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Introduction

If you consider the Nasdaq origin story, the economic and technological particulars in which this company was founded and has since flourished, sustainability has always been a part of our brand. Our electronic trading model—fueled by data, providing fair access, and functioning transparently—revolutionized markets everywhere. Even though inefficiencies persist in the markets, requiring near-constant innovative disruption to be made right, the triumvirate virtues of data, access, and transparency are perennially effective.

If the maxim holds true that one cannot manage what is not measured, then business managers everywhere are being retrained. Because modern companies are judged by reputation, valued on intangibles, and held to ever higher standards of responsible operation. The balance sheet may reign supreme, but there are other considerations. These other considerations are the stuff of sustainability.

We measure what we manage because it’s the only way to understand and achieve excellence. In a very literal way, Nasdaq is a maker of the world’s markets. Our technology still underlies much of the global capital markets ecosystem, making it safer, faster, and more accessible. But how this ecosystem account for externalities that threaten its stability? How can it adequately defend against climate change, extreme weather, social unrest, political turmoil, income disparity, cyber insecurity, hunger, disease, and drought?

We start with awareness. If you understand why your data center might go dark, or how women may be excluded from positions of power and responsibility, or when a vital resource in your supply chain is likely to vanish, then you can begin to prepare for—and eventually overcome—those dynamics. As market stewards, we want companies and investors to look beyond the quarterly financial statement, to engage in a mutually revelatory dialogue about long-term aspirations and risks. That conversation must be fueled by ambition, tempered with insight, and anchored in measurable data.

But there’s more to sustainability than a sophisticated exercise in risk mitigation. As the world changes, and the needs and expectations of the capital markets change with it, new business opportunities arise. How can we capture this emerging impulse to track, manage, and distribute new data? Which investment products successfully push capital into more sustainable channels? Will as-yet unheralded technologies come to market, driven by passionate entrepreneurs, delivering investor returns and systemic remedies in equal measure?

This document represents our ongoing attempt to better understand those opportunities, to change existing processes and to create new ones, and to make our progress more transparent. It is, by design, long on data but short on narrative. Listed companies may find in this report some inspiration—or even justification—for their own efforts. Investors should find evidence of our sincere commitment to long-term business goals. And we hope our employees will find ample reason for their continued service and devotion.

THIS CONVERSATION MUST BE FUELED BY AMBITION, TEMPERED WITH INSIGHT, AND ANCHORED IN MEASURABLE DATA.
Nasdaq Sustainability Profile

Contact Information

CORPORATE HEADQUARTERS
Nasdaq, Inc.
One Liberty Plaza
165 Broadway
New York, NY 10006  USA
+1 212 401 8700

CORPORATE URL
business.nasdaq.com

SUSTAINABILITY URL
nasdaqomx.com/sustainability

OTHER CONTACTS
Sustainability
Sustainability@nasdaq.com
Press & Media
Communications@nasdaq.com
Investor Relations
Investor.Relations@nasdaq.com
Board of Directors
AskBoard@nasdaq.com

Corporate Profile

LEGAL NAME
Nasdaq, Inc.

CHIEF EXECUTIVE
Adena Friedman, CEO

TRADING SYMBOL (NASDAQ)
NDAQ

KEY BUSINESS SEGMENTS
• Market Services
• Information Services
• Corporate Services
• Market Technology

ABOUT NASDAQ
Nasdaq is a leading global provider of trading, clearing, exchange technology, listing, information and public company services. Through its diverse portfolio of solutions, Nasdaq enables customers to plan, optimize and execute their business vision with confidence, using proven technologies that provide transparency and insight for navigating today’s global capital markets. As the creator of the world’s first electronic stock market, its technology powers more than 90 marketplaces in 50 countries, and 1 in 10 of the world’s securities transactions. Nasdaq is home to approximately 3,900 total listings with a market value of approximately $12 trillion. To learn more, visit: http://business.nasdaq.com

HISTORY
1971  Company founded
2005  Common stock listed on the Nasdaq Stock Market
2006  FINRA divestiture
2008  OMX AB merger
2008  Philadelphia Stock Exchange acquisition
2010  SMARTS acquisition
2014  Thomson-Reuters Corporate Services (IR, PR, Multimedia) acquisition
2014  eSpeed acquisition
2015  Dorsey Wright acquisition
2015  Chi-X Canada acquisition
2016  MarketWired acquisition
2016  Boardvantage acquisition
2016  International Securities Exchange (ISE) acquisition

FULL-TIME EMPLOYEES (FTEs*)

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-Time (or equivalent) Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,325</td>
</tr>
<tr>
<td>2015</td>
<td>3,824</td>
</tr>
<tr>
<td>2014</td>
<td>3,687</td>
</tr>
<tr>
<td>2013</td>
<td>3,365</td>
</tr>
</tbody>
</table>

* FTEs = Full-Time (or equivalent) Employees; data does not typically include contractors or consultants. Annual figures in this report represent calendar year-end data.
GENDER DIVERSITY (FTES)

Total
- Male: 35%
- Female: 65%

Executive Level
- Male: 20%
- Female: 80%

Senior Level
- Male: 26%
- Female: 74%

Mid-level
- Male: 32%
- Female: 68%

Entry Level
- Male: 45%
- Female: 55%

BUSINESS LOCATIONS

<table>
<thead>
<tr>
<th>Country</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>#E38562</td>
</tr>
<tr>
<td>Canada</td>
<td>#80AFB0</td>
</tr>
<tr>
<td>Latvia</td>
<td>#0F43E1</td>
</tr>
<tr>
<td>Denmark</td>
<td>#0F9810</td>
</tr>
<tr>
<td>Estonia</td>
<td>#F5BE40</td>
</tr>
<tr>
<td>Finland</td>
<td>#0F43E1</td>
</tr>
<tr>
<td>Norway</td>
<td>#0000FF</td>
</tr>
<tr>
<td>Netherlands</td>
<td>#F6B70B</td>
</tr>
<tr>
<td>Singapore</td>
<td>#8D62C8</td>
</tr>
<tr>
<td>India</td>
<td>#377FA2</td>
</tr>
<tr>
<td>UK</td>
<td>#00BFFF</td>
</tr>
<tr>
<td>Sweden</td>
<td>#4B0082</td>
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<tr>
<td>USA</td>
<td>#FF1413</td>
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* FTEs = Full-Time (or equivalent) Employees; data does not typically include contractors or consultants. Annual figures in this report represent calendar year-end data.

GENDER DIVERSITY (FTES)

<table>
<thead>
<tr>
<th>Level</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Executive Level</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Senior Level</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Mid-level</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>Entry Level</td>
<td>45%</td>
<td>55%</td>
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</table>

TURNOVER RATE (FTES)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+9.6%</td>
</tr>
<tr>
<td>2015</td>
<td>+3.7%</td>
</tr>
<tr>
<td>2016</td>
<td>+13.1%</td>
</tr>
</tbody>
</table>

RELATED CORPORATE ENTITIES

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Separate Board?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Nasdaq Stock Market LLC</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq PHLX LLC</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq BX, Inc.</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq ISE LLC</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq MRX LLC</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq GEMX LLC</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq Futures, Inc.</td>
<td>Delaware, USA</td>
<td>Yes</td>
</tr>
<tr>
<td>Nasdaq Nordic, Ltd.</td>
<td>Helsinki, Finland</td>
<td>Yes</td>
</tr>
</tbody>
</table>
NASDAQ TRADE AND SERVICE MARKS

The following is a non-exclusive list of registered trademarks, registered service marks, or trademarks or service marks of Nasdaq or its subsidiaries, in the United States and/or other countries or jurisdictions:

