

**› eex group**

# **Path to Sustainability**

## **2023 Report**



# Path to Sustainability: 2023 report

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# Letter from the CEO

In today's world, we increasingly witness the impacts of climate change on all of us – individuals and companies. At the same time, organisations across industries face complex challenges, such as stricter regulatory requirements and threats to operations due to changing climates, while transitioning to sustainable sources of energy. In such a demanding environment, it is important to remain resilient and focused on goals with shared benefits.

At EEX Group, our mission is to build secure, successful and sustainable markets; we believe that it includes making our own operations more sustainable as well as developing products and services that can support others on their journey. As a market builder and trading platform provider, we are confident that market-based instruments are important tools to facilitate the energy transition and global decarbonisation.

This report is EEX Group's first review in demonstrating our commitment towards sustainability. In this first report, we aim to introduce our approach to reducing our emissions, outline how we consider our social commitments, and how we embed sustainability as a key driver in our business innovation.

In 2023, we laid the foundation for our environmental, social and good governance (ESG) target setting by running a one-year ESG pilot. During this first iteration, we expanded our carbon footprint reporting to include more Scope 3 emissions factors, such as employee commuting as well as purchased goods and services. In addition, we engaged over 700 participants worldwide within the Deutsche Börse Group family, which EEX Group is a part of, by pioneering a hybrid model for the Group's annual awareness raising sustainability event. We believe that continued success and meaningful results depend on collaboration, continuous dialogue and joint initiatives and work.

We also continued to build a company culture that values people – both our diverse colleagues and the communities around us. To show our commitment, in 2023, we welcomed new employee resource groups, encouraged and sponsored staff to participate in charity causes, and continued annual gifting traditions.

Finally, we broadened our existing portfolio with new, demand-driven products and services to meet the needs of our customers and a society undergoing an energy transition. We expanded our financial hedging instrument offering with long-term maturities to facilitate renewables integration and power purchase agreements, in addition to launching two new indices to ensure price transparency for growing markets such as hydrogen and compliance carbon: HYDRIX, the world's first market-based green hydrogen index, and EEX's Global Carbon Index Family, which is the first to include national ETS programmes from the Asia Pacific. These are only a few examples of how we support emerging energy solutions and markets by providing transparent price signals and hedging tools.

As one of the businesses navigating the evolving sustainability considerations, EEX Group is committed to creating a business environment and facilitating market developments to meet today's needs. In the coming pages, we are pleased to showcase our latest developments with long-term sustainability at the core, for EEX Group and everyone whose lives we touch.

