



United Nations Global Compact

Communication on Progress 2020

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 2020, Deutsche Börse Group developed a range of initiatives in conjunction with the Global Compact's ten principles:

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. As a member of the IIRC German Roundtables, Deutsche Börse actively contributes to shaping the framework of a new integrated reporting. The IIRC's aim is to develop an integrated reporting system with an international focus, which ensures that a company's key facts and figures are communicated clearly, concisely and transparently. As part of its partnership with the CDP, the information portal for sustainable securities has been providing climate data from roughly 1,800 companies around the world to interested market participants, free of charge, since April 2012. The data facilitates a direct comparison of companies' carbon emissions.

In line with our business – a 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 a Group Sustainability Board in 2016 to develop the Group-wide sustainability strategy, and to advise the Executive Board on sustainability issues. The Board convenes twice a year; it consists of 12 members, three from each area of Executive Board responsibility, the Head of Group Sustainability as well as a member of the Executive Board. By incorporating performance indicators into the disclosure of its sustainability efforts, Deutsche Börse Group improved the presentation of its value creation chain, thus linking these indicators more clearly to its core business. These concepts are reviewed on an ongoing basis 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 is particularly interesting for listed companies with a view to the national application of the EU guideline on corporate sustainability reporting which came into effect in 2017. As of 2020, 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.

Supplier Code of Conduct and Supply Chain Assessment

Deutsche Börse Group is aware of its entrepreneurial responsibility and is committed to the principles of sustainability. As a company, it strives to lead by example by accepting its corporate responsibility holistically and disclosing how it does so. For this reason, the management approach for a Group-wide commitment to sustainability includes respect for human rights not only in the supply chain but also within the company. In addition to the Group's employees, suppliers and service providers are also expected to abide by these principles. To this end, in 2016 Deutsche Börse Group has introduced the code of conduct for suppliers, which comprises ESG criteria.

At present, around 99.2 per cent (2019: 99.2 per cent) of the procurement volume is covered by agreements of the code of conduct for suppliers. As a rule, any new suppliers must sign Deutsche Börse Group's code of conduct for suppliers. In exceptional cases, they may have a self-commitment in place that is at least equivalent.

The Group's goal is to implement as reliable a supplier strategy as possible and a stable procurement organisation; it aims to ensure that all suppliers and manufacturers deliver the price and performance of the products and services agreed. When choosing suppliers and service providers, the Group focuses on European vendors and takes care to ensure that their conduct is ethical.

Category A and B suppliers are monitored and reviewed according to various risk criteria in cooperation with an external service provider. Classification of suppliers is dependent on their respective turnover. Category A suppliers are responsible for 70 per cent, category B suppliers for 20 per cent and category C suppliers for the remaining 10 per cent of the procurement volume. This "risk radar" monitors risks along the entire supply chain from (sub-)suppliers to logistics nodes, right through to the end customer. This process covers all types of risks: supplier risks (e.g. compliance, financial stability and quality), location risks (e.g. related to industrial action or natural disasters), country risks (e.g. political risk or sanctions) and risks related to certain groups of goods (e.g. import restrictions). In the event of any risk materialising, the early warning system will issue alerts by e-mail (1496 in 2020), which will then be evaluated manually. Depending on the level of impact, the Group will engage in an active dialogue with the contracting parties. Moreover, analyses facilitate the evaluation of latent risk exposures or negative trends (where no damage has occurred) in order to enact targeted measures designed to prevent such risks

Sustainable index products

There is an increasing demand for considering sustainability indicators in the investment process. Qontigo's index provider STOXX is part of Deutsche Börse Group, calculating and distributing around 13,000 indices, whereas a growing number of which are designed after sustainability aspects. STOXX's offering of sustainability indices is diversified and includes environmental, social and governance- (ESG), climate change- and carbon emissions-related products. Indices are built based on internal research and the evaluation of market demand.

For all indices, the ultimate goal is to provide solutions to investors who consider sustainability a key element of their investment strategy. STOXX® and iSTOXX® indices focus on indicators that can be assessed quantitatively and

are compiled by research providers specialised in the field. Within this approach, STOXX aims to select companies that are ranked better than their peers according to selected indicators and tilt the allocation towards those companies.

As asset owners are steadily stepping up their fiduciary role and are implementing environmental, social and governance (ESG) investment strategies, Qontigo is addressing this development by offering two approaches for ESG-compliant versions of STOXX and DAX flagship benchmarks:

STOXX ESG-X indices

STOXX ESG-X indices are ESG-screened versions of flagship STOXX global, regional, country, size and blue-chip benchmarks. They incorporate standard norm- and product-based exclusions that aim to limit market and reputational risks while keeping a low tracking error and a similar risk-return profile to the respective benchmark. STOXX specifically excludes companies that Sustainalytics considers to be non-compliant with their Global Standards Screening (GSS), are involved in controversial weapons, are tobacco producers (0% revenue threshold) and that either derive revenues from thermal coal extraction or exploration or have power generation capacity that utilises thermal coal (>25% revenue threshold).

