

Deutsche Börse AG NZFSPA 2023 Report

Net Zero Financial Service Providers Alliance
(NZFSPA) Commitments & Targets Reporting

About this report

In November 2022, Deutsche Börse AG joined the Net Zero Financial Service Providers Alliance (NZFSPA), committing to support the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with a maximum global temperature rise of 1.5°C above pre-industrial levels. As one of the eight sector-specific initiatives of the Glasgow Financial Alliance for Net Zero (GFANZ), launched in April 2021, the NZFSPA includes service providers like investment advisors, rating agencies, auditors, and exchanges. Members have pledged to set targets for transforming services and products to support the goal of a net-zero global economy.

To fulfil these commitments, NZFSPA subgroups have developed industry-specific targets. The exchange subgroup has provided guidance that has special reference to the context of the exchange industry as a whole as well as the varied circumstances of individual exchanges.

This is Deutsche Börse AG's first report for the NZFSPA following such guidance. The objective of this report is to outline to what extent Deutsche Börse AG is currently meeting or working towards meeting the exchange-focused and market-focused targets set by the NZFSPA exchange sub-group. The disclosures within this report align with the information, timelines, and [NZFSPA target setting guidance for exchanges](#).

Depending on the context, information in this report will be provided either for Deutsche Börse AG only, for Deutsche Börse AG and all its consolidated subsidiaries (as listed in the 2023 [annual report](#)) (Deutsche Börse Group) or for certain Deutsche Börse Group business segments or subsidiaries.

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1. Introduction

At Deutsche Börse Group, our purpose is to create trust in the markets of today and tomorrow. Trust is the cornerstone of financial markets and sustainable economies. We are committed to providing reliable, stable, fair, and transparent infrastructures that ensure the safety and efficiency of global capital markets. Our clients benefit from a wide array of products and services along the entire value chain of financial market transactions.

Our sustainability mission is deeply rooted in our corporate purpose. At the epicentre of the capital markets and technology, we are uniquely positioned to serve the corporate and investment communities to achieve their ESG-related goals. Our commitment is to enable our customers to participate in the green transformation, to promote transparency and trust throughout our operations and to foster a transparent and inclusive approach to sustainability. This is also reflected in our holistic sustainability strategy, which is composed of key sustainability matters that guide our sustainability efforts:



Figure 1 - Sustainability strategy Deutsche Börse Group

In alignment with our commitment, we are actively engaged in the following activities:

- **Strategy:** We develop our strategy based on regulatory obligations and market trends, driven by defined KPIs and commitments which include our decarbonisation targets.
- **Reporting:** We diligently implement regulatory non-financial reporting obligations and engage in voluntary reporting standards and frameworks. By doing this, we provide transparency on our operations and meet stakeholder demands.
- **Products & services:** We develop and market products that incorporate climate-related themes and provide market participants with services to list and trade dedicated products.
- **Initiatives & commitments:** We endorse the commitments of sector-wide coalitions and organisations, such as the NZFSPA. Our focus is on adopting best practices across the financial system to achieve the goals of the Paris Agreement.

The blend of these views and actions outlines our approach. In accordance with the endorsed commitments of the NZFSPA, we hereby present our inaugural target report since joining the alliance in November 2022.

2. NZFSPA Commitments & Targets Reporting

This section, in accordance with NZFSPA's Commitment 8, details the target reporting. Both exchange-focused and market-focused target reporting adhere to the target setting, disclosure guidelines, and timelines set by the UN-Convened Net Zero Financial Service Providers Alliance Exchange Group. Specifically, we have adhered to the guidance provided for Stock/Securities Exchanges.

2.1 Exchange-focused targets

Focus Area: Governance

Target: Exchanges should put appropriate governance structures in place to ensure accountability for and oversight of the development and execution of the NZFSPA commitments.

Climate-related issues, commitments, and targets are reflected in the current governance set up of Deutsche Börse Group. The information below provides a relevant overview on the set-up and associated tasks. The provided information has been predominantly sourced from the [2023 annual report](#).

