



United Nations Global Compact Communication on Progress 2017

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 2017, 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 market infrastructure provider, Deutsche Börse Group considers ensuring transparency on the capital markets as its direct responsibility. In doing so, it fosters stability in these markets, thereby promoting their economic success. Positioning itself in this manner, Deutsche Börse Group focuses on the needs of market participants.

Environment, social and governance (ESG) factors account for a considerable share of enterprise value, which is why institutional investors place more and more importance on this information in their decision-making processes. To support these processes, Deutsche Börse Group has conducted surveys amongst companies listed in the DAX, MDAX®, SDAX® and TecDAX® indices on their sustainability reporting every year since 2014. The results are openly accessible on <http://en.boerse-frankfurt.de/sustainable-securities> and provide an overview of the reporting formats the companies choose (annual report, separate sustainability report or combined/integrated report), the standards they apply as well as the contact details for sustainability-related questions for each company.

Link: [SRI on Börse Frankfurt](http://en.boerse-frankfurt.de/sustainable-securities)

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 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 a Group Sustainability Board to develop the Group-wide sustainability strategy, and to advise the Executive Board on sustainability issues. The Board convenes twice a year; its 16 members comprise three representatives each of the five reporting segments, plus the Head of Group Sustainability. First successes are already evident: 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 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 2017, 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

Being aware of its corporate responsibility, Deutsche Börse Group has committed to adhere to principles of sustainability. Accordingly, the Group's suppliers and service providers are required to observe these principles: to this end, Deutsche Börse Group has introduced the code of conduct for suppliers which comprises ecological, social and sustainability criteria. This policy document is based on the UN Global Compact principles and includes ecological, social and sustainability criteria as well as a prohibition of modern slavery and human trafficking.

At present, around 98.9 per cent (2016: 97.5 per cent) of the procurement volume is covered by agreements of the code of conduct for suppliers. As a rule, any new suppliers must either 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. For this reason, the number of suppliers having signed the code of conduct for suppliers keeps rising steadily.

Above and beyond this, Deutsche Börse Group analyses the extent to which its suppliers have their own guidelines – such as codes of conduct or supplier codes of conduct – or have signed up to recognised social standards. To this end, the Group surveyed sustainability aspects at the suppliers managed by Corporate Purchasing for the first time in 2016. The purpose of this survey was to identify risks in relation to environmental protection and social matters, with a particular focus on human rights. Within this survey,

Deutsche Börse Group additionally analyses whether suppliers are active in countries which are critical with regard to breaches of human rights. Suppliers who responded to this survey accounted for 63 per cent of Purchasing order volumes in 2017. These suppliers represent the sample on which the following analysis is based.

The analysis revealed that 66 per cent of participating suppliers have their own code of conduct and/or code of conduct for suppliers, or have signed up to at least one set of social standards (International Labour Organization, UK Modern Slavery Act, United Nations Global Compact, UN Declaration of Human Rights). Furthermore, the survey revealed that 90 per cent of the participating category “A” suppliers have their own code of conduct and/or code of conduct for suppliers, or have signed up to at least one set of the above-mentioned social standards. The comparable figure for category “B” suppliers is 70 per cent, while that for category “C” suppliers is 55 per cent.

Based on the supplier survey conducted in 2016, Deutsche Börse Group contacted all companies during 2017 which participated in the survey and (i) are active in countries and/or procure goods or services from countries classified as risky in terms of human rights by the United Nations Environment Programme Finance Initiative; and (ii) which have not established their own code of conduct (or code of conduct for suppliers), and have not committed to any recognised social standard. 18 enterprises were identified during the course of this process; Deutsche Börse Group initiated a dialogue with these enterprises, to highlight the importance of these topics for the Group, and to minimise existing risks in cooperation with the suppliers concerned.

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. Deutsche Börse Group's subsidiary STOXX Ltd calculates and distributes more than 12,000 indices, a growing number of them being designed after sustainability aspects. STOXX's offering of sustainability indices is diversified and includes ESG-, climate change- and carbon emissions-related products. Indices are built based on internal research and the evaluation of market demand. In this context, STOXX developed and launched the STOXX® Regional Industry Neutral ESG indices in 2017 which are used as benchmarks by a European pension fund.

The STOXX Global ESG Environmental Leaders, STOXX Global ESG Social Leaders and STOXX Global ESG Governance Leaders indices that together are the STOXX Global ESG Specialized Leaders indices, all consist of companies that are leading in one of the three dimensions and range above average in all other criteria. All components of the specialised indices together make up the roll-up index, the STOXX Global ESG Leaders index. To keep up with the demands of responsible investors, STOXX excludes companies from the index universe which are involved in controversial weapons or violate one or several of the global compact principles. The ESG blue-chip indices are derived from the STOXX Global ESG Leaders index and cover the largest capitalisations regionally. In all above-mentioned ESG indices, constituents are weighted proportionally to their ESG score – hence, a better score means a higher weight in the index. ESG data are provided by Sustainalytics.

Target female quotas adopted

In accordance with the Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst (German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors), Deutsche Börse AG's Supervisory Board and Executive Board have defined target quotas for women on these boards, and for the two management levels directly beneath the Executive Board. These target quotas relate to Deutsche Börse AG in Germany (excluding subsidiaries) and were valid until 30 June 2017. Deutsche Börse AG exceeded these targets. Therefore, its Supervisory Board and Executive Board resolved to set further targets, to be achieved by 31 December 2021: by that point in time, the proportion of females holding positions in the first and second management levels beneath the Executive

Board is planned to amount to 15 per cent and 20 per cent, respectively. As at 31 December 2017, the proportion of female employees of Deutsche Börse AG in Germany holding positions in the first and second management levels beneath the Executive Board stood at 10 per cent and 16 per cent, respectively.

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 2017,

- 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.

Employment Rights

- As stated in the Code of business conduct, Deutsche Börse Group advocates openness and fairness in the workplace. It promotes a culture of open dialogue, trust and mutual acceptance, bringing to life the internal principles which describe the expectations for a cooperative and professional working environment at the Group (People Principles): respect, teamwork, recognition, result orientation and customer focus. All employees are encouraged to express their views openly and in a constructive way, whether they are positive or negative.
- Deutsche Börse Group does not tolerate discrimination of any kind. 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.

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, 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.

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
- Depending on the specific environment and employee needs, Deutsche Börse Group has made various childcare offers available at different locations – such as emergency parent-child offices in Eschborn, Luxembourg and Prague, as well as a childcare subsidy in Germany (up to a maximum of €255.65 net per child, paid monthly until the child reaches the age of six years, or until enrolment at school).

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 5,567. 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.