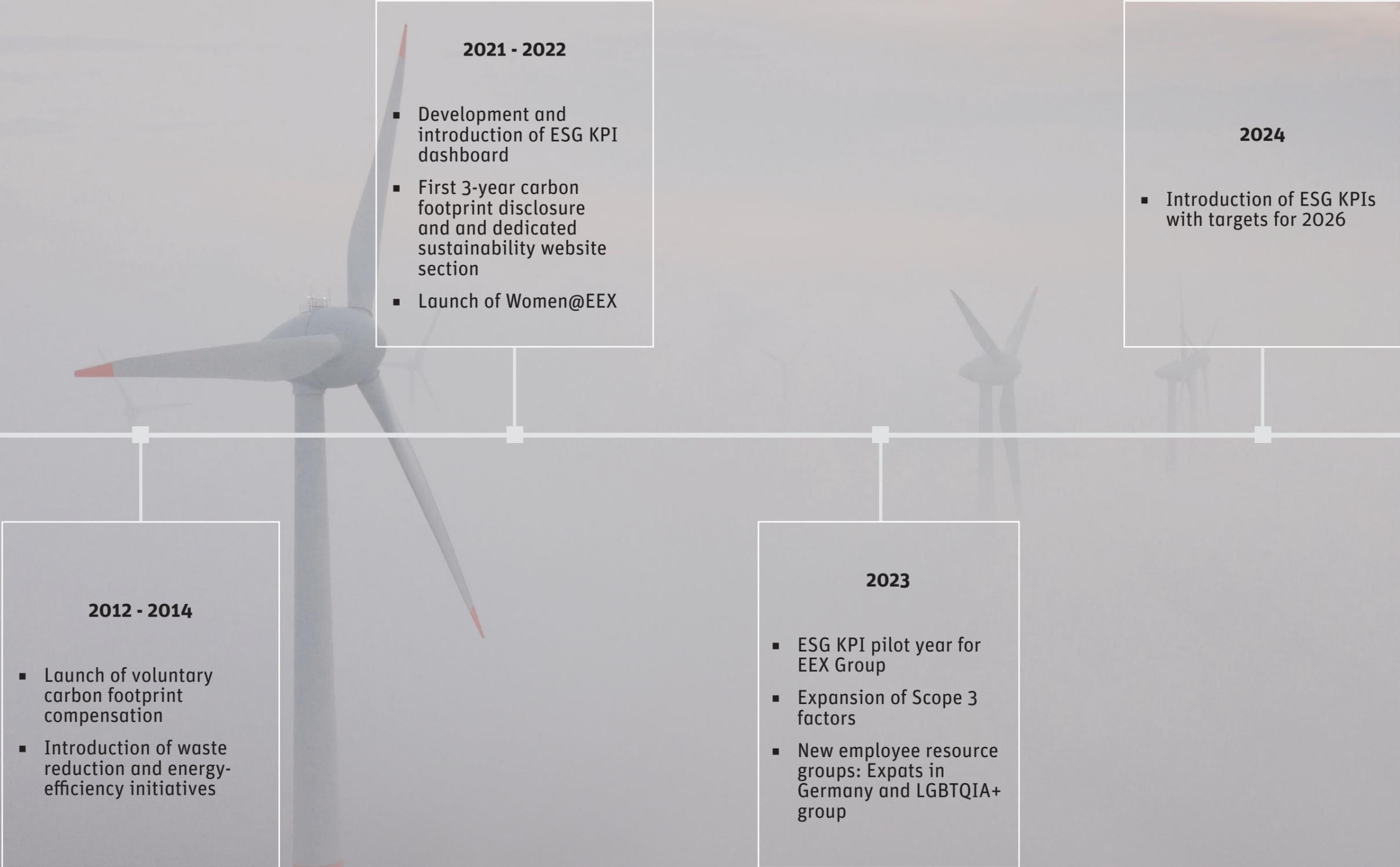
Peter Reitz  
Chief Executive Officer

# Our approach to sustainability

Our current focus is our dual ambition for growth and sustainability. We are charting a course for emissions reduction targets that systematically decarbonise all aspects of our business.



# Our ESG journey



# Dimensions of our ESG strategy

## People

A sustainable future is one where everyone is included – the staff at EEX Group, our customers, partners, and the communities around our global offices. With this in mind, we introduce benefits and policies that affect our staff, the charity programmes we support, and the events we host to connect people on this journey.

This path includes expanding existing benefits to our global offices to be more inclusive, introducing new offerings to enable staff to live more sustainable and healthy lives, and supporting organisations that share our company values. We believe that if we enable people to incorporate sustainability into their daily lives, they will naturally bring this ethos to their daily work.

## Planet

EEX Group has worked on carbon footprint tracking and reductions for over a decade. Facilities-related improvements have included replacing bottled water with tap water, using recycled paper, and reducing print materials. Our carbon footprint tracking has expanded from travel in 2012 to cover Scope 1, 2, and 3 emissions following the Greenhouse Gas (GHG) Protocol.

Since 2022, we have incorporated sustainability throughout our business functions and expanded the scope of our ESG KPIs to include all parts of EEX Group. With this, as well as the initiatives outlined in this report, we have a roadmap for decarbonising operations across our global offices.

## Products

Operating at the intersection of finance and energy sectors, we focus on building successful and secure market ecosystems by working with great people who are building products, services, and related tools for decarbonisation.

EEX Group brings expertise into building energy and carbon markets, and complementary tools that foster liquidity. In addition, we facilitate transparency, price formation, and trust to pave the way for the adoption of new energy solutions for a low-carbon future.