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AT-TRADE®
AUTO WORKUP®
AXE®
BOARDVANTAGE
BWISE BUSINESS IN CONTROL®
BWISE RAPID DEPLOYMENT SOLUTION®
BWISE®
BX VENTURE MARKET®
CANADIAN DIVIDEND ACHIEVERS®
CCBN®
CCN NEWSNET DESIGN
CCN®
CCNMATTHEWS®
CLICK XT®
CONDICO®
CONTROL®
CYBER SECURITY®
D.A.L.I®
DATAXPRESS®
DEFENSE OF INTERNATIONAL MARKETS AND EXCHANGES SYMPOSIUM®
DMES®
DIRECTORS DESK®
DIRECTORSDESK®
DIVIDEND ACHIEVERS®
DORSEY WRIGHT®
DREAM IT. DO IT.®
DWA MATRIX®
DWA®
DX®
E (design)
E MARKET®
E SPEED (device)
EQQ
ESPEED®
ESPEED®
ESPEEDOMETER®
EXACTEQUITY®
EXICO
FINQUOUD REGULATORY RECORDS RETENTION®
FINQUOUD®
FIRST NORTH®
FONDSBØRSEN®
FTEN®
GENIUM®
GIDS®
GLOBE NEWSWIRE®
GO! POWERED BY MARKETWIRE®
HACK®
IGNITE YOUR AMBITION®
INET®
INVESTOR WORLD®
IPOWORLD®
ITCH®
KFXAktieINDEX®
LIQUIDITYXPRESS®
LONGITUDE®
MARKET INTELLIGENCE DESK®
MARKET LINQUENCY
MARKET MECHANICS®
MARKETSITE®
MARKETWIRE BEYOND WORDS®
MARKETWIRE GO!®
MARKETWIRE RESONATE®
MARKETWIRE®
MARKETWIRED RESONATE®
MARKETWIRED®
MW MARKET WIRE®
MW MARKETWIRED THE POWER OF INFLUENCE®
MW®
MY CCBN®
MYMEDIAINFO®
NASDAQ - FINANCIAL®
NASDAQ - 100 EUROPEAN TRACKER FUND®
NASDAQ 100 INDEX®
NASDAQ BIOTECHNOLOGY INDEX®
NASDAQ CANADA COMPOSITE INDEX®
NASDAQ CAPITAL MARKET INDEX®
NASDAQ COMPOSITE INDEX®
NASDAQ COMPUTER INDEX®
NASDAQ COMPUTER INDEX®
NASDAQ DIVIDEND ACHIEVERS®
NASDAQ DUBAI®
NASDAQ EUROPE COMPOSITE INDEX®
NASDAQ EUROPE®
NASDAQ FINANCIAL-100 INDEX®
NASDAQ FX®
NASDAQ GLOBAL MARKET®
NASDAQ GLOBAL SELECT MARKET®
NASDAQ INDUSTRIAL INDEX®
NASDAQ INTERACT®
NASDAQ INTERNET INDEX®
NASDAQ IQ FUND®
NASDAQ MARKETSITE®
NASDAQ MAX MARKET ANALYTIX®
NASDAQ MAX®
NASDAQ NATIONAL MARKET®
NASDAQ OMX ALPHA INDICES®
NASDAQ OMX GREEN ECONOMY INDEX®
NASDAQ OMX NORDIC®
NASDAQ OMX®
NASDAQ PRIVATE MARKET®
NASDAQ Q-50 INDEX®
NASDAQ TELECOMMUNICATIONS INDEX®
NASDAQ TOTALVIEW®
NASDAQ TRADER®
NASDAQ TRANSPORTATION INDEX®
NASDAQ US ALL MARKET®
NASDAQ VOLATILITY GUARD®
NASDAQ WORKSTATION II®
NASDAQ WORKSTATION®
NASDAQ WORLD®
NASDAQ®
NASDAQ-100 EUROPEAN TRACKER®
NASDAQ-100 EUROPEAN FUND®
NASDAQ-100 EUROPEAN TRACER FUND®
NASDAQ-100 INDEX TRACKING STOCK®
NASDAQ-100 INDEX®
NASDAQ-100®
NDX®
NEWS RELEASE EXPRESS®
NFX WORLD CURRENCY FUTURES®
NLX®
NOIS®
NORDIX®
OMX COPENHAGEN 20®
OMX HELSINKI 25®
OMX STIBOR FUTURE®
OMX STOCKHOLM 30®
OMX TECHNOLOGY®
OMXH25®
OMXS30®
OMXS3FUT®
ON THE WIRE®
OTW®
OVERUNER®
OVERUNER®
PHILADELPHIA STOCK EXCHANGE®
PRF®
Q THE NEXT GREAT THING®
QQQ®
QTARGET®
QVIEW®
R3®
RE-THINK®
RISKWAY®
RISKWRAPPER®
RISKXPOSURE®
RX®
S.A.X.E.S®
SECONDMARKET ECOSYSTEM®
SECONDMARKET®
SIDECAR®
SIGNALXPRESS SX®
SIGNALXPRESS®
SMARTS®
SMARTSONLINE®
STINA®
STRUCTURED LIQUIDITY PROGRAM®
THE NASDAQ STOCK MARKET®
THE STOCK MARKET FOR THE NEXT 100 YEARS®
TOTAL EQUITY SOLUTION®
TRADEGUARD®
TRADEXAMINER®
TRANSPARENCY
TRDS®
TX®
ULL®
ULTRA LOW LATENCY®
ULTRAFEED®
VX PROXY®
WIZER®
XDE®
XO DORSEY WRIGHT & ASSOCIATES®
### ENTERPRISE REVENUES (USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (USD)</th>
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<tbody>
<tr>
<td>2016</td>
<td>$2.28B</td>
</tr>
<tr>
<td>2015</td>
<td>$2.09B</td>
</tr>
<tr>
<td>2014</td>
<td>$2.06B</td>
</tr>
<tr>
<td>2013</td>
<td>$1.90B</td>
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</tbody>
</table>

### NASDAQ-LISTED COMPANIES

<table>
<thead>
<tr>
<th>Market</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nasdaq Global Select Market</td>
<td>1,443</td>
<td>1,526</td>
<td>1,549</td>
<td>1,482</td>
</tr>
<tr>
<td>Nasdaq Global Market</td>
<td>783</td>
<td>674</td>
<td>627</td>
<td>610</td>
</tr>
<tr>
<td>Nasdaq Capital Market</td>
<td>671</td>
<td>659</td>
<td>606</td>
<td>545</td>
</tr>
<tr>
<td>U.S. Total</td>
<td>2,897</td>
<td>2,859</td>
<td>2,782</td>
<td>2,637</td>
</tr>
<tr>
<td>Nordic &amp; Baltic*</td>
<td>900</td>
<td>852</td>
<td>792</td>
<td>758</td>
</tr>
</tbody>
</table>

*Nordic & Baltic* also includes Nasdaq First North.

### NASDAQ NEW LISTINGS

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
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<tbody>
<tr>
<td>IPOs</td>
<td>91</td>
<td>143</td>
<td>189</td>
<td>126</td>
</tr>
<tr>
<td>ETPS &amp; other listings</td>
<td>135</td>
<td>56</td>
<td>63</td>
<td>43</td>
</tr>
<tr>
<td>Upgrades from OTC</td>
<td>37</td>
<td>48</td>
<td>58</td>
<td>39</td>
</tr>
<tr>
<td>Switches from NYSE and NYSE MKT</td>
<td>20</td>
<td>27</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>U.S. Total</td>
<td>283</td>
<td>274</td>
<td>327</td>
<td>239</td>
</tr>
<tr>
<td>Nordic &amp; Baltic*</td>
<td>88</td>
<td>91</td>
<td>72</td>
<td>34</td>
</tr>
</tbody>
</table>

*Nordic & Baltic* also includes Nasdaq First North.

### BOARD COMMITTEES

<table>
<thead>
<tr>
<th>Name</th>
<th>Function</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee</td>
<td>Audit, accounting, risk management</td>
<td>4, all independent, non-executive</td>
</tr>
<tr>
<td>Finance Committee</td>
<td>Overall company capital plan, M&amp;A activity, financing, treasury policy</td>
<td>3, all independent, non-executive</td>
</tr>
<tr>
<td>Management Compensation Committee</td>
<td>Remuneration of top management</td>
<td>3, all independent, non-executive</td>
</tr>
<tr>
<td>Nominating &amp; Governance Committee</td>
<td>Selection and nomination of board members and top management</td>
<td>4, all independent, non-executive</td>
</tr>
</tbody>
</table>

### NASDAQ BOARD GOVERNANCE & DIVERSITY

(as of 6/30/2017)

- **Board Structure**: Single-Tier
- **Number of Directors**: 9
- **Gender Diversity**: 6 Men (67%) - 3 Women (33%)
- **Independent Board Members**: 8 (89%)
- **Separation of CEO & Board Chair?**: Yes
- **Average Director Tenure**: 5.5 Years
- **Average Director Age**: 56

#### Diversity Characteristics
- Educational qualifications
- Professional experience
- Personal accomplishments
- Geography
- Gender
- Age

#### Governance Policies
- Governance Policies
- New in 2017: Lead independent director
- New in 2016: Proxy access and establishment of a finance committee of the Board
- Eight of nine director nominees are independent
- Annual election of directors
- Majority voting for directors in uncontested elections
- Annual Board committee and director evaluations
- Independent audit, management compensation and nominating & governance committees
- Regular executive sessions of independent directors at both Board and committee meetings
- Risk oversight by the full Board and committees under audit committee leadership
- Stockholder right to call special meeting
- Anti-hedging, anti-short Sale and anti-pledging policies
- Comprehensive Board and employee codes of conduct and global ethics and corporate compliance program
- Long-Standing commitment to sustainability and the community
Board Refreshment

JOINING THE BOARD

Adena T. Friedman*
Melissa M. Arnoldi

LEAVING THE BOARD

Börje E. Ekholm
Robert Greifeld
Ellyn A. McColgan

* Ms. Friedman joined the Board effective January 1, 2017.

Director Qualifications

- Capital Markets: 67%
- Cybersecurity: 33%
- FinTech: 100%
- Mergers & Acquisitions: 78%
- Public Company Board & Corporate Governance: 89%
- Risk Management: 100%
- Senior Leadership: 100%

Director Tenure

- 0-2 years: 3
- 3-5 years: 1
- 6-10 years: 4
- 11-15 years: 1

Average = 5.5 years

Diversity of Background

- Current & Former CEOs or Chairmen: 89%
- Current & Former Exchange Operators: 33%
- Women: 33%
- Born Outside the U.S.: 22%

Director Age

- Average Age: 56
- 67% younger than 60
CORPORATE GOVERNANCE

<table>
<thead>
<tr>
<th>Performance-Based Remuneration?</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Clawback Policy?</td>
<td>Yes</td>
</tr>
<tr>
<td>Executive Ownership Requirements?</td>
<td>Yes</td>
</tr>
<tr>
<td>Current CEO Compensation</td>
<td>$8,193,978</td>
</tr>
<tr>
<td>Risk Management Responsibility</td>
<td>CEO, CFO, Board, others</td>
</tr>
</tbody>
</table>

Code of Conduct: Topics Covered
- Ethics
- Corruption and anti-bribery
- Discrimination
- Information Privacy & Cybersecurity
- Antitrust/anti-competitive practices
- Insider trading/dealing
- Environment, health and safety
- Whistleblowing

Code of Conduct: Employee Certification
100% +/- (FTEs)

Whistleblower Program?
Yes

DOW JONES SUSTAINABILITY INDEX

Nasdaq was one of 16 companies added to the Dow Jones Sustainability North America Index in 2016. The index is comprised of 146 companies, which includes many other Nasdaq-listed companies such as Adobe, Intel, and Starbucks. Participating companies in the Index were scored on 22 categories across 24 industry groups.

