

# Eurex ESG Clearing Compass

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# Cornerstones of Eurex Clearing's ESG Portfolio Assessment



Created by Aileen Orlandi  
from Noun Project



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- Collateral as well as cash and/ or derivatives positions (step 2) at Eurex Clearing

- Analysis by the ISS ESG Climate Impact Assessment/ Sovereign Climate Report:

- Emission exposure in tCO<sub>2</sub>e for Scope 1&2 as well as Scope 3 emissions
- Carbon intensity based on revenues in EUR
- Carbon risk rating
- GHG reduction targets
- Production Emissions
- Emission intensity based on GDP in EUR

- E rating on aggregated level



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- Reports available in the standard Common Report Engine and via website download
- Margin Calculator Enhancement by ESG components (phase 2)

# Examples of Climate-Specific Metrics

Disclosure Number/Weight	Emission Exposure tCO <sub>2</sub> e		Relative Emission Exposure tCO <sub>2</sub> e/Mio EUR Revenue			Climate Performance Weighted Avg	
	Share of Disclosing Holdings	Scope 1 & 2	Incl. Scope 3	Relative Carbon Footprint	Carbon Intensity	Weighted Avg Carbon Intensity	Carbon Risk Rating <sup>1</sup>
<b>Portfolio</b>	74.2% / 75.7%	60	334	60.26	6.42	34.63	63

Source: ISS ESG Climate Impact Assessment for Eurex Clearing (for corporates)

<sup>1</sup> Note: Carbon Risk Rating data is current as of the date of report generation.

- Data from ISS ESG covers
  - 37,000+ corporate issuers
  - more than 800 sovereigns
- Key carbon metrics can be used for a range of reporting:
  - Emission 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

# Use cases for Clearing Members

From 2024 onwards the Corporate Sustainability Reporting Directive (CSRD) will impose further non-financial reporting obligations in the EU. Approx. 50,000 companies are covered by the regulation. They have to report the impact climate change has on their business and how their business impacts the environment.

- ✓ The portfolio assessment will create transparency with regards to collateral and transactions of cleared portfolios to **simplify monitoring and reporting**. Data can be easily used to feed ESG dashboards and reconcile investment policies.
- ✓ The portfolio assessment can be used for **climate due diligence**, e.g. does the portfolio **comply with climate targets**? By helping Clearing Members better address the impacts in their value chains, the analysis will improve companies' preparedness and long-term resilience.
- ✓ The portfolio assessment delivers **data to assess whether further decarbonization or increased climate risk resilience of your portfolio is needed, i.e. a good basis to sell ESG products based on individual analysis of your clients**.
- ✓ Smaller clients might not be capable of establishing separate connections to ESG data and rating providers. Clearing Members can offer to be the **single source for required information and related consulting services**.
- ✓ CMs can **offer „green“ collateral pools to omnibus and individual clients** that seek to decarbonize their business. The assessment tool serves as proof.
- ✓ Clearing brokers are **perfectly suited to act as agents for carbon markets** if clients seek to offset their carbon footprint. The portfolio assessment serves as common basis for this new agent service.

# Cornerstone of ESG Visibility Hub

- Market participants increasingly assess counterparties that they do business with based on their sustainability and ESG strategy
- Knowledge of Clearing Members' sustainability and ESG activities allows existing and potential clients to identify new opportunities
- An ESG Visibility Hub provides Clearing Members with an additional avenue to highlight their ESG initiatives with information already available in a transparent and bundled manner on Eurex Clearing's website
- Clearing Members may choose to include the following:
  - Summary of their sustainability strategy
  - ESG and climate reporting data
  - ESG rating information

### Choosing a Clearing Member

Under "Further information" you can find a complete list of existing clearing members to choose from; It is also possible to have multiple clearing relationships.

### ESG Profile

The organization of capital markets that provide integrity, transparency and security is not only the public mandate and the core business, but also the greatest contribution to society by Deutsche Börse Group. We assume responsibility for the markets we organize, our shareholders, our employees, the environment and society across our entire value chain: with our ESG reporting, with our new Executive Board remuneration system with ESG goals and with our climate strategy. This is how we ensure the long-term competitiveness of our company.

#### ^ Reporting

We want to lead by example and therefore orientate our reporting on the framework of the IIRC for integrated reporting and the Global Reporting Initiative. With our statement on value creation in our annual report, we show how we create value and which variables we use to measure the impact of our activities.

#### Sustainability report integrated to annual report

#### Sustainability reporting: Global Reporting Initiative

#### ^ Rating

MSCI	Score: AAA (Rating Scale: CCC-AAA)
S&P	Score: 73 (Rating Scale: 1-100), industry average: 30
Sustainalytics	Score: 76 (Rating Scale: 1-100), Relative Position: Leader (15 of 240)



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