

UN Global Compact

Progress report 2014 of Deutsche Börse Group

We endorse the UN's Universal Declaration of Human Rights. As a member of the UN Global Compact, Deutsche Börse Group is highly committed to implementing the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption throughout the Group when designing our business processes and strategies. In 2014, we developed a range of initiatives in conjunction with the Global Compact's ten principles:

ESG Best Practice Guide

In September 2013, Deutsche Börse Group launched the ESG Practice Guide. The Guide contains seven recommendations on a comprehensive approach to capital market communications regarding sustainability. It offers practical guidance to enable companies to pursue an integrated and investor-focused reporting approach. Adherence to the Guide is voluntary; it does not include any binding reporting or admission requirements. Rather, its aim is to familiarise investors with capital markets communication regarding sustainability, and to encourage them to engage with the topic. In 2014, a survey on ESG reporting was launched for the German capital market in close cooperation with the BVI (German Investment Funds Association), the Deutsches Aktieninstitut (German Share Institute), the Deutscher Investor Relations Verband e.V. (DIRK) and the Verband der Investment Professionals in Deutschland (Society of Investment Professionals in Germany, DVFA e.V.). Focal points of the survey were the preparation of the questioned companies for the impending EU directive on the publication of non-financial information as well as the preparation of the ESG Best Practice Guide.

Information media and transparency

With its range of risk management services, Deutsche Börse Group aims to make a sustainable contribution to society, in particular by ensuring integrity and safety on the markets in its function as a capital markets organiser and by increasing the distribution efficiency of the markets through its price discovery function.

The Leipzig-based European Energy Exchange (EEX) operates a regulated and transparent marketplace for trading greenhouse gas (CO₂) emissions certificates. In September 2014, EEX launched a new transparency website: at www.eex-transparency.com, users can access comprehensive fundamental data and information relevant to wholesale energy trading. The website updates the previous EEX transparency platform, "Transparency in Energy Markets", and provides information on the capacity, use and availability of power-generating plants. In addition, it gives details of power storage and natural gas consumption. As a result, the website expands EEX's offering for market participants, allowing them to make timely and effective disclosures in accordance with the EU regulation on wholesale energy market integrity and transparency (REMIT).

Joining the United Nations' Sustainable Stock Exchanges initiative (SSE)

As the central point of contact between capital market participants, Deutsche Börse Group sees its responsibility as promoting market transparency, in particular expanding the availability and quality of environmental, social and governance (ESG) information and increasing understanding of their relevance.

Against this backdrop, Deutsche Börse joined the United Nations' Sustainable Stock Exchanges initiative (SSE) in early October of 2014. The aim of the initiative, founded by the UN Secretary-General in 2009, is to promote international dialogue on the sustainability of financial markets among exchange organisations. Deutsche Börse Group is committed to its professed goals of defining the role of capital market infrastructure providers within the sustainability movement and of dovetailing the SSE with parallel initiatives.

Global employee survey

At the end of 2013, Deutsche Börse Group conducted an employee survey, in which 81.6 per cent of the workforce took part. From the employees' perspective, the Group's strengths are customer focus, product and service quality and the working environment. At the same time, the survey identified a total of about 400 follow-up measures, which have been launched at group, segment, or department level to address the perceived areas for improvement. According to feedback received from managers, 80 per cent of the defined measures had been implemented by the end of the year. The Group also benefited from the results of the survey in the area of staff management. Over a period of three weeks, more than 1,000 employees visited "People Principles", an internal online forum, where they discussed guidelines for ethical behaviour among colleagues. The principles the discussion highlighted as the most important for employees will be implemented in the company through workshops and other initiatives from the beginning of 2015 onwards in order to put them into practice in everyday work.

Code of conduct for suppliers

In 2014, suppliers which account for 94.7 per cent (2013: 95.3 per cent) of the worldwide amount of purchases of Deutsche Börse Group have signed our Code of Conduct. The Code is based on the UN Global Compact principles and includes ecological, social and sustainability criteria.

Climate Action Award

Deutsche Börse has been a member of the Carbon Disclosure Leadership Index (CDLI) since 2009 and currently fulfils the criteria for 97 of 100 possible transparency points. In 2014, Deutsche Börse Group was awarded with the Climate Action Award for outstanding success beyond the CDP Leadership indices. With an emission reduction of 32.85 percent in 2013 by appropriate measures, Deutsche Börse Group has according to CDP taken a groundbreaking leadership role among the 166 companies in the DACH region.

Information on COP reporting

Deutsche Börse Group taking part in the UN Global Compact

Since July 2009, Deutsche Börse Group has participated in the United Nations Global Compact. As a participant, the company publicly pledges to adhere to the Compact's ten principles in the areas of human rights, labour, environmental protection, and anti-corruption.

Unlike other financial services providers, such as banks or insurance companies, Deutsche Börse Group holds a unique position in the financial markets segment: its business model as well as the products and services it offers set it apart considerably from other financial services providers. As one of the world's largest stock exchange operators, Deutsche Börse Group organises markets characterised by the integrity, transparency, and security they offer investors, thereby providing the infrastructure which many service providers of the industry use for their products.

Decision in favour of Active Level reporting

Due to the characteristics of Deutsche Börse Group's business model, it is not possible to report in accordance with the "Advanced Level" requirements of the UN Global Compact Communication on Progress (COP). This is due to the fact that the majority of the required information does not apply to the company:

Deutsche Börse Group provides services in the field of financial transactions and the information technology (IT) required for these transactions; it does not manufacture physical products.

Deutsche Börse Group's servers run on green energy, thereby reducing the company's ecological footprint as much as possible. As a matter of principle, suppliers are asked to sign the company's Code of Conduct. However, weighting possibilities across the first links of the primary value chain are very restricted on an overall basis.

As an IT company, Deutsche Börse's ability to influence climate change is very limited. However, the reduction of greenhouse gas emissions and the responsible use of natural resources are an integral part of its sustainability strategy.

Deutsche Börse Group is a listed company and operates internationally. However, the average total number of employees falls considerably short of 4,000. The majority of employees work at its three European locations (Frankfurt/Eschborn, Luxembourg, Prague) and its two US locations (New York, Chicago). The Group's remaining 17 international locations account for less than 3 per cent of staff.

According to Global Compact criteria, Deutsche Börse Group fulfils those Advanced Level requirements which are applicable. In addition, the Chairman of the Executive Board, Reto Francioni, has taken a stand on the company's participation in the UN Global Compact in the corporate report.