We offer innovative financial instruments to enable the market integration of renewables, energy traceability, and increased transparency in emerging energy markets, such as hydrogen. Our products and services include long-term renewable power hedging opportunities, registry services, and the auction platform for policy instruments, such as the EU Emissions Trading System (ETS) and New Zealand ETS.

# How we work on emissions reductions

In 2023, we expanded our company operations as well as our Scope 3 carbon footprint factors, such as purchased goods and services as well as data centers amongst others. Nonetheless, we have set a 10% year-on-year reduction target for the carbon intensity level per employee to achieve a 30% reduction by 2026 using 2023 as our base year.

At the end of 2023, we extended our pilot ESG KPIs into a 3-year ESG cycle so that teams can work on deeper systemic changes to meaningfully reduce our carbon footprint in the long term. This is in line with Deutsche Börse Group's validated SBTi reduction targets of 42% in Scope 1 and 2 by 2030 and 90% for Scope 1 to 3 by 2045 from 2022 as their base year.

EEX Group's responsibility to decarbonise our footprint must extend beyond our offices and Scope 1-2 emissions, to include emissions that our business indirectly contributes to. We have set near-term goals to decarbonise our business operations beginning with our 2024-2026 cycle in order to contribute to the Deutsche Börse Group target.

Our commitment is to achieve a 30% reduction of our emissions intensity per employee by the end of 2026. This challenge requires material shifts in how we operate our business. Our approach to reach this target will evolve as we explore climate solutions that can scale and transform our business. We aim to decrease the carbon intensity for our operations while continuing to develop products and services to enable and support the energy transition.





# Our pillars for decarbonisation

## **Understanding our emissions**

Accurate and transparent data provides the foundation for EEX Group to align our global efforts and focus our sustainability initiatives where we will have the most impact. Improving the accuracy and granularity of the GHG data we collect annually gives us visibility into our operations. By investing in our data, we can identify areas of need and systematically track progress to advance efforts across our departments, locations, and Group companies.

## **Reducing our emissions**

Implementing operational and technological solutions will be key to reducing emissions across our value chain. Recognising that we continue to expand globally even as we aim to reduce EEX Group's carbon footprint, we focus on reducing the carbon intensity of our business operations per employee. We can achieve this by reducing our largest footprint contributors and adopting low-carbon solutions in our business decisions and procurement processes. This aligns with Deutsche Börse Group's SBTi commitment to having 86.7% of suppliers by emissions covering goods and services and capital goods with science-based targets by 2028.

## **Compensating existing emissions**

As an immediate measure, EEX Group purchases carbon credits from projects by Future Camp to the equivalent of our emissions not already compensated within Deutsche Börse Group. Whilst reducing our emissions to the maximum extent, we will continue to compensate for residual emissions.

# Understanding our emissions



## **Carbon accounting**

Increase confidence in our carbon footprint data to help teams understand the material activities leading to those emissions.

## **Target setting**

Engage teams collaboratively to set annual reduction targets to reach our 2026 goal and Deutsche Börse's longer-term targets.

## **Execution**

Work directly with responsible departments to create accountability and executable action plans for realistic reductions.

## **Capacity building**

Elevate sustainability maturity within our organisation to accelerate efforts towards emissions reductions.

Identifying emissions at EEX Group is fundamental for our efforts to reduce our carbon footprint. Ensuring methodology transparency and increasing data accuracy helps us identify reductions that have the greatest impact. Since 2012, we have reported our Scope 1 and 2 GHG emissions. In 2022, we introduced initial Scope 3 emissions categories and extended these in 2023 to include employee commute and mobile working as well as purchased goods and services.

Expanding our GHG inventory boundary and consolidating our footprint data is our commitment to accounting for our environmental impact. This helps us remain accountable to our reduction goals even as we continue to grow our staff.

In 2023, EEX Group's reported emissions equalled 12,361 metric tonnes of CO<sub>2</sub> (tCO<sub>2</sub>). This total amount is partially compensated by our parent company, Deutsche Börse Group, and the remainder is compensated by EEX Group. For Scope 3 emission factors not already covered by Deutsche Börse Group, EEX Group purchases the retirement of carbon credits through Future Camp GmbH. Scope 1 emissions come from our direct operations and include factors such as our company cars. Scope 2 emissions include our purchased energy in office locations. Our Scope 3 emissions include purchased goods and services, such as emissions from consultants and partners, cloud services, office supplies, as well as business travel.