STOXX & DAX ESG indices

The EURO STOXX 50 ESG index and the DAX 50 ESG index remove companies involved in activities that are undesirable or controversial from a responsible-investing perspective, similar to the approach of STOXX ESG-X indices. In addition, they integrate sustainability parameters into stock selection, meaning they prioritize or overweight companies with the highest ESG scores while underweighting the laggards. The EURO STOXX 50 ESG index is based on the EURO STOXX 50®, one of Europe's flagship benchmarks. The DAX 50 ESG is designed to ensure an ESG index whose liquidity and risk-return characteristics are similar to those of Germany's DAX®.

The EURO STOXX 50® ESG index, the DAX 50 ESG index and STOXX's suite of ESG-X indices are suitable for underlying mandates, passive funds, ETFs, structured products and listed derivatives with the ambition to increase liquidity and lower the cost of trading.

Overview of STOXX, DAX ESG, Climate Change and Carbon-Emission index offerings:

- STOXX & DAX ESG Benchmark indices
- STOXX ESG-X Benchmark indices
- STOXX Sustainability indices
- STOXX Global ESG Leaders and ESG Specialized Leaders indices
- STOXX Climate indices
- STOXX Low Carbon indices
- ESG Impact indices

In addition to the above-mentioned STOXX and DAX indices, the ÖkoDAX® index focuses on German companies active in the renewable energy business.

iSTOXX ESG offering

Under the umbrella of the iSTOXX brand, STOXX also offers a broad range of customised ESG-related indices that cater to specific client requirements. These indices offer specific strategies within the broader STOXX universe of responsible investing indices that track companies that are pioneering or making the most headway in the transition to a low-carbon economy and a fairer and better world from the perspective of ESG principles.

Eurex ESG derivatives offering

Eurex took over a pioneering role by introducing an ESG product suite based on European benchmarks in February 2019. The three futures on the highly liquid European STOXX benchmarks covering ESG Exclusions, Low Carbon and Climate Impact support market participants to manage sustainability-driven challenges. In October the first exchange-traded ESG options on a European benchmark was added to the product range. At the same time the offering was further complemented by STOXX Select products with futures and options that capture the

performance of European companies with high dividend payments and low volatility which are selected from the STOXX ESG Global Leaders index.

With the introduction of derivatives on sustainable versions of various regional and global benchmarks in February and March 2020 Eurex has achieved a global coverage with its ESG offering. In November 2020 Eurex went one step further in terms of methodology by introducing futures and options on DAX 50 ESG and EURO STOXX 50 ESG indices combining screening out undesirable securities and considering ESG rankings as part of the selection process.

Products available for trading on Eurex:

- EURO STOXX 50® Low Carbon Index Futures
- STOXX® Europe 600 ESG-X Index Futures and Options
- STOXX® Europe Climate Impact Ex Global Compact Controversial Weapons & Tobacco Index Futures
- STOXX® Europe ESG Leaders Select 30 Index Futures and Options
- STOXX® USA 500 ESG-X Index Futures
- MSCI ESG Screened Index Futures covering USA, World, EM, EAFE and Japan
- DAX® 50 ESG Index Futures and Options
- EURO STOXX 50® ESG Futures and Options

In 2020, the second year after their launch, STOXX Europe 600 ESG-X Index Futures and Options, which are by far the most popular contracts, have reached ca. 1.18 million traded contracts. ESG is one of the major trends and the product interest is in line with Eurex expectations. Overall the segment covers 16 products.

Energy and energy-related markets

Deutsche Börse Group holds a majority shareholding in European Energy Exchange AG (EEX), Leipzig, Germany. The product and service offerings of EEX and its subsidiaries focus on energy and energy-related markets (e.g. power, gas, emission allowances). By providing liquid, secure and transparent markets, EEX group plays an important role in improving the efficient functioning of these markets that are directly linked to questions of climate change. This includes the continuous development of new products and services, providing market solutions to support the long-term transition of Germany's and Europe's energy system towards a higher share of carbon-free, renewable energy sources.