Sustainability is of significant importance for the corporate strategy of Deutsche Börse Group. It is therefore an essential element of corporate governance at the level of both the Executive Board and the Supervisory Board. The Executive Board of Deutsche Börse AG takes all strategic decisions concerning sustainability matters at Deutsche Börse Group. It was supported in the reporting year by the interdisciplinary Group Sustainability Board, which is chaired by the CFO. The Group Sustainability Board is the central management board for sustainability topics in Deutsche Börse Group. It deals with company initiatives relating to environmental, social and governance (ESG) topics. This includes advising on and monitoring the integration of sustainability into corporate planning and controlling. The Group Sustainability Board has been replaced by the Group Sustainability Committee as of 1 January 2024. The Group Sustainability Committee is the new central management unit for sustainability topics in Deutsche Börse Group. It is chaired by the Chief Sustainability Officer and supports and advises the Executive Board on all aspects of sustainability. The Group Sustainability Committee is intended to arrange the implementation of effective ESG practices in accordance with applicable policies and guidelines.

The Group ESG Strategy department, which reports to the CEO, primarily provides support by continuously monitoring the ESG profile and climate strategy of Deutsche Börse Group. Responsibility for ESG reporting was transferred from Group ESG Strategy to the section Sustainability Reporting, which is part of the CFO function, on 1 October 2023.

At the Supervisory Board level, the Strategy and Sustainability Committee has dealt, in particular, with sustainable corporate governance and activities in the field of ESG at Deutsche Börse Group since 2021. In addition to embedding ESG in the work of the Supervisory Board in this way, it is particularly important for the board as a whole and in the other Supervisory Board committees, especially the Audit Committee, the Risk Committee and the Nomination Committee. Current, relevant sustainability aspects also form part of the training programme for the Executive Board and Supervisory Board and are dealt with in workshops and seminars.

Target: Exchanges should ensure that relevant policies, procedures, and training are implemented to support its efforts.

At Deutsche Börse Group, we endeavour to contribute to the Paris Climate Agreement with our business activities. In 2023, we have adapted our climate targets in line with current market standards towards a long-term climate strategy. To achieve our targets, we have implemented relevant policies and procedures to guide our operational efforts. Relevant policies and procedures include our [statement on environmental management](#), internal ESG policy, and our emission reduction commitments which are addressed in the later section of this report.

In addition to this, we have provided and conducted dedicated trainings on ESG-related topics, in particular climate related topics, for internal stakeholders/target audiences. The trainings in the form of webinars and workshops (both digital and in-person) have been conducted in-house and with the help of external partners/third parties. The table below provides an overview on relevant trainings, with relevant topics, and information.

Target audience	Training & Description
Internal – employees	<p>Sustainability Strategies – e-Learning</p> <p>This voluntary online course is accessible to employees via our My Learning platform.</p> <p>This course provides practical guidance on implementing sustainability measures that can benefit a company's financial performance, employee retention, and reputation. It covers the steps to become a sustainability-focused company, responsible supply chain management, the creation of sustainable products and services, and methods to decrease energy consumption, waste, harmful substances, and emissions. Additionally, the course offers advice on monitoring important metrics, evaluating the company's carbon footprint, and enhancing environmental, social, and governance (ESG) practices.</p> <p>ESG and Sustainability Training – e-Learning</p> <p>This voluntary training provides an understanding on ESG and its role in Deutsche Börse Group's strategy. The training introduces employees to the basics of ESG and Sustainability, helps employees to understand the evolution of sustainability and its definition, identify the most important ESG drivers and get to know Deutsche Börse Group's ESG profile and its ESG product and service portfolio.</p>
Internal – Strategy and Sustainability Committee	<p>Climate Workshop</p> <p>In 2023, we conducted a climate workshop with the Strategy and Sustainability Committee of the Deutsche Börse AG Supervisory Board. In this workshop, the following contents were addressed:</p> <ul style="list-style-type: none"> • Current ESG-related challenges for companies and ESG drivers • Milestones in the historical development of climate action • Market standards and best practice • Deutsche Börse AG CO₂ profile and long-term climate strategy • Potential challenges and discussion
Internal – Group Sustainability Committee – Working group “Training”	<p>Working group “Training”</p> <p>Under the umbrella of our Group Sustainability Committee, we have established a dedicated “Training” working group. This group is tasked with the creation and enhancement of training programs that focus on sustainability-related subjects, including climate change. The working group is composed of a diverse array of stakeholders, fostering an interdisciplinary approach. These training programs are designed to facilitate both the acquisition and dissemination of knowledge on sustainability-related issues within Deutsche Börse Group.</p>
Internal – Executive Board	<p>ESG reporting, governance, and communications – Executive Board Training</p> <p>In 2023, we organised a training session for the Deutsche Börse AG Executive Board. The focus was to update them on the latest trends and developments, particularly those pertaining to the risks and mitigation of Greenwashing. We also covered topics on sustainability reporting, sustainable products, and best practices in ESG governance.</p>