Reducing GHG emissions across our global operations is the most direct strategy towards decarbonisation goals. Failure to introduce more sustainable practices and reduce emissions today will lock in high-carbon intensity operations tomorrow. Systematic and ambitious decarbonisation is our most effective way to address climate change and sustain healthy and successful communities, markets, and economies.

Deutsche Börse Group has set a science-aligned emissions reduction target in line with the global ambition of preserving the 1.5°C boundary, and EEX Group contributes to this effort with a roadmap to systematically transform our business processes and reduce our emissions.

# Reducing our emissions

## To contribute to Deutsche Börse Group's ambitions, we commit to:

- Reducing our Scope 1, 2, and 3 emissions by 30% by 2026 from our 2023 baseline
- Increasing the share of our suppliers of goods and services that have science-based targets
- Reducing our electricity usage intensity per employee by 10% by 2026 and increasing our share of renewable energy mix

## Our emissions reduction strategy rests on these principles:

1. Prioritising decarbonisation in our business operations
2. Creating actionable changes and supporting employees to choose sustainable solutions for daily and business critical activities
3. Enabling tracking of emissions reductions measures and their impact



# Prioritising decarbonisation in our operations

At the end of 2023, we renewed our commitment to maximise emission reductions. This requires us to better understand the emission impact of our offices, data centres, and activities. In the meantime, we have taken steps to cut our emissions from different aspects of our daily operations.

## Switching to renewable energy

Since 2017, EEX's headquarters in Leipzig have used renewable energy and other offices have been working on local solutions over the years. In 2023, we purchased Guarantees of Origin (GOs) and Renewable Energy Certificates (RECs) where our energy mix is not explicitly known to be renewable for all EEX Group companies and offices around the world. This approach is a step towards using more sustainable sources of energy, such as solar, wind, and biomass.

We have also shifted to cloud service providers for many of our services and are now working with them to see how we can better track energy usage data and their energy sources. We are continuing to explore how we can electrify our energy sources and ensure they come from renewables.

## Improving energy efficiency

With 23 locations around the world and different office arrangements, we have been working on improving energy efficiency in different locations. Some examples include optimising heating and cooling systems as well as regular maintenance for devices such as air conditioning systems. Where possible, office managers request external energy audits.

We are also working with all office locations and subsidiaries to build capacity for high-quality data collection and installing improvements in facilities. For new office locations, energy efficiency and sustainability standards, such as LEED Gold and Platinum, are an increasing factor in our choices. With our gained experience over the years, we are incorporating more sustainability considerations and requirements with our office providers.

## Reducing food and catering emissions

Our offices provide employees and visitors with healthy snacks, as well as catering services for events depending on local needs. Since 2014, our events have offered vegetarian catering options with local food partners. Currently, we also include data from events and catering as part of our Scope 3 calculations. We are also working with our global offices to ensure the same standard of environmental and social responsibility in procuring local and sustainable food sources to reduce the carbon intensity of food served.

To reduce carbon emissions associated with office catering we aim to:

- Source locally and seasonally with no imported fruits
- Source fair trade organic products and regenerative food systems and suppliers
- Work with local partners who can serve healthy food with less packaging waste
- Reduce single-use packaging for pantry beverages

## Extending the life of our office equipment

Over the years, EEX Group has engaged in different approaches to extend the life of our office equipment. As office equipment becomes depreciated, we have offered these items to our staff as well as donated items to local charities. These have included furniture, such as chairs and tables, as well as IT equipment.

## More sustainable commutes and business travel

Getting to and from work is also a necessary part of our business operations. Even with our remote-friendly work culture at EEX Group, we nonetheless value having shared experiences and time together – with each other, as well as with our customers and partners. We recognise the need to make data visible not only regarding business travel, but our employee commutes, and even remote work from home. By including this data, we are holding ourselves accountable for balancing meaningful in-person exchanges and the carbon emissions from commuting, travelling, and the energy consumption borne by staff when working from home. With this data, we can foster a company culture and decision making that balances business and environmental impact considerations.

