



2019 Communication on Progress

Statement of Support



Nasdaq is pleased to reaffirm its commitment to the Ten Principles of the United Nations Global Compact (UNGC) and the Sustainable Development Goals (SDGs), as well as provide this annual communication of our progress in doing so.

Our association with the Global Compact began in 2012, as Nasdaq led the exchange community to better understand the market impacts of sustainability and its data-driven descendant, ESG. In the years since, Nasdaq has not only become a more resilient and responsible corporate citizen, but also more able to support thousands of our listed companies and clients in doing likewise.

More equitable and efficient capital markets drive economies forward, empowering real progress on the SDGs, but our work is ultimately about people. Nasdaq innovation and technology allows people to connect across borders, raise capital, create jobs, and fully participate in prosperity. Economic inclusion, institutional transparency, and efficient practices help to create a more sustainable planet.

Through our continuing work with the Global Compact – convening events, connecting stakeholders, shaping standards and sharing resources – Nasdaq embraces its responsibility and opportunity to make a better future.

Adena Friedman
President & CEO
Nasdaq

UN Global Compact

The United Nations Global Compact (UNGC) is a voluntary business initiative designed to promote universal sustainability principles and support progress on global development goals. It provides a global forum for all companies to collaborate, regardless of revenue, size, or location. Nasdaq supports the UNGC assertion that responsible business practices positively impact markets and societies, and that principles and profits can go hand in hand. Nasdaq and many of its listed public companies are Global Compact signatories and/or participants, and our Head of Sustainability currently serves as treasurer on the UNGC Network USA board. All signatories are required to provide an annual Communication of Progress (COP), documenting continued commitment to 10 key principles and detailing related progress made during the previous year.

Human Rights. Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.

Labor. Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment. Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption. Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Corporate Responsibility

Nasdaq leverages core values of efficiency, transparency, and good governance to sustain its business and create long-term value for stakeholders.



- Nasdaq was selected as one of the world’s most sustainable companies by inclusion in the Dow Jones Sustainability Index, joining more than two dozen other Nasdaq-listed companies. Nasdaq is the only North American stock exchange operator so honored for the third consecutive year.
- Nasdaq Helsinki was rated the most sustainable stock exchange in the world by Corporate Knights; in fact, three of the Nasdaq global exchanges made the top ten.
- Our GoodWorks community service program organized more than 100 employee volunteer events, generating 4,500+ service hours with more than 600 Nasdaq participants.
- Through donation matching, the program generated \$700k in charitable impact.

Environmental Responsibility

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. Our historically low carbon emissions performance has remained stable over the last 3 years.

<i>GhG Emissions (2018)</i> <ul style="list-style-type: none">• Scope 1 – 0• Scope 2 – 35,305 metric tons• Scope 3 – 32,562 metric tons	<i>Energy Consumption (2018)</i> <ul style="list-style-type: none">• 49.94M kWh
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Social Responsibility

We work together as a team and share the responsibility for business success, but we also share a responsibility to engage, support and empower our communities. Employee engagement in volunteerism – measured through the number of hours donated – has consistently increased over the last 4 years.



Governance & Accountability

Nasdaq emphasizes the core values of integrity, trust, and responsibility in our brand, our products, and our people, and we are transparent and forthright in all aspects of our business. We were proud to achieve 30% gender inclusion on our Board of Directors in 2018.