Table 1 – Internal trainings on ESG-related topics

Focus Area: Emissions Reductions & Disclosure

Target: Exchanges should publicly disclose their climate actions annually as part of a transition plan.

Deutsche Börse Group provides its stakeholders with transparent and detailed information about its environmental performance in the annual Global Reporting Initiative ([GRI](#)) [index](#). Last year, we also published a [progress report on the basis of the TCFD recommendations](#). This report summarises the information about how we deal with climate risks and opportunities and our science-based targets. Further details can be found within the information [on our value contribution](#).

Target: Exchanges should measure and disclose their Scope 1, 2 and (where material) 3 emissions annually.

Deutsche Börse Group quantifies and reports its Scope 1, 2 and 3 emissions annually. This data is also included in our yearly GRI disclosure. Our [2023 GRI index](#), under Emissions GRI 305, provides a detailed analysis of these figures.

For our Scope 3 emissions, we identified the relevant indirect emission sources and calculated a comprehensive Scope 3 inventory, in conformance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Based on our value chain and business model, we have identified the relevant Scope 3 categories.

As part of the Deutsche Börse AG Executive Board remuneration system, CO₂ emissions from Scope 1, Scope 2, flights and shuttle buses and their compensation through certificates have been integrated since 2021. For the year 2023, the offsetting comprised 19,166 tCO₂. Deutsche Börse Group chooses the highest standard (certificates in the "Gold Standard" category), which are specially tailored to the industry.

Target: Exchanges should commit to Scope 1, 2 and (where material) 3 emission reductions for their own operations.

In 2023, we have adapted our climate targets in line with current market standards towards a long-term climate strategy. This comprises Science-Based Targets Initiative (SBTi) aligned near-term targets by 2030 and a net-zero target by 2045.

Near-term targets

- Scope 1 & 2: Deutsche Börse Group aims to reduce absolute scope 1 and 2 emissions by 42 per cent by 2030 compared to 2022 as the base year.
- Scope 3: Deutsche Börse Group targets to reduce absolute scope 3 emissions from fuel and energy-related activities, business travel and employee commuting by 42 per cent by 2030 compared to 2022 as the base year.
- Scope 3 Supplier Engagement: Deutsche Börse aims to have 87 per cent of its suppliers with science-based targets by 2028, measured by the emissions of purchased goods and services and capital goods.

Net-zero target

- Scope 1, 2 & 3: Deutsche Börse Group strives to reduce its absolute Scope 1, 2 and 3 emissions by 90% by 2045, compared to 2022 as the base year.

Our targets are based on the GHG protocol and were validated by the SBTi in H1 2024. To achieve our

targets, we will also develop a transition plan in 2024, which will contain dedicated emission reduction measures.

More information on our climate targets can be found in the non-financial declaration of our 2023 [annual report](#).

2.2 Market-focused targets

Focus Area: Products & Services

Target: Exchanges should work to raise visibility of climate-themed products.

As an innovative market infrastructure provider, Deutsche Börse Group facilitates transparent, reliable and stable capital markets. With our wide range of products, services and technologies, we organise safe and efficient markets for sustainable economies. We support our clients and market participants along the entire value chain in identifying ESG-related risks and opportunities in order to make better investment decisions. In addition to this, we provide information on our websites and foster the dialogue with our stakeholders during conferences, workshops, and similar formats.