Nasdaq’s 2016 DJSI Scorecard is reproduced below. Our marks were distinctly higher than peers in three major categories: Corporate Governance, Environmental Business Risk Analysis, and Corporate Citizenship. As an ongoing effort, Nasdaq actively supports thousands of listed companies in their efforts to become more sustainable and earn similar accolades.

The Dow Jones Sustainability Index was launched in 1999 and was the first global index to track leading sustainability-driven companies. It has become one of the major benchmarks in global sustainability measurement. Their annual review is based on analysis of financially relevant Environmental, Social, and Governance (ESG) factors and Standard & Poor’s Dow Jones Indices robust index methodology.

OUR MARKS WERE DISTINCTLY HIGHER THAN PEERS IN THREE MAJOR CATEGORIES.
# NASDAQ Sustainability Scorecard, 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Company Score</th>
<th>Percentile Ranking</th>
<th>Industry Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Sustainability Score:</strong></td>
<td>53</td>
<td>74</td>
<td>43</td>
</tr>
<tr>
<td><strong>Economic Dimension</strong></td>
<td>57</td>
<td>64</td>
<td>55</td>
</tr>
<tr>
<td>Anti-crime Policy &amp; Measures</td>
<td>59</td>
<td>62</td>
<td>59</td>
</tr>
<tr>
<td>Codes of Business Conduct</td>
<td>69</td>
<td>45</td>
<td>69</td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>81</td>
<td>93</td>
<td>67</td>
</tr>
<tr>
<td>Customer Relationship Management</td>
<td>47</td>
<td>63</td>
<td>47</td>
</tr>
<tr>
<td>Financial Stability and Systemic Risk</td>
<td>NAP</td>
<td>N/A</td>
<td>77</td>
</tr>
<tr>
<td>Information Security &amp; Cybersecurity</td>
<td>49</td>
<td>64</td>
<td>37</td>
</tr>
<tr>
<td>Materiality</td>
<td>29</td>
<td>67</td>
<td>20</td>
</tr>
<tr>
<td>Risk &amp; Crisis Management</td>
<td>53</td>
<td>34</td>
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<td>Tax Strategy</td>
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<td><strong>Environmental Dimension</strong></td>
<td>58</td>
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<tr>
<td>Business Risks and Opportunities</td>
<td>73</td>
<td>83</td>
<td>43</td>
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<tr>
<td>Climate Strategy</td>
<td>59</td>
<td>64</td>
<td>37</td>
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<tr>
<td>Environmental Policy &amp; Management Systems</td>
<td>43</td>
<td>65</td>
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<td><strong>Social Dimension</strong></td>
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<td>33</td>
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<td>Controversial Issues, Dilemmas in Lending &amp; Financing</td>
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<td>Corporate Citizenship and Philanthropy</td>
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<td>30</td>
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<tr>
<td>Labor Practice Indicators and Human Rights</td>
<td>48</td>
<td>85</td>
<td>31</td>
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<tr>
<td>Occupational Health and Safety</td>
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<tr>
<td>Social Reporting</td>
<td>43</td>
<td>72</td>
<td>34</td>
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<tr>
<td>Talent Attraction &amp; Retention</td>
<td>53</td>
<td>71</td>
<td>41</td>
</tr>
</tbody>
</table>
Sustainable Stock Exchanges

Nasdaq is a founder and/or leading member of the two most prominent global working groups focused on stock exchanges and sustainability.

- UN Sustainable Stock Exchange initiative.
- WFE Sustainability Working Group.
- These groups are both driving towards similar goals:
  - Standardization, harmonization, and universality of ESG performance metrics
  - Greater understanding of investor and regulator needs for transparency
  - Advocacy on behalf of listed companies for smart, efficient, achievable standards

THE NASDAQ ESG REPORTING GUIDE

In March 2017, Nasdaq’s Nordic and Baltic exchanges in Stockholm, Helsinki, Copenhagen, Iceland, Tallinn, Riga and Vilnius issued an ESG Reporting Guide. This is part of a voluntary support program for environmental, social and governance (ESG) disclosure to support their listed companies. Nasdaq Nordic thus fulfilled its commitment to the UN Sustainable Stock Exchanges (SSE) initiative’s Campaign to Close the ESG Guidance Gap.

Nasdaq Nordic is committed to operating orderly and fair markets, and the intention of this guide is to reinforce its mission to provide fair, transparent, and efficient markets for all stakeholders. ESG practices can be as beneficial to individual companies as they are to investors, and a focus on ESG can lead to improvement and harmonization of management practices.

Nasdaq does not require the participation of its listed companies in this process. This is a completely voluntary initiative. It is not intended to compete with, supersede, or supplement any existing framework—but rather act as an informational reference for listed companies.

During the course of this project, we have been guided by several converging work streams. First and foremost, we worked closely with the United Nations Sustainable Stock Exchanges (SSE) initiative. Nasdaq was one of six exchange founders of the SSE and helped to create its signal achievement: The Model Guidance on Reporting ESG Information to Investors.

Second, Nasdaq’s leadership of the World Federation of Exchanges’ Sustainability Working Group was vital, especially in terms of measuring stakeholder impact and setting industry benchmarks.

Finally, we relied heavily upon the work of prevalent sustainability reporting frameworks—chiefly the Global Reporting Initiative (GRI)—and emerging ESG disclosure regulations, such as the EU directive on non-financial reporting. Our reporting guide provides, wherever possible, clear and contextual references to these other initiatives.

Regarding GRI in particular, we correlated the metrics in this first version of the guide to its previous standard—the G4—but have since updated the concordance to reflect the new GRI standards-based approach. In addition, we are undertaking a similar effort to synchronize these ESG metrics with those included in the UN Sustainable Development Goals.
ESG Metrics in Detail

E1. Direct & Indirect GHG Emissions

What does it measure?
- The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for quantifying GHG emissions.

How is it measured?
- Direct measurement of energy source consumed (coal, gas) or losses (refills) of cooling systems and conversion to GHG (CO2 equivalents).
- If estimations are used due to a lack of default data, the company should report the basis and assumptions on which the data were estimated.

Why should it be reported?
- GHG emissions are significant determinants of climate change and global environmental health. Understanding a company’s Scope 1 and Scope 2 emissions profile is an essential precursor to any climate action. Companies should also consider including Scope 3 emissions if it is relevant to their industry standard or business model.

How does this metric correlate with other major sustainability frameworks?

<table>
<thead>
<tr>
<th>Framework</th>
<th>Standard</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Reporting Initiative</td>
<td>GRI G4</td>
<td>EN15, EN16</td>
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<tr>
<td>Carbon Disclosure Project</td>
<td>CDP</td>
<td>CC</td>
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<td>Sustainability Accounting Standards Board</td>
<td>SASB</td>
<td>Yes (detailed separately)</td>
</tr>
<tr>
<td>International Integrated Reporting Council</td>
<td>IIRC</td>
<td></td>
</tr>
<tr>
<td>United Nations Global Compact</td>
<td>UNGC</td>
<td></td>
</tr>
</tbody>
</table>

Research Notes
- Carbon Disclosure Project (CDP), Investor CDP Information Request, updated annually.

E2. Carbon Intensity

What does it measure?
- How much carbon a company emits per every dollar of revenue produced.

How is it measured?
- Calculated by dividing annual GHG emissions (the numerator) by the annual USD revenue amount (the denominator).
- Product emission intensity (such as metric tons of CO2 emissions per unit produced).
- Service intensity (such as metric tons of CO2 emissions per function or per service).
- Sales intensity (such as metric tons of CO2 emissions per sales).

Why should it be reported?
- Carbon intensity (in this iteration) helps to contextualize an organization’s overall efficiency—relative to revenues generated (economic return) and the performance of other companies. It is also a useful risk management indicator of the potential impact of carbon taxation or other carbon price mechanisms on a company’s finances. As a measure of eco-efficiency, it can help companies identify ways to cut costs through better resource allocation.

How does this metric correlate with other major sustainability frameworks?

<table>
<thead>
<tr>
<th>Framework</th>
<th>Standard</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Reporting Initiative</td>
<td>GRI G4</td>
<td>EN18</td>
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<tr>
<td>Carbon Disclosure Project</td>
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<td>4, 32</td>
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<tr>
<td>United Nations Global Compact</td>
<td>UNGC</td>
<td></td>
</tr>
</tbody>
</table>

Research Notes
- Carbon Disclosure Project (CDP), Investor CDP Information Request, updated annually.
External Engagement

Listed Companies

SUSTAINABILITY WEBINAR SERIES

Nasdaq has been collaborating with BrownFlynn since 2014 to produce and distribute web-based, educational programming to support our listed companies in their sustainability efforts. The series focuses on expert perspectives from various stakeholder groups. Recent episodes include:

• Big Data & Corporate Sustainability Performance: How the World is Using ESG Data (with Nasdaq, EcoVadis, Datamaran, and RepRisk)
• Celebrating World Water Day: Management Practices from Leading Environmental Stewards (with Nasdaq and Ceres)
• Business & Human Rights: How Companies are Managing Human Rights Risks Around the Globe (with Nasdaq, Labor Affairs, USCIB and General Electric)
• What the Reg S-K Concept Paper Really Means for Business (with Nasdaq, UN PRI, Baker & McKenzie, and Domini)
• Proxy Season and ESG Activism: What Issuers Should Know (with Nasdaq, US SIF, Global ProxyWatch, and AMD)

NASDAQ MARKETSITE EVENTS

Nasdaq frequently leverages the prominence and impact of its MarketSite studio and event space in Times Square (New York City) to focus attention on our listed companies, as well as related sustainability causes and projects. Recent highlights include:

• Nasdaq commemorated Gender Equality International Women’s Day with Women in ETFs and five partner organizations at Nasdaq MarketSite in Times Square. Lise Kingo, Executive Director, United Nations Global Compact, rang the Closing Bell.
• Walgreens came to the Nasdaq MarketSite in celebration of Red Nose Day. The event raised awareness and money for the Red Nose Day Fund, which benefits numerous charity organizations that have programs supporting the safety, education and health of children in need in the U.S. and around the world. Red Nose Day has raised over $1 billion globally in the last 25 years.
• RobecoSAM, an investment specialist focused exclusively on Sustainability Investing, came to Nasdaq MarketSite to help us celebrate companies included in the Dow Jones Sustainability Index for 2016. Nasdaq itself was one of the selected companies, along with CA Technologies, Cisco Systems, and many others.
• GMHC, the world’s first and leading provider of HIV and AIDS prevention, care and advocacy, visited MarketSite in celebration of LGBT Pride Month.

