process in place, coordinated by the HR, Legal, and Global Ethics team.

2015 Nasdaq Ethics Training Highlights	
867	Employees and contractors
38	Executive VPs, Senior VPs, and Company Presidents
66	Global Critical Projects Group members
162	Associates in the Netherlands
100	Associates in Lithuania
36	Associates in France

Anti-Bribery Training

Nasdaq has a zero tolerance policy for behavior that could be construed as bribery. All employees and contractors are required to complete training that will help to identify, avoid or report such behavior. This training must be completed on an annual basis. Contractors are also subject to this requirement, and receive separate training instructions.

Listed Company Rules Regarding Ethical Conduct

Our expectation for (and enforcement of) responsible behavior extends to the public companies listed on our markets. Nasdaq-listed companies must adopt a code of conduct applicable to all directors,

officers and employees, and it must be publicly available. A code of conduct satisfying this rule must comply with the definition of a "code of ethics" set out in Section 406(c) of the Sarbanes-Oxley Act of 2002 ("the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. In addition, the code must provide for an enforcement mechanism.

Ethical behavior is required and expected of every corporate director, officer and employee—whether or not a formal code of conduct exists. The requirement of a publicly available code of conduct applicable to all directors, officers and employees of a listed company is intended to demonstrate to investors that board and management leaders have carefully considered the requirement of ethical dealing and have put in place a system to ensure that they become aware of and take prompt action against any questionable behavior. For listed company personnel, a code of conduct with enforcement provisions provides assurance that reporting of questionable behavior is protected and encouraged, and fosters an atmosphere of self-awareness and prudent conduct.

The listed company code of conduct must include such standards as are reasonably necessary to promote the ethical handling of conflicts of interest, full and fair disclosure, and compliance with laws, rules and regulations, as specified by the Sarbanes-Oxley Act. However, the code of conduct must apply to all directors, officers, and employees. Companies can satisfy this obligation by adopting one or more codes of conduct, such that all directors, officers and employees are subject to a code that satisfies the definition of a "code of ethics."

As the Sarbanes-Oxley Act recognizes, investors are harmed when the real or perceived private interest of a director, officer or employee is in conflict with the interests of the company, as when the individual receives improper personal benefits as a result of his or her position with the company, or when the individual has other duties, responsibilities or obligations that run counter to his or her duty to the company. Also, the public disclosures a listed company makes are essential sources of information for regulators and investors — there can be no question about the duty to make them fairly, accurately and timely. Finally, illegal action must be dealt with swiftly and the violators reported to the appropriate authorities.

Each code of conduct must also contain an enforcement mechanism that ensures prompt and consistent enforcement of the code, protection for persons reporting questionable behavior, clear and objective standards for compliance, and a fair process by which to determine violations.

Internal Controls

The Sarbanes-Oxley Act of 2002 was the most sweeping legislation affecting U.S. corporate governance, disclosure and financial accounting in over a generation. Since Sarbanes-Oxley, companies must document their compliance - in other words, to prove they walk their talk.

This provision of Sarbanes-Oxley requires an annual evaluation of internal controls and procedures for financial reporting in which a corporation must document its existing controls that have a bearing on financial reporting, test them for effectiveness, and report on gaps and deficiencies. In addition, the

company's independent auditor must issue a report, to be included in the company's annual report, which attests to management's assertion on the effectiveness of internal controls, procedures and financial reporting.

Nasdaq has put in place a program to consistently document our compliance with Sarbanes-Oxley, which began with a company-wide risk assessment, followed by controls identification and assessment. Internal control provides a way for an organization to manage risk effectively, strengthen its financial reporting and comply with applicable laws and regulations. It also serves as the first line of defense in safeguarding assets, preventing and detecting errors and fraud. Each employee must do his or her part to ensure Nasdaq continues to provide the most effective and transparent internal controls.

