

Nasdaq

PROGRESS REPORT 2014

United Nations Global Compact



A LETTER FROM THE CHIEF EXECUTIVE

I am pleased to reaffirm Nasdaq's support of the 10 Principles of the United Nations Global Compact with respect to human rights, labor, environment, and anti-corruption. In the nearly three years since we joined the Global Compact, Nasdaq has continued to explore the implications of the 10 Principles and worked diligently to integrate them into our strategy, culture, and operations.

We aim to be exemplary in all ways – as a company, as an exchange, and as a vital part of our connected global economy. Rigorous governance, ethical expectations, and a shared sense of responsibility drive us to do well, but also to conduct ourselves in an appropriate manner at all times.

The Global Compact offers businesses something unique: the opportunity to discuss cultural values in tandem with operational strategy. Nasdaq employees embrace good governance by holding ourselves to the highest ethical standards in all of our interactions. We work hard to earn the trust of our customers, our shareholders, our regulators, and the investing public. Our business, by its very nature, depends upon this trust.

We also strive to be open and informative in all of our interactions. At every step, we do what is honest and right, not just what is easy or expedient. That is who we are.

Nasdaq is part of a community of exchanges, and an integral part of two stock exchange groups committed to evaluating and implementing sustainable business practices. We founded and serve as chairman of the Sustainability Working Group at the World Federation of Exchanges. This group of 19 stock exchanges from diverse regions, economies, and cultures has come together to forge industry consensus and action. Nasdaq was also one of six exchange founders of the United Nations Sustainable Stock Exchanges initiative, which now has 16 members and is in its fourth year of progress.

Both of these projects share a common vision: to create more transparency for investors, empower businesses to operationalize and disclose sustainability strategy, and create a healthy and inclusive economy. We can think of no greater achievement, and stock exchanges are leading the way there.

In terms of our own operation, we have made many strides in the last 12 months. For example, Nasdaq was named as one of the Most Improved Corporate Citizens by CR Magazine in 2014. Our professional association dedicated to empowering women has grown steadily since its launch. We also provide mandatory education for all employees on ethics and compliance issues, with special emphasis on anti-bribery statutes, securities trading policies and avoiding conflicts of interest.

These are just a few of our key accomplishments. The attached report, covering January 1, 2014 to December 31, 2014, offers more detail.

Regards,

Bob Greifeld
Chief Executive Officer
Nasdaq

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.*

At Nasdaq, we fully support and adhere to the human rights principle as defined by the UN Global Compact. We respect and uphold human rights in all of our business operations and is engrained into our corporate values. We emphasize the core values of integrity, trust and responsibility in our brand, our products and our people. We strive to create a work environment that rewards ethical behavior and encourage our employees to put these ideals into practice in their everyday work.

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

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

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

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

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

Nasdaq is an active participant in the development of a U.S. National Action Plan (NAP) for Responsible Business Conduct, sponsored by the U.S. State Department. This NAP will include guidelines for the preservation of human rights in the workplace, both within corporations and their supply chains.



Exchange leaders gather in Seoul, South Korea at the World Federation of Exchanges meeting in October 2014

LABOR

Principle 3: 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.

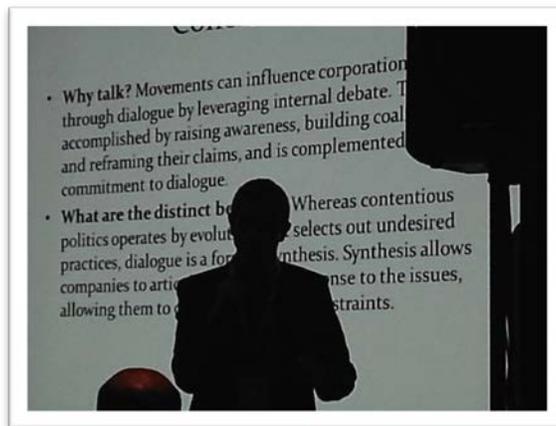
Nasdaq's success depends on the success and the well-being of our employees. We respect our employees' right and freedom of association and recognize the right to collective bargaining. We do not support any forms of forced or compulsory labor and abhor the idea of child labor. We promote fair labor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

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

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

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

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



A PRI panel discussion on corporate risk, long-term cost, and sustainability practice (Montreal, 2014)

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.

Nasdaq creates new initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.

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

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

Our real estate management team has made many efforts across the organization to reduce waste and improve the efficiency of our office environments. Our headquarters at One Liberty Plaza (OLP) and our satellite NASDAQ MarketSite, Rockville and our San Francisco offices are in LEED certified buildings. Our future offices will follow LEED specifications as well as we have standardized our construction and facilities practices to achieve a green element and reduce costs.

Examples of these practices include: purchasing office furniture that can be recycled and remodeled, use open office concept spaces for natural lighting, install motion sensor and programmed lighting, and use low-to-no VOC paints for our walls. Nasdaq also subscribes to renewable energy by purchasing electricity from outside vendors such as wind turbine farms. Our Helsinki office has earned a Green Office diploma and achieved carbon neutral status for the third consecutive year.

Nasdaq serves as chair of the Sustainability Working Group (SWG) at our trade association, the World Federation of Exchanges. The SWG investigates the material need for exchanges to seek, standardize, and/or publish environmental, social, and corporate governance (ESG) data. Through careful analysis of existing data forms and reporting frameworks, group members seek to understand the real impacts, both positive and negative, on our business. Furthermore, the SWG reflects upon the role of exchanges in the formation and sustenance of a fair, open, and transparent economy- and the proper leverage that exchanges may exert in promoting more sustainable business models.



Reed Hundt talks climate policy at the Nasdaq Inside Energy Summit at MarketSite (New York, 2014)

ANTI-BRIBERY AND CORRUPTION

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

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

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

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

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



Exchanges, regulators, NGOs, and institutional investors discuss governance and ethics at the World Investment Forum (Geneva, 2014)

CONTINUOUS IMPROVEMENT

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

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

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

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

At the WFE (World Federation of Exchanges) annual meeting in Seoul, Korea in October, Nasdaq presented a chairperson's statement and draft working group guidance to the WFE working committee, including original research illustrating the current state of exchange ESG reporting.

On May 28, 2014, Nasdaq became the first company to join the SASB Corporate Roundtable, a program designed to help corporations incorporate SASB standards in SEC filings. The SASB Corporate Roundtable provides a pathway for companies to evaluate the materiality of non-financial information, assess disclosure readiness, establish a baseline, address internal controls, and perform auditing, technical, and legal reviews. As leaders in managing environmental, social, and governance (ESG) issues, Nasdaq will demonstrate how to disclose non-financial material information using SASB standards.



Closed-door session on exchange industry oversight at the 2014 WFE Board of Directors meeting

CONTACT US

We actively solicit feedback from our employees, stakeholders, investors, and the general public. These comments help guide the development of our processes. If you have any questions about the content in this progress report, or the scope of our sustainability efforts, please contact us via email:

- sustainability@nasdaq.com

The Nasdaq Sustainability team includes:

- Sandy Frucher, Vice Chairman
- Evan Harvey, Director of Corporate Responsibility
- Angela Zhu, Corporate Communications
- Josh Machiz, Marketing

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

- Twitter: @nasdaqomx
- Facebook: facebook.com/nasdaq
- LinkedIn: linkedin.com/company/nasdaq-omx