VIDEO BROADCASTS

The Nasdaq Corporate Responsibility team uses the reach of our social media platform to engage and inform the public on key issues. A series of brief videos on the Facebook Live platform attracted significant interest during the past year. Recent highlights include:

• World CSR Day Roundtable, moderated by Nasdaq, featuring participants from Wyndham, Nielsen, Deloitte, and Futerra
• National Volunteering Week interview, a conversation between Nasdaq and Rehana Farrell, executive director of Youth INC
• Sustainability as a Brand Multiplier, a discussion with Ben Boyd, President, Edelman
• Three Steps Boards Should Take to Monitor Sustainability, a conversation between Nasdaq’s Evan Harvey and TK Kerstetter of Inside America’s Boardrooms

Sustainability Frameworks

Nasdaq is a longtime supporter of the Global Reporting Initiative (GRI), an independent and global organization designed to create dialogue and reporting standards on critical sustainability issues, such as climate change, human rights, corruption and many others.

• Nasdaq is currently a GRI Gold Community member
• Nasdaq’s Global Head of Sustainability, Evan Harvey, serves on the Global Sustainability Standards Board (GSSB). The GSSB creates globally accepted standards for sustainability reporting, working in the public interest and according to the vision and mission of GRI.

Nasdaq is a United Nations Global Compact (UNGC) signatory.

• Nasdaq is a member of UNGC Network USA
• Nasdaq’s Global Head of Sustainability, Evan Harvey, currently serves on the UNGC Network USA Board of Directors
Nasdaq was an early member of the Sustainability Accounting Standards Board (SASB) Corporate Roundtable and continues to work with SASB to create awareness and progress on sustainability reporting dynamics.

Nasdaq is a longtime supporter of the Sustainable Purchasing Leadership Council (SPLC) and its work to simplify and standardize sustainable purchasing efforts by large organizations.

**Auditors & Regulators**

SEC Reg S-K Comments.

- In response to the Regulation S-K concept paper release in 2015, which proposed a potentially far-reaching revision of U.S. corporate reporting practices, Nasdaq submitted a substantive comment letter that addresses sustainability and other matters.

Nasdaq’s Global Head of Sustainability, Evan Harvey, is part of the KPMG Sustainability Executive Share Forum Client Advisory Panel for 2016-2017. This knowledge-sharing forum meets quarterly to encourage information sharing within the sustainability executive community.

**Other Stakeholders**

Nasdaq frequently collaborates with the institutions below (and others) in an attempt to broaden the understanding and acceptance of sustainability issues in various business-organizational verticals:

- UN Principles of Responsible Investment (PRI).
- Ceres
- US SIF: The Forum for Sustainable and Responsible Investment
- The World Federation of Exchanges (WFE)

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**THE SEC & SUSTAINABILITY**

As of this writing, there is no explicit U.S. Securities & Exchange Commission (SEC) requirement for public companies to disclose most sustainability issues. The SEC only broadly requires disclosure of material information, but U.S. companies have been largely free to self-determine which information is material. As a result, we have borne witness to a steady stream of sustainable investor interventions, climate-related shareholder engagements, and even some divestment in public companies. The scattered nature of sustainability data has led to asymmetrical value creation. Dozens of rankings and ratings bodies, firms and frameworks, have crowded the marketplace.

The U.S. Supreme Court (1976 & 2011) definitions of materiality focus on the “total mix” of information made available. In other words, materiality is about the presence or absence of a fact that would significantly inform an investment decision. But does this standard apply to facts that are non-financial? How do we evaluate the reasonableness of an investor? What are the practical boundaries of a total mix of information?

In February 2010, the SEC addressed this vagueness in the materiality standard by issuing interpretive guidance. Climate change data, in particular, may lead to both risks and opportunities for companies; thus climate change data, when material, should be disclosed in SEC filings. And the SEC briefly stepped up enforcement, too: It issued 49 related company letters from 2010-2011, but only a handful since.

Despite the drop-off in regulatory engagement, voluntary sustainability reporting is on the rise. In 2010, only 20% of the S&P500 reported sustainability data publicly; by 2015, only 20% did not report it. And almost half of the S&P500 now include climate and carbon risk factors in their SEC 10-K filings.

The last two years have seen a flurry of activity. Institutional investors, state and local leaders, and even members of Congress have formally asked the SEC to get more involved. Proxy voting percentages on ESG issues have reached all-time highs. Global regulators are pushing forward: The EU Non-Financial Reporting Directive goes into effect in 2018.

In April 2016, the SEC published a new concept release, a lengthy reconsideration of corporate disclosure protocols as currently mandated under Regulation S-K. These are SEC rules that specify reporting requirements (other than financial statements) for public company...
registration statements, periodic reports, proxy statements and other filings under U.S. Securities Exchange Acts (1933/1934). The concept release is part of an ongoing SEC disclosure effectiveness initiative, created by the JOBS Act.

Commenters were asked to consider a number of broad topics, including:

• The adequacy of existing disclosure requirements in eliciting information that would permit investors to evaluate material climate change risk;
• Specific sustainability or public policy issues important to investors, including the degree of flexibility in the disclosure framework and guidance from the Commission;
• Potential drawbacks to line-item sustainability disclosures;
• Interaction with sustainability information provided by companies outside of Commission filings;
• The role of existing or emergent voluntary sustainability reporting frameworks in developing sustainability disclosure requirements;
• Consistency of specific sustainability disclosures with the Commission’s mandate to protect investors;
• Costs and challenges of preparing sustainability disclosures; and
• Scaling or exemptions for smaller reporting companies.

The fate of the Regulation S-K Concept Release is still uncertain. But in its wake, a surprising result has emerged. A clear majority of non-form comment letters received in response (and published on the SEC website) specifically address corporate sustainability disclosure, even though a very small percentage of the concept release content was devoted to this topic.

You can read Nasdaq’s own comment letter here.

Source: National Law Review (June 9, 2016)

**Schools & Communities**

**EDUCATIONAL FOUNDATIONS**

The Nasdaq Educational Foundation, Inc., (USA) was established in 1994 and is supported entirely by contributions from Nasdaq. The mission of the Foundation is to support programs that further our vision and mission of connecting companies, capital and innovative ideas that advance global economies.

• In 2016, The Nasdaq Educational Foundation supported the following schools and organizations:
  - Columbia University
  - European Finance Association
  - Fordham University
  - Massachusetts Institute of Technology
  - Nasdaq Entrepreneurial Center
  - NYU Stern School of Business
  - Queen Mary University of London
  - Rice Alliance for Technology & Entrepreneurship
  - SEC Historical Society
  - SIFMA Foundation for Investor Education
  - Tech Museum of Innovation
  - University of North Carolina at Chapel Hill
  - University of Texas at Austin

The Nasdaq Nordic Foundation was founded in 2005 to enable NASDAQ to support the financial markets. It promotes scientific research and other initiatives related to the financial markets in Finland, Denmark and Sweden, increasing competence and competitiveness for the financial markets within these countries.

• Recent Nordic Foundation research grants have covered:
  - Equity Premiums in Finland and Long-Term Performance of the Finnish Equity and Money Markets
  - Descriptive Analyses of the Finnish Stock Market
  - Sovereign Credit Default Swaps
  - Real Economic Shocks and Sovereign Credit Risks

**NASDAQ ENTREPRENEURIAL CENTER**

The Nasdaq Entrepreneurial Center is a San Francisco-based non-profit organization designed to educate, innovate, and connect aspiring and current entrepreneurs. Established in 2014 with support from the Nasdaq Educational Foundation, the Nasdaq Entrepreneurial Center serves the greater Bay Area community through differentiated events, meaningful entrepreneurial education, and a strong commitment to mentorship.

THE MISSION OF OUR EDUCATION FOUNDATION IS TO CONNECT COMPANIES, CAPITAL, AND INNOVATIVE IDEAS.
GOODWORKS
Nasdaq GoodWorks is a physical and digital platform for our employees to find, create and lead volunteering projects all over the world. Employees can also use the web portal to find charitable organizations, make personal donations, and submit those donations for company matching. All Nasdaq employees and contractors are given $1,000 annually in company matching funds to distribute to non-profit entities of their choice.

