



DEUTSCHE BÖRSE  
GROUP

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## United Nations Global Compact Communication on Progress 2016

Deutsche Börse Group endorses 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 2016, Deutsche Börse Group developed a range of initiatives in conjunction with the Global Compact's ten principles:

### **Deutsche Börse offers updated overview of DAX®-family indexes companies' sustainability reporting**

As a service-oriented marketplace operator Deutsche Börse considers it a core responsibility to ensure the commercial success and stability of financial markets by means of capital market-oriented transparency initiatives. In this context, it acts in line with the requirements of its stakeholders.

Environmental, social and governance (ESG) aspects constitute a significant part of enterprise value and are increasingly taken into consideration by professional investors during the investment process. For this reason, last year Deutsche Börse initiated a survey of the DAX® companies on their publication of sustainability-related information. This survey has been repeated in 2016, and also covers MDAX®, SDAX® and TecDAX®-listed companies.

The tables accessible via the menu item SRI at the Börse Frankfurt website provide a comprehensive overview of the companies' chosen reporting format (annual report, separate sustainability report or combined/integrated report) and standard(s) applied. In addition, they include details of the contact persons for sustainability matters

Link: [SRI on Börse Frankfurt](#)

### **Transparency – Cooperation with international ESG organizations**

As a central "interface" between capital market participants, Deutsche Börse Group regards it as part of its responsibility to create a platform, which explains various environmental, social, and governance (ESG) approaches. Deutsche Börse thus enables market participants and the public to gain an overview of different transparency initiatives and to exchange ideas with others:

In 2016, Deutsche Börse Group arranged the annual Council Meeting of the International Integrated Reporting Council (IIRC). At this event, the invited sustainability professionals received valuable input on current developments in the sustainability reporting of international capital market actors and discussed the future positioning of the IIRC and its cooperation with other actors in the field of sustainability reporting frameworks.

Deutsche Börse Group also hosted GOLD Roundtable workshops on the implementation of the new Global

Reporting Initiative (GRI) reporting guidelines. GRI sees itself primarily as a platform and initiator for an ongoing international dialogue between various stakeholders in politics, the economy and society as a whole.

For transparency purposes, Deutsche Börse Group also expanded its collection of ESG data for the financial year 2016 to additional international sites of operations such as Singapore, Chicago and Zurich.

#### **In line with our business – a new management body for sustainability**

Sustainable business provides a major contribution to a company's ongoing success. Sustainability is thus not just something that is "nice to have", but a key part of the business. In order to maximise the potential of our own sustainability profile, we established the Group Sustainability Board in 2016: its 16 members – from all parts of the enterprise – contribute their expertise in order to further enhance Deutsche Börse Group's sustainability performance along the entire value chain. The Board convenes twice a year, to discuss opportunities and risks related to environmental, social and governance (ESG) aspects. The Group Sustainability Board advises the Executive Board; it also develops new business concepts based on sustainability – discussing issues such as a code of conduct for employees or an infrastructure for sustainable investments. These concepts are reviewed from all angles. This is also evident in the corporate report: we have been pursuing the concept of integrated reporting since 2012. ESG parameters are not shown in a separate annex – instead, they form an integral part within all sections of the report, demonstrating their visible interconnection to the classical financial reporting.

#### **Joining the United Nations Sustainable Stock Exchanges initiative's ESG Model Guidance Campaign**

To enhance transparency on ESG information across global markets, United Nations Sustainable Stock Exchanges (SSE) created a new resource for the stock exchanges, the "Model Guidance on Reporting ESG Information to Investors: A Voluntary Tool For Stock Exchanges to Guide Issuers in September 2015".

At that time, Deutsche Börse was among less than one third of stock exchanges around the world that was providing guidance to issuers on reporting environmental, social and governance (ESG) information.