Recent Sustainability Highlights

- Launch of the ESG Data Portal, which mainstreams new performance data in support of more sustainable investments across Nasdaq's markets
- Created new ESG futures in the Nordics, based on the OMXS30 ESG Responsible index in Sweden, the first exchange-listed and ESG-compliant index future in the world
- Conducted an ESG Pilot Reporting Program, which used a European focus group to illuminate similarly productive ways for our global markets to reach better and more practical ESG reporting
- The Nasdaq Sustainable Debt Markets in the Nordics more than doubled during 2018, driven by the entrance of 18 new issuers, green bonds from three new countries and innovative retail instruments in Sweden.
- Launched new segments for sustainable commercial papers, structured bonds and retail corporate bonds
- The Nasdaq ESG Reporting Guide 2.0, which serves as a baseline template for listed companies, broadened and reinforced the business case for voluntary disclosure
- Undertook a substantial Materiality Assessment, integrating feedback from internal and external stakeholders and prioritizing key ESG issues
- Hosted "The Intersection of Entrepreneurship & Climate Innovation" at the Nasdaq Entrepreneurial Center, in partnership with Bank of the West, as part of the Global Climate Action Summit, convening over 400 attendees
- Hosted two Nasdaq LGBT Leadership Conferences, featuring more than 100 corporate executives from the business community
- Achieved a Corporate Equality Index score of 100 from the Human Rights Campaign, demonstrating our commitment to LGBTQ issues, engagement, and advocacy
- Launched Green Voices of Nasdaq, where investors and issuers talk about leveraging the green bond market to support sustainable development
- Reinforced our commitment to diversity in meaningful ways – achieving 30% female participation on our board of directors and signing the United Nations' CEO Statement of Support for the Women's Empowerment Principles
- Empowering diversity, equality and inclusion through the creation of five new internal employee affinity groups, bringing the total to seven in 2018 with approximately 1,200 employees participating worldwide
- Committing more than \$1M in grants and donations to organizations in the U.S. and abroad through our Educational Foundation and Nasdaq Good Works program
- Working with MBA students on original ESG research through the Bard College NYCLab course
- The Nasdaq MarketSite in New York City transitioned to 100% renewable energy sourcing and Nasdaq's Helsinki office achieved carbon neutral status for the sixth year in a row

Internal Engagement / Volunteerism

As a global exchange, Nasdaq engages in vital relationships with—and exerts a profound impact upon—the communities in which we live and work. We believe corporate citizenship enables us to sustain our communities by creating shared value for our employees and our shareholders. Nasdaq's commitment to our communities encompasses our businesses, philanthropy activities and employee engagement programs. Giving back is an action that can be carried out in countless ways. For some, it means volunteering in their community. For others, it means donating money or goods to those who need it most.

Under the Nasdaq Global Corporate Volunteer Program, all Nasdaq employees are eligible for 2 paid days off per calendar year to volunteer. Our volunteer events enrich the lives of the communities where we live and work. Our employees are encouraged and rewarded for their personal philanthropy and volunteerism.

	2015	2016	2017	2018
Volunteer Hours Claimed	735	1803	3,617.50	4,563.70
Employees Participating	83	186	416	608

A robust and inclusive corporate volunteering program helps both companies and employees. Employee volunteerism fosters greater buy-in to the company's corporate culture, while enhancing awareness and understanding of business goals and strategies. The company gets better productivity and retention. Employees can engage emotionally / intellectually, and gain professional development, better health and leadership skills.

Internal Engagement / Philanthropy

The Nasdaq Matching Gifts Program is an important way to enhance the Company's commitment to help the communities in which we work and live. Through Nasdaq GoodWorks, this program effectively doubles the impact of all Nasdaq employee and contractors cash contributions to charitable organizations, which enables our families, fellow citizens, communities and resources to thrive. Nasdaq is proud to partner with our engaged employees to make the world a better place.

To be eligible, all chosen organizations must be recognized by the Internal Revenue Service (IRS) as tax-exempt and designated as a public charity under section 501(c)(3) of the IRS Code, or as an instrumentality of a federal, state or local government as provided by Section 170(c)(1) of the Code. The organization must have no political affiliation and must be open to full non-discriminatory participation.

Nasdaq typically targets certain institutions in its charitable giving, including educational institutions, civic arts and cultural groups, health and human services advocates, and environmental organizations. But employees are free to donate and secure matching funds for a wide array of organizations.

Year	Month	Total # Donations	Total Donation Amount	Average Donation Amount
2018	January	214	\$33,551.33	\$156.78
2018	February	15	\$2,860.00	\$190.67
2018	March	28	\$5,073.00	\$181.18
2018	April	78	\$12,636.54	\$162.01
2018	May	34	\$8,735.52	\$256.93
2018	June	55	\$10,753.02	\$195.51
2018	July	120	\$13,161.75	\$109.68
2018	August	33	\$5,644.50	\$171.05
2018	September	42	\$2,641.75	\$62.90
2018	October	39	\$9,223.10	\$236.49
2018	November	398	\$76,908.34	\$193.24
2018	December	474	\$184,238.65	\$388.69
	TOTAL VALUES	1530	\$365,427.50	\$238.84

ESG Reporting Guide

Nasdaq introduced its 2019 revision of the [ESG Reporting Guide](#), a resource for global companies to adopt best-in-class practices to navigate new developments in the field of environmental, social and governance (ESG). The guide addresses recent sustainability efforts, including the Sustainability Accounting Standards Board (SASB), the UN Sustainability Development Goals and the Task Force on Non-Financial Climate Disclosures (TCFD), and outlines the latest third-party reporting methodologies. It also aims to stimulate corporate sustainability actions, such as the documentation and management of ESG performance, the integration of ESG indicators in enterprise risk management systems, the disclosure of ESG data and the inclusion of ESG in indexes.

