



Sustainable finance – more than a catchphrase

Recent global developments such as climate change, the advance of digitalisation and the establishment of global standards pose major challenges in politics, society and business. These include the forward-looking restructuring of entire branches of industry, achieving the 2 degrees climate target and realising the Sustainable Development Goals (SDGs) of the United Nations as well counterfinancing the damage caused by climate change. All this will entail a high financing requirement at global level. To take the changes into account in a timely manner the financial industry will also need to rethink and establish concrete structures – the fundamental inclusion of sustainability criteria in the financial industry as a whole is a must.

This is about nothing less than ensuring the stability and viability of the financial markets, which can be achieved only if the long-term opportunities, risks and effects of entrepreneurial action and sustainability criteria are taken into account as the basis for investment decisions. Here, the financial services sector is able to provide support in the context of financing global transformation processes.

What does sustainable investment mean?

Environment, Social and Governance (ESG) criteria are becoming steadily more important in investment analyses and decisions. Taken together with the traditional key financials, these data permit a comprehensive and, above all, forward-looking measurement of enterprise value and are therefore

indispensable as expanded key financials. After all, climate and environmental risks, social factors and aspects of corporate governance will play an essential role when it comes to evaluating risks.

For example, investors as well as owners and managers of assets use ESG information to better recognise potential opportunities and risks in investment decisions and to take well-informed decisions. Companies can identify risks along their value chain by means of ESG data and act accordingly in order to ensure their medium and long-term business success.

Sustainable investments in Germany, Austria and Switzerland

Overview 2017 (in € billion)



1) Own investments managed in mandates were deducted.
Source: FNG – Forum Nachhaltige Geldanlagen

What sustainable financial products are available at Deutsche Börse Group?

All products with a focus on sustainability that can be traded on the Frankfurt Stock Exchange – equities, ETFs, investment funds and certificates – are

presented at www.boerse-frankfurt.de/nachhaltig. Here, investors, asset managers and advisers are able to select financial products on the basis of their sustainability performance in accordance with their own preferences.

The portal gives listed companies the opportunity to make their commitment to sustainability transparent.

With around 100 sustainability indices Deutsche Börse Group also offers its own portfolio of services and products, e.g. the index families STOXX® ESG Leaders and STOXX® Low Carbon. Its volume totals around €12.5 million. At present, two ETFs with a sustainability focus can be traded on the Frankfurt Stock Exchange: the FlexShares STOXX® Global ESG Impact index and the FlexShares STOXX® USA ESG Impact index.

What is Deutsche Börse Group's commitment to sustainability?

The organisation of capital markets that are characterised by integrity, transparency and security is not only the public mandate and core business of Deutsche Börse Group, it also represents its social value contribution. As a capital markets organiser, therefore, Deutsche Börse Group considers that its responsibility is to push this issue further ahead in its economic implementation and to anchor it firmly in the structure of the international capital markets.

But making the financial markets future-proof can only succeed if forces are united. For this reason, Deutsche Börse together with other representatives has set up two initiatives:

The “Sustainable Finance Cluster” was created by Deutsche Börse and the Ministry of Economic Affairs for Hesse in April 2018. Its aim is to establish the issue of sustainability within the entire financial sector. The financial market expertise is to be used for specific courses of action in order to push further ahead with the sustainable development in the sector and to make the financial

market structures future-proof, both at national and European level.

Back in 2017, Deutsche Börse together with major players in the financial centre of Frankfurt launched the sustainability initiative “Accelerating Sustainable Finance”. In this connection the participants signed the “Frankfurt Declaration”, a joint declaration of intent to build sustainable financial sector infrastructures. The Sustainable Finance Cluster is a merger of the Accelerating Sustainable Finance initiative and the “Green Finance Cluster Frankfurt” of the Ministry of Economic Affairs for Hesse. From now on, all activities pursued by the two initiatives will continue as a joint effort within the new cluster.

Moreover, Deutsche Börse and the German Council for Sustainable Development have created the “Hub for Sustainable Finance Germany”. It is designed to pool the main sustainability activities of the financial sector in Germany and promote their development. Finally, ten theses with key recommendations for action were presented to the German federal government to help promote a sustainable financial sector in Germany.

Deutsche Börse Group – we make markets work

Headquartered in Frankfurt/Main, Deutsche Börse Group is one of the largest exchange organisations worldwide. It operates markets that provide integrity, transparency and security for investors wishing to invest capital and for issuers wishing to raise capital. On these markets, institutional traders buy and sell shares, derivatives and other financial instruments in accordance with clear rules and under strict supervision.

Deutsche Börse Group is now more than just a trading venue or exchange – it is a provider of financial market infrastructure. Its products and services span the entire finance value chain – its business areas range from pre-IPO services and the admission of securities, through trading, clearing, settlement and custody of securities and other financial instruments to collateral management. It

also offers IT services, indices and market data worldwide.

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