BOSTON COLLEGE CENTER FOR CORPORATE CITIZENSHIP
Nasdaq is a member of the Boston College Center for Corporate Citizenship (BCCCC). Leveraging the Carroll School of Management at Boston College, the BCCCC is committed to advancing the field of corporate citizenship. It conducts research, educates executives, and provides expert insights and networking opportunities.
- Nasdaq’s Global Head of Sustainability, Evan Harvey, also serves on the BCCCC Executive Council

REVIVING THE CAPITAL MARKETS
Leading change and working to improve the capital markets has always been part of Nasdaq’s mission. Public markets today are shrinking: 5,100 U.S. public companies compared to 6,300 in 2005. We believe that creating a healthier environment for more companies to access the public markets and improve trading activity is needed.

Nasdaq recently published a comprehensive proposal for reviving our capital markets, titled The Promise of Market Reform: Reigniting America’s Economic Engine. In this paper, Nasdaq offers a broad range of policy recommendations that reflect the company’s perspectives on what is necessary to build safer, stronger and more robust public markets in order to help revitalize the broader U.S. economy.

Regarding sustainability in particular, the paper examines a variety of contemporary factors that have contributed to a culture in financial services that increasingly values short-term returns at the expense of long-term growth. Nasdaq supports reforms that reduce the burdens on public companies, increase information sharing, and improve disclosure requirements.

OTHER STAKEHOLDERS
Nasdaq frequently collaborates with the institutions below (and others) in an attempt to broaden the understanding and acceptance of sustainability issues in various business-organizational verticals:
- American Bar Association (ABA).
- International Corporate Governance Network (ICGN).
- National Association of Corporate Directors (NACD).

AMERICAN EQUITIES MARKETS ARE BUILT ON TIMELESS PRINCIPLES, BUT THEY MUST BE DRIVEN BY MODERN, EVOLVING PRACTICES. THEIR CONTINUED STRENGTH HINGES ON THE WILLINGNESS OF LAWMAKERS, PUBLIC COMPANIES, INVESTORS, EXCHANGES, AND OTHER STAKEHOLDERS TO FIND COMMON GROUND. LET’S BE AS INNOVATIVE AND FORWARD-THINKING IN REFORMING MARKETS AS AMERICA’S GREAT ENTREPRENEURS ARE IN BUILDING THE COMPANIES THAT DRIVE THE ECONOMY.

SPEAKING ENGAGEMENTS
- Stanford Law School
- Columbia University School of International and Public Affairs
- Yale School of Management
Executive Summary

Robust public markets are the fuel that ignites America's economic engine and wealth creation. Companies list on U.S. exchanges to access a steady, dependable stream of capital to grow and create jobs, and investors choose our markets because they are the world's most trusted venues for long-term wealth creation.

Built on the shoulders of entrepreneurs with great ideas, public companies drive innovation, job creation, growth and opportunity across the global economy. A central reason for the success of U.S. capital markets is that American public companies are among the most innovative and transparent in the world. Additionally, the mechanisms that govern our markets ensure opportunity through fair and equal access—providing a solid foundation for the diversity of investing perspectives, participants and strategies represented in our capital markets.

There is no question that companies that choose to participate in equities markets and make their shares available to the public take on a greater obligation for transparency and responsible corporate practices. Regulations are needed to maintain these “rules of the road.” But as the U.S. has continued to add layer after layer of obligation, we have reached a point where companies increasingly question whether the benefits of public ownership are worth the burdens. If not addressed, this could ultimately represent an existential threat to our markets. In fact, in recent years, a growing number of companies have been choosing to remain private—and some public companies are reversing course and going private.

The dynamics catalyzing the turn away from public markets are complex. They range from concerns about: a) activists, b) frivolous shareholder litigation, c) pressure to prioritize short term returns over long-term strategic growth, d) burdensome costs and headaches of the proxy process as well as irrelevant but required disclosures, to name a few. Once public, particularly smaller issuers sometimes find that the cost of accessing equity capital to fund growth can be expensive given the distributed nature of trading across markets and trading venues today. Therefore, they seek private sources of capital, and in today’s environment, many dynamic companies are finding an abundant supply of that capital available.

Since not everyone has the opportunity to invest in private companies, main street investors may lose the chance to share in wealth creation, which could foster a greater divide between the wealthiest and everyone else. Additionally, American companies could increasingly consider foreign public markets; and top international companies might opt not to list in the United States.
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 with a minimum of 12 months of continuous service 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.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteering Events</td>
<td>46</td>
<td>39</td>
<td>32</td>
</tr>
<tr>
<td>Volunteering Hours</td>
<td>1,803</td>
<td>735</td>
<td>350</td>
</tr>
<tr>
<td>Employee Participants</td>
<td>186</td>
<td>83</td>
<td>60</td>
</tr>
<tr>
<td>Percentage of US FTEs</td>
<td>9.3%</td>
<td>4.1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

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.

Our long-term goals for this program are ambitious, but achievable:

- Increased FTE volunteerism rate
- Increased FTE participation in PTO benefit
- Average at least one local volunteerism target for every Nasdaq office
- Partner with issuers on joint volunteering effort
- Continued inclusion in DJSI or similar ranking

Volunteerism Highlights

**Fresh Air Fund.** Fishkill, NY

**Wall Street Walk (American Heart Association).** New York, NY

**Colleen's BA 5K.** Rockville, MD

**PS 120.** Brooklyn, NY

**Habitat for Humanity.** More than a dozen Nasdaq San Francisco staff members helped to build Habitat Terrance in the Ocean View neighborhood. Ocean View is one of the most ethnically and economically diverse neighborhoods in the city, with almost no affordable housing. This new block of 28 single-family homes features three stories, multiple bedrooms, and attached garages. The green construction even includes solar panels and smart utility metering. Teams helped with priming and painting the exterior siding, drywall taping, plumbing and washer / dryer installation. Because the homes back up to a major interstate, Nasdaq workers also installed soundproofing materials.

**Rosie's Place.** Boston, MA

**Philabundance Relief Center.** Philadelphia, PA

**Red Cross Louisiana Flood Relief.** In response to the devastating flooding in Louisiana—the worst natural disaster to hit the United States since Superstorm Sandy in 2012—Nasdaq partnered with the American Red Cross to send relief to those in need. Nasdaq double-matched all employee donations up to $500.

**Scandinavian Fest.** Budd Lake, NJ

**Prevent Cancer Foundation.** Washington, DC

**Manna Food Center.** Rockville, MD

**PS 138.** Brooklyn, NY

**Barkann Family Healing Hearts Foundation.** Nasdaq PHLX assisted families across the Delaware Valley affected by sudden illness or the loss of a loved one. Our group volunteered alongside social workers and families with children who are receiving various treatments from the Children’s Hospital of Pennsylvania and/or have profound physical disabilities.

**GOOD+ Foundation.** New York, NY & Los Angeles, CA

**Central Texas Food Bank.** Austin, TX

**Sanctuary for Families.** Sanctuary for Families is a New York-based non-profit dedicated to the safety, healing and self-determination of victims of domestic violence and related forms of gender violence. Members of the Nasdaq Marketing & Communications team joined Nasdaq GoodWorks to volunteer and help the
organization sort clothing, stock their provisions room, and clean out the supply room.

**VA Hospital Fisher House. Chicago, IL**

**Junior Achievement.** Nasdaq CEO Adena Friedman and other volunteers partnered with Junior Achievement to teach financial literacy, work readiness and entrepreneurship to 6th graders at Parkland Middle School in Rockville, MD.

**The Home of Little Wanderers.** Boston, MA

### 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.

For 2017, this program is open to the following:

- All Nasdaq regular, full and part-time employees as well as Nasdaq contractors
- Employee cash donations are matched by Nasdaq, dollar-for-dollar (1:1)
- Minimum donation: $25
- Per-employee annual matching limit: $1,000
- Employees may donate to multiple organizations
- Nasdaq will only match up to the first $1,000 total per year
- Employees retain the tax-deductible benefit of their original donation

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.

These organizational types are generally eligible for corporate donation matching:

- Educational institutions
- Civic, arts and cultural groups
- Health and human service advocates
- Environmental organizations

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Impact (USD)</td>
<td>$289,753</td>
<td>$128,321</td>
<td>$0</td>
</tr>
<tr>
<td>Employee Donations</td>
<td>919</td>
<td>359</td>
<td>0</td>
</tr>
<tr>
<td>Program Participants</td>
<td>740</td>
<td>310</td>
<td>0</td>
</tr>
</tbody>
</table>

- On one single day—Giving Tuesday, 11/29/2016—Nasdaq employees made 122 separate donations, generating more than $92k in charitable impact.

### Employee Empowerment

Nasdaq currently has two influential employee-led working groups, both focused on the needs and expectations of specific audiences within the company.

- **The Women’s Initiative at Nasdaq (WIN)** is an organization made up of Nasdaq employees dedicated to promoting the professional growth of women at Nasdaq. WIN’s primary focus is to engage, educate and empower professionals across all divisions within Nasdaq and to champion the firm’s guiding principles. Many Nasdaq offices have dedicated WIN Ambassadors, responsible for awareness, coordination, networking, and local events. Members meet regularly to host influential speakers for interactive discussions on relevant topics.
- **Nasdaq OPEN (Out and Proud Employees of Nasdaq)** represents LGBT employees, families, and allies at work. OPEN seeks to foster an inclusive community focused on the diverse needs of Nasdaq’s LGBT community by establishing supportive programs, hosting events, and advocating for new policies.

ON ONE SINGLE DAY (#GIVINGTUESDAY) NASDAQ EMPLOYEES GENERATED MORE THAN $92K IN CHARITABLE IMPACT.
I would like to discuss the role that the capital markets—and more specifically the exchange community—has in promoting and driving sustainable, responsible global economic growth. Let’s start with a broader view of the capital markets and how they serve as a source and force for global sustainable growth. When capital market participants are managed responsibly and with the long-term interests of their clients in mind, they serve as a critical component to building a stable and prosperous economy.