This resource builds on Nasdaq's first ESG Reporting Guide, which was unveiled in March 2017 as somewhat of a test, both in business intent and regional focus. The first guide was specifically geared toward Nordic and Baltic public companies as a means to further engage with them on the emergence of ESG data. At the time, those regional markets were one of the few with clear investor expectations and greater regulations with regards to ESG.

Over the past few years, ESG has grown rapidly, spreading to global markets and investors. According to the guide, the growth in ESG comes amid a growing body of academic and analytic evidence that suggests ESG excellence correlates with other benefits, such as lower costs of capital, reduced shareholder turnover and enhanced talent recruitment and retention.

Furthermore, institutional investors—perhaps most notably BlackRock, which manages more than \$6.5 trillion in assets—are pushing for KPIs that provide real insight into long-term value creation. Some activist investors are pressuring companies on ESG topics as well, asking companies to consider reducing their carbon emissions and begin issuing gender pay gap reports.

Our goal is to take an increasing role in facilitating ESG practices, disclosures, and dialogue between investors and public companies. This not only creates liquidity for new investible products, such as ESG index futures, green bonds, and exchange-traded products that focus on ESG principles—but it will also likely create a better, more sustainable economy over the long-term.

— Adena Friedman, Nasdaq President & CEO

Dow Jones Sustainability Index

Nasdaq was selected as an index component of the Dow Jones Sustainability Index (DJSI) for the third consecutive year. Nasdaq was among seven other diversified financial services companies in the North America index – one of the most prestigious corporate sustainability ranking efforts – and continues its track record as the only stock exchange operator selected for inclusion.

Nasdaq actively supports its 4,000 listed companies in their sustainability efforts, and strives to create an open dialogue between listed companies, investors, analysts, regulators, and academics on the economic value of sustainability. Nasdaq also works closely with international groups such as the World Federation of Exchanges, The United Nations Sustainable Stock Exchanges Initiative, and the UN Global Compact.

Other Nasdaq-listed companies earning the 2018 DJSI distinction include:

- Amgen
- Akamai Technologies
- Biogen
- CA Technologies
- Cisco Systems, Inc.
- Comcast
- CSX Corporation
- Electrolux AB
- Hennes & Mauritz AB
- Intel
- ISS A/S
- Liberty Global,
- Microsoft
- NVIDIA

Launched in 1999, the DJSI review represents the gold standard for corporate sustainability and is the first global index to track the leading sustainability-driven companies based on RobecoSAM's analysis of financially material Environmental, Social, and Governance (ESG) factors and S&P DJSI's robust index methodology.

The UN Sustainable Development Goals (SDGs)

Nasdaq is committed to driving progress on the 17 UN SDGs and the 169 underlying targets by 2030. To this end, we have relied upon the work in the [SDG Compass](#), a joint project by the UNGC, Global Reporting Initiative (GRI), and the World Business Council for Sustainable Development (WBCSD). Nasdaq encourages companies, investors, and regulators to explore the SDG Compass as a vital tool in this process.

Stock exchanges may be uniquely positioned to create innovative financing tools that effectively reorient the financial markets towards long-term value creation. The first step in that process may include better corporate sustainability reporting, but what else can exchanges do? Nasdaq has worked with the [UN Sustainable Stock Exchanges initiative](#) (UN SSE) for many years to understand these dynamics. A recent publication from this group focused on concrete tactics that exchanges may leverage to mobilize the markets and drive progress towards the SDGs.

- Create more sustainability-related indexes, bonds and other instruments.
 - Innovative financial products can mobilize capital for various thematic areas that fall under the SDGs. New green bonds, for example, may drive finance and also create better regulations and market standards.
- Encouragement of longer-term, more sustainable investments.
 - Providing the resources and guidance to strengthen corporate sustainability reporting practices boosts more responsible investment in deserving companies.
- Help emerging economies (and exchanges) grow.
 - As markets mature, domestic capital mobilizes in sustainable directions.

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