While we do not develop our own standards to raise the visibility of such climate-themed products, we support taxonomies, provide platforms or services, and issue climate-themed products that are aligned with best practices and accepted concepts. Furthermore, we leverage established market practices and expect issuers to follow regulatory guidance, most importantly, the Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy.

Based on the NZFSPA guidance, our efforts can be categorised across different asset classes and business units. The relevant offerings are provided in the table below.

Business Segment	Offering
Trading & Clearing – cash equities	<p data-bbox="491 405 639 427">ESG Visibility Hub</p> <p data-bbox="491 434 1299 555">With the ESG Visibility Hub, Deutsche Börse Cash Market provides issuers a voluntary opportunity to present ESG information to their issuer profiles on boerse-frankfurt.de. Issuers have the possibility to present their sustainability profile and direct link to their non-financial reports and relevant ratings. Links and information may include issuer sustainability report and thereby also GHG emissions disclosures. Consequently, this can enable investors to easily access issuer climate information.</p> <p data-bbox="491 562 1299 607">The information provided by the issuers on the ESG Visibility Hub is not verified by Deutsche Börse AG and the links provided by the issuers lead to external sites.</p> <p data-bbox="491 613 719 636">Börse Frankfurt – ESG ETFs</p> <p data-bbox="491 642 1299 763">As part of the Börse Frankfurt website, we offer a dedicated page which exclusively focuses on ESG ETFs that have a sustainability criterion within their composition. Consequently, the listed products also include climate-themed products. Users can freely access the website to gain an overview of the products and analyse other components such as the price information, performance indicators, investment focus, and historic data.</p>
Trading & Clearing – commodities (European Energy Exchange (EEX))	<p data-bbox="491 779 624 801">Carbon Markets</p> <ul data-bbox="491 808 743 831" style="list-style-type: none"> <li data-bbox="491 808 743 831">• Compliance Carbon Market <p data-bbox="491 837 1299 1003">EEX has been awarded the role as the common auction platform to auction allowances on behalf of 25 EU Member States, three EEA EFTA states as well as for the Innovation Fund, Modernisation Fund and the Recovery and Resilience Facility for REPowerEU. In this capacity, EEX also conducts emissions auctions for Poland during a transitional period and for the UK in respect of generation of electricity in Northern Ireland. In addition, EEX has been selected as Germany's opt-out auction platform. In addition, EEX was commissioned by the German Ministry for Environment to provide the infrastructure and today operates the sell-off platform since 2021.</p> <p data-bbox="491 1010 632 1032">Registry Services</p> <ul data-bbox="491 1039 1299 1509" style="list-style-type: none"> <li data-bbox="491 1039 762 1061">• EU Guarantee Of Origins (GO) <ul data-bbox="491 1068 1299 1509" style="list-style-type: none"> <li data-bbox="491 1068 1299 1189">1. Registry Services: EEX and Grexel provide registry services for the whole value chain of energy production and consumption and includes GOs for power, biogas, hydrogen and heating & cooling. EEX Group provides operational services for Issuing Bodies in 14 European countries. Recently, Grexel was appointed by the Energy Community to provide registries for 8 new countries, which includes among others Ukraine, Georgia and Albania. <li data-bbox="491 1196 1299 1263">2. State Auction GO Services: EEX organizes the sale of all French subsidized renewable electricity GOs, on behalf of the French State. Grexel provides services for the Luxembourgish issuing body for GO auctions. <li data-bbox="491 1270 1299 1346">3. Pan-European GO Spot Market: In 2022, EPEX Spot launched a first-of-its-kind pan-European power GO spot auction. GOs accepted will be from the Association of Issuing Bodies (AIB) connected countries with some exceptions. <li data-bbox="491 1352 1299 1397">4. Energy Savings Certificates (also known as white certificates) are a key policy element of some Member States in the European Union to reduce energy consumption. <li data-bbox="491 1404 1299 1509">• Renewable Energy Certificate (REC) markets are created through the US Renewable Portfolio standard (RPS) programs, fostering the deployment and use of Renewable energy. Currently, 29 States plus D.C. have implemented RPS Program). They are comparable to European Guarantee of Origins (GOs) which are served by EEX and Grexel.