Deutsche Börse successfully participated in the campaign and closed the guidance gap by sharing its ESG Best Practice Guide that other exchanges can use to develop their own, custom guidance. The campaign, backed by the Principles for Responsible Investment and United Nations Global Compact commended Deutsche Börse as it had already issued ESG reporting guidance. Deutsche Börse Group's ESG Best Practice Guide will be particularly interesting for listed companies with a view to the national application of the EU guideline on corporate sustainability reporting that will come into effect in 2017.

As of 2016, Deutsche Börse is still an active member of the Sustainable Stock Exchanges initiative and further aims to discuss matters such as best practice approaches in sustainability within the SSE and to define the role of capital market infrastructure providers within the sustainability movement and to dovetail the SSE with parallel initiatives.

#### **New Supplier Code of Conduct and Supply Chain Assessment**

In 2016, Deutsche Börse Group started an evaluation process of its supply chains by assessing business relationships with suppliers and service providers based on their environmental, social and governance performance. Additionally, Deutsche Börse has updated its supplier code of conduct (SCoC) to match our own understanding of responsibility in supply chains. The SCoC will also serve as a basis for compliance to the UK Modern Slavery Act of 2015.

In total, suppliers which account for 97.5 per cent (2015: 96.6 per cent) of the worldwide amount of purchases of Deutsche Börse Group have signed either the former or the renewed Code of Conduct. The Code is based on the UN Global Compact principles and includes ecological, social and sustainability criteria.

Furthermore, it is mandatory for all suppliers that are on-boarded newly by Purchasing to sign the SCoC.

#### **Sustainable index products**

Deutsche Börse Group develops sustainable indices in order to offer responsible investment options to investors, according to environmental, social and economic (ESG) criteria. STOXX Ltd., a subsidiary of

Deutsche Börse AG, offers a wide variety of transparent sustainability indices. At present, 100 indices are available, including the index families STOXX® Global ESG Leaders and STOXX Sustainability. Deutsche Börse Group offers five further sustainable index concepts.

Additionally, STOXX Ltd., a leading provider of innovative, tradable and global index concepts, introduced the STOXX Low Carbon index family in 2016. The new index family consists of four sub-families which offer varying degrees of carbon exposure to enable market participants to limit the exposure of their portfolios to carbon risk while participating in the low-carbon economic growth.

The STOXX Low Carbon index family is designed to act as an underlying for exchange-traded funds and other investable products, such as structured products and derivatives; and as benchmark for passive and active investment strategies. The STOXX Low Carbon Indices are based on reported and estimated carbon emission data of companies, collated and provided by CDP Europe (formerly Carbon Disclosure Project) as part of CDP Worldwide, the leading international non-profit organization working with shareholders and companies to systematically change market behaviour and South Pole Group, a leading emission reduction project developer.

### **Target female quotas adopted**

In accordance with the Gesetz zur gleichberechtigten Teilhabe von Frauen und Männern an Führungspositionen (German Act on the Equal Representation of Women and Men in Executive Positions), the Executive Board of Deutsche Börse AG resolved to maintain the existing quotas of women on the two management levels below the Executive Board, i.e. 6 per cent on the first and 10 per cent on the second management level.

The Executive Board already set a voluntary target in 2010 for Deutsche Börse Group to increase the proportion of women in middle and upper management to 20 per cent, and in lower management to 30 per cent, by 2020. In 2016, in Deutsche Börse Group's global operations, these quotas stood at 15 per cent (2015: 15 per cent) for middle and upper management and 28 per cent (2015: 27 per cent) for lower management levels. In the Group's German locations, they were 16 per cent (2015: 14 per cent) and 22 per cent (2015: 23 per cent), respectively.