EEX is constantly developing new support within the framework of the EU climate and decarbonisation goals as expressed within the European Green Deal. This includes long-term strategies such as the EU Hydrogen Strategy. EEX operates a regulated market for emissions allowances under the EU Emissions Trading System (EU ETS) and hosts the central auction platform for the EU-ETS. This includes organising regular auctions on behalf of 27 EU member states, covering also 25 countries that form an EU-wide auction platform to be coordinated by the European Commission, Germany and Poland. This system could be expanded to take in further sectors such as heating and transportation.

Furthermore, EEX has developed hedging instruments to trade energy with an increasing power generation from renewables. EEX has introduced throughout the year a number of short term power products to support this development. In addition, an extension of maturities in the electricity derivatives market, which will allow for electricity production and procurement to be hedged in the long term is required and is thus being developed. Companies developing renewable energy, and their business partners, can already hedge against price volatility and counterparty credit risks over the long term and these maturities will be expanded from next year onwards. Such trades in long-term maturity products have already occurred throughout 2020 and are expected to grow in the future.

EEX Group further promotes the integration and marketing of renewables through its role as a provider of registries for so-called guarantees of origin, which are used by electricity and gas distributors to prove the origin of the energy they supply. Here, EEX Group also develops markets for carbon-free and low carbon hydrogen. Grexel, part of EEX Group active in operating registries for guarantees of origin, is an active consortium partner to CertifHy, which used to be the first registry for hydrogen guarantees of origin.

Green Bond segment on the Frankfurt Stock Exchange

Deutsche Börse Group launched a segment for green bonds – bonds issued to raise capital for projects with climate and environmental benefits – on the Frankfurt Stock Exchange in November 2018. This segment currently comprises 264 bonds that meet the Green Bond Principles of the International Capital Market Association. They include the use of issue proceeds, the project selection process, management and ongoing reporting. The new segment caters to the demand for sustainable financing, which is rising all over the world. Investors who care not only about the economic, but also the ecological return of their investment can find the right strategy. The bonds included in Deutsche Börse's segment are admitted for trading at various European stock exchanges, including the Frankfurt Stock Exchange.

Target female quotas adopted

Deutsche Börse AG's Supervisory Board has defined a target quota for women on the Executive Board in accordance with section 111 (5) of the AktG. The first minimum target – 20 per cent of the Executive Board members were to be women – was complied with by the end of the implementation period on 30 June 2017. The quota of women on the Executive Board was 20 per cent at such point in time.

With regard to the Supervisory Board, the legally prescribed gender quota of 30 per cent in accordance with section 96 (2) of the AktG applies. In order to prevent the possible discrimination of either shareholder representatives or employee representatives, and in order to increase the planning security in the relevant election procedures, the shareholder representatives on the Supervisory Board have opposed the overall compliance of the quota in accordance with section 96 (2) of the German Stock Corporation Act. Thus, the minimum proportion of 30 per cent is to be complied with for each gender with regard to the shareholder representatives and the employee representatives. This means that at least two women and two men from each the shareholder representatives and from the employee representatives must be on the Supervisory Board. Currently, there are three women from the shareholder representatives and three women from the employee representatives. The legally prescribed gender quota is thus complied with.

Effective 1 July 2017, the Supervisory Board decided to extend the 20 per cent target quota of women on the Executive Board until 31 December 2021. This quota, however, declined due to the increase on the Executive Board to six members as of 1 July 2018, despite the fact that the actual number of women on the Executive Board did not change. The quota of women on the Executive Board is currently 16.7 per cent.

The Supervisory Board intends to comply with the 20 per cent target quota for women on the Executive Board and also intends to further increase the quota for women on the Supervisory Board. This will be taken into account in future personnel decisions.

Improving our ecological footprint

For Deutsche Börse Group, environmental protection is an unconditional commitment to preserving the natural environment and resources. Deutsche Börse Group has made environmental issues an integral part of its sustainability activities. Within our Group-wide initiatives, we focus on reducing greenhouse gas emissions, water and paper consumption as well as waste to minimise our ecological footprint. In 2020,

- 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 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.
- We purchased sustainably generated hydroelectricity to run Group-wide servers at the EQUINIX data centre in Frankfurt/Bergen-Enkheim.

Moreover, in 2020, the unavoidable CO2 emissions of the previous year were neutralised through the purchase and retirement of CO2 certificates for the first time. Deutsche Börse have chosen the highest standard (certificates in the "Gold Standard" category), which are specially tailored to its industry.