Appendix: 2016 Self-Assessment Results

MANAGEMENT		YES	NO	F/A	N/A
ASSESS	MA.1	Does the company comply with all relevant regulation on issues covered by the Global Compact principles?	X		
	MA.2	Does the company identify and assess the risk, opportunity and impact of its operations on issues covered by the Global Compact principles?	X		
DEFINE	MA.3	Does the company have a policy statement in line with the Global Compact principles?	X		
IMPLEMENT	MA.4	Do the company's decision-making processes and management systems include issues covered by the Global Compact Principles?	X		
	MA.6	Does the company promote issues covered by the Global Compact principles in its interactions with suppliers and business partners?	X		
	MA.7	Does the company positively contribute to community development?	X		
	MA.8	Does the company have a trusted procedure for hearing, processing and settling internal and external concerns/complaints?	X		
COMMUNICATE	MA.9	Does the company communicate progress on the Global Compact principles with stakeholders?	X		
HUMAN RIGHTS		YES	NO	F/A	N/A
HEALTH AND SAFETY	HU.1	Does the company ensure that its workers are provided safe, suitable and sanitary work facilities?	X		
	HU.2	Does the company ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely?	X		
	HU.3	Does the company actively involve workers in health and safety work?	X		
HOURS, WAGES AND LEAVE	HU.4	Does the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that workers are given reasonable breaks and rest periods?	X		
	HU.5	Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents?	X		
	HU.6	Does the company ensure that workers are paid holiday leave, sick leave, and parental leave in accordance with international minimum standards?	X		
	HU.7	Does the company ensure that all workers have an official employment status?	X		
FAIR TREATMENT	HU.8	Does the company protect workers from workplace harassment including physical, verbal, sexual or psychological harassment, abuse, or threats?	X		
COMMUNITY IMPACTS	HU.9	Does the company respect the privacy of its employees whenever it gathers private information or monitors the workplace?	X		
	HU.10	Before buying, renting, acquiring or otherwise accessing land or property, does the company ensure that all affected owners and users of the land or property, have been adequately consulted and compensated?		X	
	HU.11	Does the company take steps to ensure that company security arrangements are in accordance with international principles for law enforcement and the use of force?	X		
	HU.12	Does the company engage with local communities on the actual or potential human rights impacts of its operations?	X		
PRODUCT STEWARDSHIP	HU.13	Does the company take steps to prevent risks to human rights arising from product defects or improper use or misuse of company products? 	X		
COUNTRY RISK	HU.14	Does the company seek to avoid involvement in human rights abuses owing to government or societal practices?	X		
LABOUR		YES	NO	F/A	N/A
FREEDOM OF ASSOCIATION	LA.1	Does the company recognise the rights of its workers to freedom of association and to bargain collectively?	X		
	LA.2	If independent trade unions are either discouraged or restricted, does the company enable workers to gather independently to discuss work-related problems?	X		
FORCED LABOUR	LA.3	Does the company take all necessary measures to ensure that it does not participate in any form of forced or bonded labour?	X		
CHILD LABOUR	LA.4	Does the company comply with minimum age standards?	X		
DISCRIMINATION	LA.5	Does the company ensure that employment-related decisions are based on relevant and objective criteria?	X		
ENVIRONMENT		YES	NO	F/A	N/A
PRECAUTION	EN.1	Does the company support a precautionary approach to environmental issues?	X		
	EN.2	Does the company have emergency procedures in place to prevent and address accidents affecting the environment and human health?	X		
RESPONSIBILITY AND PERFORMANCE	EN.3	Does the company take measures to reduce energy consumption and emissions of greenhouse gases?	X		
	EN.4	Does the company take measures to reduce water consumption and treat waste water?		X	
	EN.5	Does the company take measures to prevent and reduce the production of waste and ensure responsible waste management?	X		
	EN.6	Does the company prevent, reduce and treat air emissions?			X
	EN.7	Does the company prevent and reduce impacts on the surrounding environment from noise, odour, light and vibrations?			X
	EN.8	Does the company minimise the use and ensure safe handling and storage of chemicals and other dangerous substances?			X
	EN.9	Does the company prevent, minimise and remedy significant impacts on biodiversity?	X		
	EN.10	Does the company ensure that natural resources are used in a sustainable manner?	X		
TECHNOLOGY	EN.11	Does the company encourage the development and use of environmentally friendly technologies?	X		
ANTI-CORRUPTION		YES	NO	F/A	N/A
COMPANY CULTURE AND PROCEDURES	AC.1	Does the company take a clear stand against corruption?	X		
	AC.2	Does the company assess the risk of corruption when doing business?	X		
	AC.3	Does the company ensure that relevant workers are properly trained?	X		
	AC.4	Do the company's internal procedures support its anti-corruption commitment?	X		
	AC.5	Does the company's anti-corruption initiative cover agents, intermediaries and consultants?		X	
JOINT ACTIONS	AC.6	Does the company take joint actions with others to engage in and promote anti-corruption initiatives?	X		
TOTAL		38	0	3	3

Contact Information

Evan Harvey
Director of Corporate Responsibility
sustainability@nasdaq.com

One Liberty Plaza
165 Broadway
New York, NY 10006
+1 212.401.8700