The role of the capital markets is to fund and enable good ideas. We connect companies with investors, we empower entrepreneurship, and ultimately we create the ability for companies to create jobs and well-being for their employees. Capital access creates a sustainable economic ecosystem by serving as the oxygen that enables companies to grow. Company growth and job and wealth creation drive increases in tax revenues that then enable governments to improve their nation’s infrastructure and social services. And economic empowerment creates good long-term outcomes such as social progress, economic prosperity, and political stability.

So what role do exchanges play in that process? We believe that exchanges are the trusted engines in the capital markets. We serve as the vital connection between investors, companies, and the government. But we also support other critical stakeholders: the broker-dealers who serve as vital exchange participants, the media that report on us (and frankly help to create a public perception of economic health), and trade associations, such as the World Federation of Exchanges, bank groups, chambers of commerce, to name just a few.

We strongly believe that exchanges are and should be vocal advocates for better markets and corporate practices. But, throughout history, a strong catalyst has been required to align competing interests and create positive change. As we face global societal challenges, what are the catalysts that will drive us together? How can exchanges leverage those catalysts to help push things forward?

The catalysts that are most effective are those that are tangible and impact our daily lives. Let’s take one example of a critical sustainability issue facing us all – carbon emissions. What are the tangible impacts of unchecked carbon emissions? Climate change and extreme weather. But in the absence of a Hollywood-style global disaster, what is the fastest way to align interests and address major societal issues? In my experience, money can serve as a powerful catalyst.

By focusing on the concept of money, certain fundamental questions arise:

- Can governments create effective financial carrots, such as tax incentives, for consumers, manufacturers, energy companies, and financial institutions?
- How can we entice the funders of the energy ecosystem to play their part in reducing carbon emissions by adopting best practices?
- Can we generate more evidence that good ESG practices drive better long-term financial outcomes and investor returns? Some studies, like those coming from Oxford University and Harvard Business School, have already done so—but how can we effectively reach everyone?
- Can institutional investors raise a chorus loud enough to standardize disclosure and set best practices? Are they willing to invest their own capital in companies that outperform on sustainability issues?
- Can exchanges bring investors, companies, and regulators together on this issue?
- Should sustainability disclosures be mandatory or voluntary in our markets?

Regarding the last question, I believe that basic standards of corporate behavior, financial performance, and good governance should be mandatory as listing criteria to gain access to retail investor capital. But if we expand the scope too much, and make mandatory standards too broad, it may stifle entrepreneurialism, job growth, and the inclination of companies to go public.

I believe that market-based solutions, with natural financial incentives, are the most effective ways to align competing interests and motivate lasting change. And exchanges have been coming together in unprecedented ways on this issue. We all seek, in various ways, to enhance corporate transparency, and ultimately performance, on ESG issues and to encourage sustainable, longer-term investment.

But change does not happen overnight.

When it comes to ESG, it will likely require multiple political cycles to create lasting, sustainable change. And as we know, politicians are not the most patient people in the world. But we need to work together see past the next political horizon. We must stay true and vigilant to the cause: creating a better world for tomorrow.

—Adena Friedman, Nasdaq CEO
June 22, 2016
New Research

Nasdaq periodically conducts (or participates in) new research projects that seek to better understand the connection (or disconnection) between sustainability performance and other beneficial outcomes. The most recent highlights from this effort are summarized below.

- Exchange Industry Sustainability Survey (WFE, 2017)
  - This comprehensive industry survey captures the nature and extent of exchange engagement with ESG issues, and how this has evolved over time. As this third annual iteration indicates, global stock exchanges have increased their involvement in ESG engagement. Primary initiatives include promoting ESG disclosure by listed companies, offering ESG products (sustainability indices and green bonds, for example), and leveraging public channels to advocate for best practices.

- Looking Beyond the Numbers: Women on Public Company Boards (Nasdaq Governance Clearinghouse, 2016)
  - By shifting the spotlight from macro-level diversity ratios to promising indicators at the grassroots level—particularly exemplary women and companies—Nasdaq uncovered fundamental shifts taking place in corporate America that bode well for progress towards boardroom parity.

- Sustainable Stock Exchanges Report on Progress (UN SSE, 2016)
  - In examining the ESG practices of virtually every stock on the planet, the SSE determined that most were pursuing goals that drive more sustainable capital markets.
  - The number of exchanges now participating in the SSE initiative itself has grown exponentially. Almost 60 stock exchanges (more than 70% of the global equity market) have publicly commitment to advancing sustainability in their market.

  - Building on the 2016 SSE Report on Progress (cited above), this report considers the impacts that exchanges can make in order to ensure the full and effective participation of women in economic and business leadership.
  - The report also addresses exchange progress on other gender-related Sustainable Development Goals (SDGs).

  - Exchanges play an important role in the bond market—and particularly the green bond market—but more engagement, education, and standardization is needed.

NASDAQ LEVERAGES RESEARCH TO BETTER UNDERSTAND THE CONNECTION BETWEEN SUSTAINABILITY AND BENEFICIAL OUTCOMES.
Nasdaq-Listed Companies Lead on Sustainability

**2016 DOW JONES SUSTAINABILITY INDEX (U.S. SELECTEES)**
Renowned benchmark for investors integrating sustainability considerations into their portfolios

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<th>Adobe</th>
<th>Biogen</th>
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**2016 TOP 10 GREEN U.S. COMPANIES (NEWSWEEK)**
One of the world’s most recognized assessments of corporate environmental performance

| Biogen | Hasbro | NVIDIA |

**2017 100 BEST CORPORATE CITIZENS (CR MAGAZINE)**
18th annual ranking of responsible organizations, based on 260 data points

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<td>Hasbro</td>
<td>Northern Trust</td>
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**2017 CARBON CLEAN 200 (CORPORATE KNIGHTS & AS YOU SOW)**
Ranking public companies by their total clean energy revenues

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<tr>
<th>Acuity Brands</th>
<th>Gibraltar Industries</th>
<th>SunPower</th>
<th>Universal Display Corp</th>
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<td>Green Plains</td>
<td>Svenska Cellulosa AB</td>
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<td>Vestas Wind Systems</td>
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<td>DONG Energy A/S</td>
<td>Novozymes</td>
<td>Tesla Motors</td>
<td>Woodward</td>
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<td>First Solar</td>
<td>Pattern Energy Group</td>
<td>Tetra Tech</td>
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<td>Gentherm</td>
<td>Rockwool International</td>
<td>Trimble</td>
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**2017 GLOBAL 100 (FORBES & CORPORATE KNIGHTS)**
Evaluating how well companies manage resources, finances and employees since 2005

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<th>Analog Devices</th>
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<td>Hennes &amp; Mauritz AB</td>
<td>Microsoft</td>
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### 2017 Best Companies to Work For (Fortune)

20th annual results from the most extensive employee survey in corporate America

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<th>Activision Blizzard</th>
<th>Adobe Systems</th>
<th>Autodesk</th>
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<th>Google</th>
<th>Intuit</th>
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<th>Regeneron</th>
<th>SAS</th>
<th>Ultimate Software</th>
<th>Whole Foods Market</th>
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### UN Global Compact Signatories (Network USA)

Companies publicly committed to human rights, labor, environment and anti-corruption principles

- A.P. Møller - Mærsk A/S
- AAK AB
- Alfa Laval AB
- Alimak Group AB
- Alma Media Oyj
- Amgen Inc.
- AQ Group AB
- ASSA ABLOY AB
- Atlas Copco AB
- Autodesk, Inc.
- Axford AB
- Beijer Alma AB
- BillerudKorsnas AB
- Bonava AB
- Bong AB
- Bufab AB
- Bulten AB
- CA, Inc.
- Cargotec Oyj
- Carlsberg A/S
- Castellum AB
- Chr. Hansen Holding A/S
- Cisco Systems, Inc.
- Clas Ohlson AB
- Cloetta AB
- Coloplast B A/S
- Columbus A/S
- Crame Oyj
- Danske Bank A/S
- DFDS A/S
- Dometic Group AB
- DONG Energy A/S
- DSV A/S
- Dustin Group AB
- Electrolux, AB
- Elekta AB
- Elisa Oyj
- Ettel AB
- Energiens Skirstymo Oper
- Ericsson Inc.
- F.E. Bording B A/S
- Fenix Outdoor International
- Finnair Oyj
- Fiskars Oyj
- FLSmidth & Co. A/S
- Fortum Oyj
- Getinge AB
- GN Store Nord A/S
- Grindeks
- Grønlandsbanken A/S
- H. Lundbeck A/S
- Hennes & Mauritz AB, H & M
- HEXPOL AB
- Holmen AB
- Husqvarna AB
- IC Group A/S
- ICA Gruppen AB
- Infinera Corporation
- Intel Corporation
- Intrum Justitia AB
- ISS A/S
- JM AB
- Jyske Bank A/S
- Kemira Oyj
- Kesko Oyj A
- KONE Oyj
- Konkernodes Oyj
- Lammhults Design Group AB
- Lemmingkäinen Oyj
- Lietuvos energijos gamyba
- Lifco AB
- Lindab International AB
- Lundbergsföretagen AB, L E
- Lundin Petroleum AB
- Marel hf.
- Martela Oyj A
- Mekonomen AB
- Metsä Board Oyj A
- Metso Oyj
- Microsoft
- Mylan Laboratories Inc.
- NCC AB
- Neste Oyj
- NetEnt AB
- NIBE Industri AB
- NKT A/S
- NNIT A/S
- Nokia Oyj
- Nokian Renkaat Oyj
- Nolato AB
- Nordea Bank AB
- Nordic Waterproofing
- NOTE AB
- Novo Nordisk B A/S
- Novozymes B A/S
- NXP Semiconductors
- Outokumpu Oyj
- Outotec Oyj
- Pandora A/S
- Peab AB
- QUALCOMM Inc
- Raisio Oyj Vaihto-osake
- Ramirent Oyj
- Recipharm AB
- Rezidor Hotel Group AB
- Rockwool International A A/S
- SAAB AB
- Saga Furs Oyj C