Employment Rights

For Deutsche Börse, an active protection of human and employee rights is a key element of its corporate responsibility: the Group addresses this at various points along the value chain. Complying with human and employee rights is a key pillar of the Group's human resources policy. As stated in the Code of business conduct, Deutsche Börse Group advocates openness and fairness in the workplace. Its corporate culture is characterized by a sense of responsibility, commitment, flexibility and teamwork. Deutsche Börse Group aims to make sure that staff with these qualities continue to join the company in the future and that they stay for the long term, if possible. Deutsche Börse Group's Executive Board is engaged in employee matters through one of its Board members who is simultaneously Director of Labour Relations as well as through other regular reporting formats. The workforce is highly diverse and represents a broad range of different age groups, genders, physical abilities, sexual identities, ethnic origins and beliefs. The company promotes this diversity and benefits from it, creating an environment conducive to integration from which the corporate culture benefits. Discrimination on the grounds of gender, sexual orientation, race, nationality, ethnic origin, age, religion or disability is not tolerated, neither in the company's practices nor in employee behaviour, such as harassment, among employees. Harassment does not refer to consensual behaviour; it refers to behaviour that is unsolicited, that is personally offensive and that fails to respect the rights of others or fails to recognise the impact that such behaviour may have on others.

Employee commitment and highly developed skills are among the cornerstones supporting Deutsche Börse Group's business success. Thus, Deutsche Börse assigns high priority to training its staff and to providing continuing professional development: employees continuously refresh and expand their knowledge of financial markets; they can also receive regular tutoring on their communications and organisational skills. Through a broad range of internal and external training measures, Deutsche Börse supports managers and staff in mastering their individual challenges.

Trainings to prevent bribery, corruption and money laundering

Regular compliance training is essential for a culture of compliance throughout Deutsche Börse Group: the Group's employees worldwide are being trained with respect to relevant areas in the compliance context – also covering the areas of money laundering/terrorism financing, data protection, corruption, market manipulation and insider trading in particular. Managers who are exposed to increased compliance risks on account of their activities receive additional training in line with their needs. Participation training measures covering the compliance topics mentioned above is mandatory for employees, as well as for management. In 2020, 1,394 employees were trained in ABC measures.

Life & Family initiative

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

- Option to work from home (teleworking)
- An "Elder and Family Care" programme to facilitate support for family members requiring care
- The option to take sabbaticals, for example, in Germany, Luxembourg, Prague and Cork
- The Child Care programme supports employees in taking care of their children
- Within the Health Care programme employees can benefit from different offers in the area of health promotion

Deutsche Börse Group offers parental leave at all its locations, in accordance with applicable national regulations. The high ratio of employees returning from parental leave indicates a pleasant working atmosphere and good employment conditions within the company.

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 6,996. The majority of employees work at its European locations.

According to Global Compact criteria, Deutsche Börse Group fulfils those Advanced Level requirements which are applicable. In addition, the Chief Executive Officer, Theodor Weimer, has taken a stand on the company's participation in the UN Global Compact in the corporate report.

Our commitment to the financial markets

The Green and Sustainable Finance Cluster Germany e.V. (GSFCG) was created in spring 2018 in a merger between the Green Finance Cluster Frankfurt (established in November 2017) of the Hessian Ministry of Economics and the Accelerating Sustainable Finance Initiative (established in May 2017) of Deutsche Börse. The cluster's objective is to further mobilise the finance sector for sustainable investment, ESG risk management and capacity building in the field of sustainable finance. The cluster as an association is based on the broad support of the financial community.

The cluster wants to take on challenges in four defined areas of action:

- Sustainable finance – status quo and innovation:

e.g. status report on the financial sector, identifying potential for development

- Metrics and standards:

e.g. implementation of TCFD recommendations, support of EU regulatory processes and practical implementation of expectations by the supervisors

- Data and digitalisation:

e.g. Sustainable Finance-related applications of the planned Financial Big Data Cluster

- Dialogue and capacity building:

e.g. the European Sustainable Finance Summit, formats for trainings on TCFD recommendations

In 2020, the focus laid on further developing instruments for integrating sustainability aspects into the risk management of financial service providers. Therefore, in cooperation with experienced financial market practitioners, the Cluster has established a think tank for overcoming practical implementation issues with regard to the TCFD recommendations. Supporting financial market players in meeting upcoming expectations by the supervisors and helping them to serve their clients in managing and financing the transformation towards future-proof business models is at the core of the think tanks ambitions.

Moreover, the GSFCG works in close cooperation with relevant political actors at German national level. At the

European level, the cluster is actively involved in the EU Platform on Sustainable Finance, supports its work and is involved in the coordination process regarding the upcoming regulation in the area of sustainable finance. Furthermore, by means of being part of the Financial Centres for Sustainability, the GSFCG works closely with peer financial centres initiatives at the international level to share knowledge and leverage best practices. Since June 2019, Deutsche Börse Group and the GSFCG have also been members of the German Government's Sustainable Finance Advisory Board to promote the dialogue between the financial industry, the real economy, civil society and science.