Trading & Clearing – financial derivatives / Clearing	<p>ESG Clearing Compass</p> <p>Eurex Clearing AG can help Clearing Members and their clients navigate through their sustainability journey through the ESG Clearing Compass. The offering aims to provide market participants with relevant data to further enable decision making based on sustainable criteria. The ESG Clearing Compass has been introduced to assist in increasing transparency, monitoring, and reporting regarding the transition to a sustainable economy. The ESG Clearing Compass currently consists of two distinctive initiatives to enhance transparency and visibility on some of the most relevant metrics, they include:</p> <ol style="list-style-type: none"> 1. ESG Portfolio Assessment <p>Powered by data from ISS ESG the ESG Portfolio assessment reports help Clearing Members to enhance insights on collateral data held at the CCP with climate metrics and E ratings on a portfolio level for 37.000+ corporate issuers and more than 800 sovereigns). Examples of climate-related metrics which are provided by ISS ESG include: emissions exposure (Scope 1&2 as well as Scope 3 emissions based on position ownership ratio), Product Emissions and/ or Government Emissions, Relative emission exposure, such as Weighted Average Carbon Intensity (relevant for TCFD reporting), Carbon risk rating (0 (poor performance) to 100 (excellent performance) for the portfolio.</p> <ol style="list-style-type: none"> 2. ESG Visibility Hub <p>Clearing Members of Eurex Clearing AG can voluntarily provide information on their sustainability strategy, provide links to sustainability reports and thereby also climate-related disclosures. Additionally Clearing Members can display available ratings from various agencies. Clearing Members are fully responsible for the information provided to the public via the ESG Visibility Hub. The information provided by the Clearing Members is not verified by Eurex Clearing AG and the links provided by the Clearing Members lead to external sites.</p>
Trading & Clearing – financial derivatives / Trading	<p>Listed ESG derivatives offer the market an efficient and cost-effective solution to manage the risk and benchmark exposure of ESG-driven portfolios. Eurex offers the following related solutions to clients.</p> <p>Derivatives on ESG Equity Indices</p> <p>Eurex develops and issues a series of global, regional, and thematic indices. With the ever-increasing mandates and focus on building sustainable portfolios, global investors are increasingly looking for tools to help with their ESG integration. Derivatives on ESG benchmarks offer a listed solution to facilitate this integration.</p> <p>Eurex has developed a series of index derivatives (futures and options) which consider relevant ESG, sustainability, and climate attributes. The derivatives are based on equity index families which are computed by leading index providers.</p> <p>Euro Corporate SRI & Green Bond Index Futures</p> <p>Eurex fixed income ESG futures on bond indices offer a standardized and reliable solution to gain exposure to fixed income ESG market segments. This is a cost effective solution for asset managers willing to either hedge, or take additional long exposure by using index futures that incorporate Environmental, Social and Governance aspects into their methodology.</p>

Table 3 – Initiatives, platforms, and products to provide visibility of climate-themed products

Focus Area: Policy, Persuasion & Engagement

Target: Exchanges should work towards mandatory climate-related disclosure in their markets.

Deutsche Börse Group operates in a highly regulated environment. We recognise our role as a provider of market infrastructure to facilitate transparent, reliable and stable capital markets. We back climate-related disclosures and climate actions and publish our own disclosures. Additionally, we support the adoption of mandatory climate disclosure, as we see transparent and open reporting from relevant market participants as a vital component to both monitor and steer related efforts to achieve climate targets. We maintain a continuous dialogue with relevant European, national, and regional policymakers, regulatory bodies, standard setters, and market participants about a variety of sustainability-related topics, including climate adaptation and mitigation.

However, mandatory climate-related disclosures and listing requirements are subject to regulatory decisions and oversight. Such regulatory decisions and oversight themselves subordinate to European and/or national policy objectives. By introducing the EU Non-Financial Reporting Directive (NFRD) and the EU Corporate Sustainability Reporting Directive (CSRD) as well as SFDR and further legislative files such as the EU Benchmark Regulation (BMR), the European co-legislators decided to require transparency and reporting not only on climate-related issues but also sustainability holistically.

Published by

Deutsche Börse AG
60485 Frankfurt am Main
www.deutsche-boerse.com

June 2024