- Sandvik AB
- Scandic Hotels Group AB
- Seagate Technology
- Securitas AB
- Serneke Group AB
- Siminn hf.
- S-E Banken
- Skanska AB
- Solar B A/S
- SSAB AB
- Starbucks Corporation
- Stockmann Oyj Abp A
- Stora Enso Oyj A
- Svenska Cellulosa AB SCA
- Svenska Handelsbanken
- Sweol AB
- Swedish Orphan Biovitrum
- The Nasdaq Stock Market
- Tieto Oyj
- Tokmanni Group Oyj
- Topdanmark A/S
- TORM plc A
- Trelleborg AB
- Tryg A/S
- UPM-Kymmene Oyj
- Vaisala Oyj A
- Valmet Corporation
- Vestas Wind Systems A/S
- Vimpel Communications
- Virtusa Corporation
- Volvo, AB
Nasdaq: Environmental Update

- Our Philadelphia office project was awarded the LEED Platinum level LEED ID+C certification in sustainability for both the construction process and interior design. This is the highest rating and a great achievement for the project team. In addition to the positive environmental benefits, it improves community relations and helps us attract and retain talent.
- Nasdaq partnered with DigiPlex on one of the most sustainable data centers currently in operation. The Swedish facility features:
  - 100% renewable energy sourcing
  - Evaporative air cooling
  - Low- or no-wastewater generation, compared to conventional data centers
- The Nasdaq Helsinki exchange has achieved carbon neutrality for 5 straight years
  - In addition, the Helsinki office has earned a difficult WWF Green Office distinction
- In 2016, the Finnish Innovation Fund Sitra found that “the calculated carbon intensity of the listed companies on Nasdaq Helsinki has decreased by 20% since last year.”
- To meet increasing interest in sustainable bonds from both investors and issuers, Nasdaq Stockholm launched a new list for sustainable corporate bonds.
  - The main focus has been green bonds so far, but there is a growing progression towards sustainable bonds with a broad focus on environmental and/or social positive impact.

NASDAQ HELSINKI HAS OPERATED AS A CARBON NEUTRAL EXCHANGE FOR FIVE YEARS.

Nasdaq: Social Update

- The Women’s Initiative at Nasdaq (WIN), a longstanding internal affinity group, has grown to include more than 600 members. WIN speaking and education programs in 2016-2017 covered these topics:
  - FemTech: Supporting and Developing Female Leadership in Technology (featuring Nasdaq SVP Ann Dennison, SVP Heather Abbott, and EVP Stacie Swanstrom)
  - Educating Women in FinTech
- Women & Negotiation: Challenges and Potential
- The Nasdaq OPEN (Out and Proud Employees of Nasdaq) affinity group, representing LGBT employees, families, and allies, was established in 2017.
- Nasdaq was proud to earn a Corporate Equality Index (CEI) rating of 85 from the Human Rights Campaign (HRC). The CEI is the most prominent national benchmarking tool for corporate policies and practices regarding lesbian, gay, bisexual and transgender (LGBT) employees.
- Nasdaq announced the hiring of its first-ever diversity and inclusion lead, focused on recruiting and employee engagement, in 2017.
- Through a combination of M&A activity and business growth, Nasdaq was able to post a third consecutive year of positive staff turnover.
- Nasdaq has, through its longtime membership in the UN Global Compact, previously affirmed its commitment to vital human rights standards.
- In 2017, Nasdaq CEO Adena Friedman was honored by the Markets Media Choice Awards with its "Outstanding Contribution - Women in Finance" distinction
- Nasdaq welcomed nearly 150 summer interns to offices across the Americas, APAC and EMEA in 2017. Our intern program features a diverse group of talented individuals, and our business has benefited from their unique contributions.
- To commemorate Gender Equality International Women's Day in March, 2017, Nasdaq and its partner organizations hosted a celebration at Nasdaq MarketSite in Times Square.
Nasdaq: Governance Update

Ethics program
- In 2016, more than 2,300 employees were trained in person, online and through “Ethics in Action” webinars; case studies also used to strengthen ethics training
- Ethics training was incorporated into HR onboarding and new hire orientations, covering more than 1,500 new hires in 2016

The 2017 Nasdaq Proxy is fully interactive, assisting the user in quickly finding key data. This model is one that very few corporate proxies have thus far adopted.

Board Demographic Changes
- The current Nasdaq Board of Directors is made up of 9 individuals
  - 3 Women, 6 Men
  - 8 Independents, 1 Non-Independent

2017 Shareholder Voting
- In addition to electing all nominated Board members, Nasdaq stockholders also approved the following proposals:
  - The company’s executive compensation on an advisory basis;
  - An advisory vote to conduct future advisory votes on the company’s executive compensation every year; and
  - Ratification of the appointment of Ernst & Young LLP as Nasdaq’s independent registered public accounting firm for the fiscal year ending December 31, 2017.
- The stockholders did not approve a stockholder proposal relating to the right to act by written consent.
- The 2017 Nasdaq proposal for a comprehensive revision of our capital markets system (The Promise of Market Reform: Reigniting America’s Economic Engine) helped to create a national debate on a broad range of corporate governance issues and practices.
- Nasdaq EVP and Chief Counsel Ed Knight contributed a lengthy public comment letter to the SEC regarding the recent Regulation S-K concept release.
- In the last year, Nasdaq senior executives have testified before various government institutions on the following issues:
  - U.S. Equity Market Structure
  - The JOBS Act & Capital Formation
  - The RAISE Act (Note: This refers to the “Reforming Access for Investments in Startup Enterprises Act” of 2016, not the immigration reform measure put forward in 2017)

BWise
- In 2017, Nasdaq BWise won both the “Operational Risk and GRC Category Winner” award and the “Category Leader” award from Chartis
- In 2016, Operational Risk named Nasdaq BWise the Best Operational Risk Product, Best GRC Product, and Best Overall Provider of the Year

Notice of 2017 Annual Meeting of Stockholders and Proxy Statement

WEDNESDAY, MAY 10, 2017
8:30 A.M. (EDT)
Nasdaq
FMC Tower
2929 Walnut Street
Philadelphia, PA 19104

THE PROMISE OF MARKET REFORM” HELPED TO CREATE A NATIONAL DEBATE ON GOVERNANCE ISSUES AND PRACTICES.
Appendix 1: UN Sustainable Development Goals (SDGs)

Businesses are committed to driving progress on the 17 UN SDGs and the 169 underlying targets by 2030. In this appendix, we call attention to potentially applicable business drivers for the SDGs. We are indebted to SDG Compass, a joint project by GRI, UNGC, and the World Business Council for Sustainable Development (WBCSD), for the reporting prompts and guidance below. Nasdaq encourages all public companies to explore the SDG Compass as a vital tool in this process.

1. No Poverty

- **Goal:** End poverty in all its forms everywhere
- **Business actions & opportunities**
  i. Develop products and services tailored for low-income customers
  ii. Improve access to basic goods and services for people living in poverty via core business operations, policy dialogue, social investment
  iii. Recruit, train and employ local community members, including those living in poverty, and integrate them in our value chain
  iv. Bring businesses to market that target poverty eradication
  v. Provide education and entrepreneurial skills training.

2. Zero Hunger

- **Goal:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Business actions & opportunities**
  i. Establish long-term business relationships that support small scale producers
  ii. Provide a forum for collaboration between business, academia, and science.
  iii. Encourage company reporting on biodiversity measures.
  iv. Foster knowledge, experience and data sharing among businesses
  v. Uphold high standards of sustainably in sourcing practices

3. Good Health & Well-Being

- **Goal:** Ensure healthy lives and promote well-being for all at all ages
- **Business actions & opportunities**
  i. Align HR policies with basic principles of human health, welfare, and safety
  ii. Partner with NGOs to raise awareness
  iii. Make investments in health a priority in business operations.

4. Quality Education

- **Goal:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **Business actions & opportunities**
  i. Establish partnerships that help schools better align with business needs, including sustainable management.
  ii. Create programs (e.g., internships, work-study programs, traineeships, etc.) that give students equal and early access to the corporate environment.
  iii. Provide employees with continuous opportunities to improve their (job) skills for their current and future employment.
  iv. Develop cost-effective education and training products and services

5. Gender Equality

- **Goal:** Achieve gender equality and empower all women and girls
- **Business actions & opportunities**
  i. Assure sufficient participation of women – 30% or greater – in decision-making and governance at all levels and across all business areas.
  ii. Pay equal remuneration, including benefits, for work of equal value and strive to pay a living wage to all women and men.
  iii. Encourage access to child and dependent care by providing services, resources
  iv. Establish a zero-tolerance policy towards all forms of violence at work, including verbal/ and/ or physical abuse and prevent sexual harassment.
  v. Expand business relationships with women-owned enterprises, including small businesses and women entrepreneurs.