### **Improving our ecological footprint**

For Deutsche Börse Group, environmental protection is an unconditional commitment to preserving the natural environment and resources. The Group aims to record its own "ecological footprint" as accurately as possible and to steadily reduce it. Since we fulfil our role as a market-place organizer to a large extent through the development and operation of IT-based solutions, we place great emphasis on further lowering the Group's emissions from IT services. In 2016,

- We continued to reduce the greenhouse gas emissions in our main locations.
- We progressed with the Group-wide dialogue on the issue of Green IT.
- The power generated by the company's own combined heat and power plant covered up to 60 per cent of its energy requirements.
- We used shuttle buses between the Eschborn and Luxembourg sites to cut down on individual trips.
- We offered job tickets for local public transport to staff in Frankfurt/Eschborn.
- We used video conferences more frequently instead of business travel in order to reduce emissions.
- We used "double-sided printing" as the default printer setting.
- We reduced the number of printed publications.
- We sent letters and parcels at the Frankfurt/Eschborn site and parcels at the Luxembourg site via the "Go Green" initiative of Deutsche Post and DHL.
- We included electric vehicles in the list of eligible company cars and offered electric charging stations for electric cars and bicycles.
- We buy exclusively environmentally compatible products. These include FSC paper with high thickness at low grammage, recycled toners, and other office consumables as well as small appliances that have been awarded "Blue Angel" or "Energy Star" environmental certification.

## Employment Rights

- As stated in the Code of Ethics, Deutsche Börse Group advocates openness and fairness in the workplace and promotes a culture of open dialogue, trust and mutual acceptance. Employee involvement is an important guiding principle for the corporate responsibility engagement. In Frankfurt and Luxemburg employees are presented in different boards and committees. Deutsche Börse Group has collective bargaining agreements in place that allow, for example, for payment above industry average, flexibility with respect to working time.
- Deutsche Börse Group does not tolerate discrimination of any kind. The principles of equal opportunity and non-discrimination regardless of nationality, ethnical background, religion, age, gender, sexual orientation and identity, or disability of any kind are complied with.
- In 2016, Deutsche Börse Group started to work on a renewed version of our Code of Ethics – this policy on how to act at Deutsche Börse group will contain more precise information on our principles of business conduct and will become effective in 2017.

The Group also sets high standards regarding the professional qualifications and personal suitability of our new colleagues. Training and continuing professional development are a top priority at Deutsche Börse. Staffs constantly expand and refresh their knowledge of the financial markets and can also undertake regular training for their communication and organisational skills. Deutsche Börse offers a wide range of internal and external training opportunities to support its staff and their supervisors in mastering their own personal challenges. For example, the Employee Development Planning training course for managers teaches managers how to define appropriate measures to support their staff. Further training opportunities are at the planning stage.

## Trainings to prevent bribery, corruption and money laundering

In 2016, Group Compliance introduced mandatory web-based training courses entitled anti-bribery and corruption (ABC) as well as anti-money laundering (AML). They provide employees with an appropriate level of knowledge and the necessary tools to ensure compliance with all applicable laws and regulations in place.

The new training requirement applies to almost all Deutsche Börse Group staff, including externals, students and interns.

## Life & Family initiative

It is Deutsche Börse Group's declared intention to achieve a reasonable work/life balance. In 2016, the company offered a number of options designed to achieve a positive work-life balance as part of its Job, Life & Family initiative:

- Flextime: employees work according to a wide range of flextime models.
- Part-time: possibility to work part-time
- Option to work from home (teleworking)
- Childcare: in addition to providing emergency care and holiday programs, we also provide financial support for childcare. The Childcare service for emergencies and during school holidays service was used in Germany on a total of 20 days.
- An emergency parent-child office at the Eschborn, Luxembourg and Prague locations
- Eldercare homecare: in cooperation with pme Familienservice GmbH, we offer employees a series of seminars informing about assistance programs available for caring for elderly relatives as well as individual consulting in some cases.
- Health care: we offer special seminars on work-life balance, coaching and regular health check-ups.
- The ability to take sabbaticals: this option was used by three employees in Luxembourg and six in Prague in 2016.

### Information on COP reporting

#### Deutsche Börse Group taking part in the UNGC

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 short of 5,300. The majority of employees work at its three European locations (Frankfurt/Eschborn, Luxembourg, and Prague) and its two US locations (New York, Chicago).

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