6. Clean Water & Sanitation

- **Goal:** Ensure availability and sustainable management of water and sanitation for all
- **Business actions & opportunities**
  i. Prioritize water efficiency across operations by installing best practice technologies for water conservation
ii. Educate employees about the importance of water efficiency

iii. Mitigate against water pollution with wastewater treatment processes

iv. Invest in facilities with water treatment options so that municipal treatment facilities are not overburdened

v. Integrate gray water back into building operations, wherever possible

vi. Reduce the likelihood of groundwater contamination by following exceptional waste management practices

vii. Educate investors about appropriate water behaviors, explaining global water quality and scarcity issues

viii. Prohibit the office use of dangerous or toxic chemicals and other materials

7. Affordable & Clean Energy

• Goal: Ensure access to affordable, reliable, sustainable and modern energy for all

• Business actions & opportunities

i. Ensure that employees have access to a reliable and affordable source of energy

ii. Commit to sourcing more operational electricity needs from renewable sources.

iii. Reduce internal demand by prioritizing less energy intensive processes

iv. Bring new energy technologies to the market quickly.

v. Integrate renewable energy into employee benefits packages (free Teslas!)

vi. Consider internal carbon pricing and science-based target setting to reduce overall demand for energy.

8. Decent Work & Economic Growth

• Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

• Business actions & opportunities

i. Offer more apprenticeship and internship opportunities.

ii. Foster an entrepreneurial culture

iii. Invest in (or effectively mentor) young entrepreneurs.

iv. Initiate skills development programs across company value chains.

v. Create tools that identify child labor and forced labor dynamics, and implement remediation when abuses are discovered.

vi. Reassert policy against unfair hiring and recruitment practices, particularly of vulnerable groups (migrants, for example)

9. Industry, Innovation & Infrastructure

• Goal: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

• Business actions & opportunities

i. Incent developing countries to create or retrofit infrastructure

ii. Expand the geographic reach of Nasdaq research and development facilities, bringing R&D capabilities to developing countries.

iii. Promote innovation by giving all stakeholders the opportunity to offer creative solutions to sustainability challenges.

MOBILIZING FINANCE

The scope and ambition of these SDGs is daunting. Exchanges (and governments) must try to find innovative and lucrative ways to finance these targets. Stock exchanges are uniquely positioned to create innovative financing tools that effectively reorient the financial markets. The first step in that process likely involves better corporate sustainability reporting, but what else can exchanges do? Nasdaq has worked with the UN Sustainable Stock Exchanges initiative to create a few essential action items:

• Help emerging economies (and exchanges) grow.
  - As markets mature, domestic capital mobilizes in sustainable directions.
  - 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.
iv. Surface good ideas and offer awards to the best.
v. Engage a wide range of stakeholders, including minority groups, to ensure that infrastructure development benefits and creates opportunities for all.
vi. Establish standards that drive sustainable management choices
vii. Support public-private attempts to promote sustainable growth

10. Reduced Inequalities
• Goal: Reduce inequality within and among countries
• Business actions & opportunities
  i. Develop products and services tailored for low-income customers
  ii. Improve access to basic goods and services for people living in poverty through policy dialogue and encouraging social investment
  iii. Recruit, train and employ local community members, including those living in lower economic circles
  iv. Consider the adoption of a living wage policy
  v. Provide education and entrepreneurial skills training.

11. Sustainable Cities & Communities
• Goal: Make cities and human settlements inclusive, safe, resilient and sustainable
• Business actions & opportunities
  i. Convene relevant stakeholders through a common and neutral platform to jointly analyze, discuss and act on urban functionality, resilience and sustainable development.
  ii. Use technological expertise to help build smart capacity
  iii. Adopt building management practices rooted in performance data
  iv. Invest in locations with access to public transportation
  v. Encourage investment in urban development, transportation, low-carbon buildings, and resilient infrastructure.

12. Responsible Consumption & Production
• Goal: Ensure sustainable consumption and production patterns
• Business actions & opportunities
  i. Analyze the environmental and social footprint of products used
  ii. Retain ownership of more products to help close the materials loop.
  iii. Reduce energy need in usage and educate employees about benefits.
  iv. Reduce operational impacts through recycling and upcycling.
  v. Apply modular office designs, so constituent parts can be easily separated and re-used without further processing

13. Climate Action
• Goal: Take urgent action to combat climate change and its impacts
• Business actions & opportunities
  i. Source more electricity from renewable sources – such as wind, solar or hydro
  ii. Install renewable energy generation capacity on- or off-site
  iii. Use 100% energy efficient LED lighting.
  iv. Build extreme climate resilience into the company’s assets and supply chain.
  v. Expand sustainable sourcing practices.

14. Life Below Water
• Goal: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
• Business actions & opportunities
  i. Record and disclose information on chemical and material usage within
  ii. Reduce the amount of water waste generated
  iii. Improve resource efficiency by generating value from waste.
  iv. Prevent waste mismanagement or littering that could pollute the marine environment.
  v. Raise consumer awareness on effective ways to properly dispose of waste
  vi. Prohibit practices that put marine species and resources at further risk of harm
  vii. Bring more waste management technologies to market

15. Life on Land
• Goal: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
• Business actions & opportunities
  i. Measure, manage and mitigate impacts on ecosystems and natural resources.
ii. Scale up best practices for land use planning and management.

iii. Implement responsible sourcing practices for all materials and commodities.

iv. Incent global markets to invest in responsible products.

v. Foster product and technology innovation to optimize resource efficiency, reduce impacts on ecosystems and lower carbon emissions.


- Goal: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

- Business actions & opportunities
  i. Comply with laws and seek to meet international standards; require and support business partners to do the same.

  ii. Commit to and implement conflict-sensitive, lawful and transparent operational policies and practices, including on human resources, public and corporate procurement, and in the value chain more generally.

  iii. Conduct risk and impact assessments to identify and mitigate risks of contributing to corruption, violence and conflict, and weakening of the rule of law and identify opportunities for positive impacts.

  iv. Measure and report on implementation progress, including on operations in high-risk areas.

  v. Engage in public-private dialogues, partnerships and collective action in conflict prevention, peacekeeping, peacebuilding, anti-corruption and the rule of law.

17. Partnerships for the Goals

- Goal: Strengthen the means of implementation and revitalize the global partnership for sustainable development

- Business actions & opportunities (Finance)
  i. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity

  ii. Mobilize additional financial resources for developing countries

  Business actions & opportunities (Technology)

  i. Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favorable terms

  ii. Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries and

  iii. Incent the use of enabling technology, in particular information and communications technology

  Business actions & opportunities (Systemic Issues)

  i. Enhance macroeconomic stability through policy coordination and coherence

  ii. Enhance policy coherence for sustainable development

  iii. Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries
Appendix 2: 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 other Nasdaq-listed companies are Global Compact signatories, and our Head of Sustainability serves 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.

Nasdaq’s Communication of Progress on these principles can be found in the update section of this Sustainability Report.

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.
Appendix 3: Nasdaq ESG Reporting Recommendations

As mentioned previously, the Nasdaq exchange first published an ESG Reporting Guide for listed companies in 2017. The guide represents current thought and research regarding the efficacy and impact of corporate performance disclosures—the theory and practice thereof, as well as the specific Key Performance Indicators (KPIs)—regarding sustainability issues. Nasdaq itself is a listed public company (Nasdaq: NDAQ) and thus part of that listed company outreach. The table below documents our own ESG disclosures for the current reporting period, as recommended in the ESG Reporting Guide.

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<td>S2</td>
<td>Social</td>
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<tr>
<td>S3</td>
<td>Social</td>
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<tr>
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<td>Social</td>
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<td>S12</td>
<td>Social</td>
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*Data calculations may use mean, not median, data
Suggested Reading

This short list of recent articles and papers is included for those seeking more information. It includes academic and analytical research (R), business news (N), and economic opinion and insight (I). Inclusion of any particular author or text in this list should not be construed as an endorsement or validation by Nasdaq, but rather an attempt to inform our stakeholders and broaden the conversation.

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<td>ESG Reporting: The ‘Analytical Fuel’ For Better Performance</td>
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<td>Wonder Women: Capitalizing on Gender Equality</td>
<td>Barron’s</td>
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<td>I</td>
<td>Financial Systems Can Be a Tool for Sustainability</td>
<td>The Wall Street Journal</td>
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<td>7/2017</td>
<td>R</td>
<td>Using GRI Sustainability Reporting Improves the Quality of ESG</td>
<td>G&amp;A Institute, Baruch College</td>
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<td>ExxonMobil Shareholder Vote is Tipping Point for Climate Issues</td>
<td>Harvard Business Review</td>
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<td>Case Study: Corporate Sustainability at a Crossroads</td>
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<td>ESG Reporting Reshapes Global Markets</td>
<td>Forbes</td>
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<td>Exchange Industry Sustainability Survey (Third Edition)</td>
<td>WFE</td>
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<td>3/2017</td>
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<td>Sustainability and Quality Go Hand in Hand</td>
<td>Morningstar</td>
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<td>A New Era of Sustainable Investing Emerges</td>
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<td>Corporate Sustainability &amp; Inclusive Development: Highlights</td>
<td>ScienceDirect</td>
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<td>1/2017</td>
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<td>Evaluating Sustainable Investment Trends</td>
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<td>Sustainability Reporting in Stock Exchanges ‘Comes of Age’</td>
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<td>Top Companies Are Disclosing Sustainability Risks</td>
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<td>The Shape of Rules to Come: SEC Regulation in Context</td>
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<td>How Investor Relations &amp; Sustainability Are Missing Each Other</td>
<td>Dix &amp; Eaton</td>
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<td>Where the Market Stands</td>
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<td>Field Experiments in Corporate Sustainability Research</td>
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<td>Accounting News Roundup: Sustainability Accounting</td>
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<td>3/2016</td>
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<td>Proxy Season and ESG Activism: What Issuers Should Know</td>
<td>Brown Flynn</td>
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<td>1/2016</td>
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<td>The Business Benefits of the Climate Fight</td>
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