## Supporting mobile working and reduced commuting

Since the Covid-19 pandemic, we have shifted to support remote/mobile working arrangements. This not only gives employees more flexibility, but reduces the need for travel, and allows us to cast a wider net for our talent recruitment. This also means that we have begun to include data from both mobile working and employee commute as part of our Scope 3 carbon footprint.

## Supporting lower-carbon transportation

At EEX Group, we support our employees in choosing methods of transportation with a lower carbon footprint. This includes lease-to-own bike programs, public transportation cards, and bike or electric vehicle parking facilities. Company cars are being phased into electric and hybrid vehicles at a Group level.

## Encouraging lower-carbon travel methods

Business travel is currently one of our largest carbon footprint contributors. With this in mind, we have internal resources to educate employees and prompts to plan trips, such as banners that suggest employees take trains for shorter distances.

We support more sustainable business travel through a variety of options for our staff, such as:

- Train journeys for shorter-distance trips within Europe under 500km of distance or 5 hours of travel
- BahnCard 50 for frequent business-travellers in Germany to encourage train travel
- Overtime compensation for staff for land-based travel, extending travel time into evenings and weekends instead of flights (where operationally necessary and available in jurisdictions where work agreements support this)



# Compensating remaining emissions

As we work on reducing our emissions, we will still have residual emissions, which we are compensating with the purchase and retirement of high-quality carbon credits.

Since 2014, EEX Group has purchased the retirement of certificates for carbon projects based on our calculated carbon footprint. In the past decade, we have expanded our compensation scope from initially only business travel to cover Scope 1, 2, and 3 emission factors. With our expanded scope in 2023, our total emissions amounted to 12,361 tCO<sub>2</sub>. Carbon footprint compensations are made by Deutsche Börse Group, which EEX Group is part of, and complemented by EEX Group through the purchase of carbon credits for various projects. In this context, we are continuously evaluating how we can increase the impact of our contributions to decarbonisation.

## Compensating for our footprint

Decarbonising our business operations and extending our visibility into our suppliers' footprints will help us continue to be a responsible business. In addition, we can create a wider industry impact through the companies we work with. Therefore, our products and services play an essential role in increasing demand, channelling liquidity, and aligning market players towards a common goal of a future powered by renewable energy.

# Facilitating decarbonisation and the energy transition

## Offering market-based solutions

EEX Group is committed to facilitating the energy transition and decarbonisation by creating business environments that give confidence to our clients and partners. We operate at the crossroads of finance and energy, leveraging the power of markets to efficiently direct capital towards new technologies and energy solutions. We focus on building successful market ecosystems for decarbonisation, offering innovative financial instruments to integrate renewables and foster market-based solutions. We strive to provide transparency, price information, and trust, enabling both supply and demand sides to navigate new markets confidently across Europe, Asia, and the Americas. Furthermore, our registry services enhance transparency for power and biogas generation, reinforcing confidence in the genuine origin of renewable energy and heating sources. We are committed to providing the necessary tools and platforms to support economies around the world to accelerate their energy transitions.

### Building renewable and sustainable energy markets

Developing renewable energy markets requires investment in both new technologies and infrastructure to put a price on carbon. EEX has been building markets supporting decarbonisation and the transition to a low-carbon future since 2004, when EEX introduced EUA (EU ETS) contracts. Since 2010, EEX has been hosting auctions within the EU ETS on behalf of EU member states. By 2023, the record growth in renewable energy generation in the EU coupled with funds raised through the EU ETS auctions for emission allowances demonstrates the success of policy instruments.

Carbon markets remain a backbone of our ESG offering, even as additional energy markets are being developed for the energy transition. This is why we also offer the auctioning technology to support the New Zealand ETS and the nEHS for Germany's fuel ETS. We actively support exchange with governments around the world exploring ETS as policy instruments for their decarbonisation goals.

With demand for alternative, lower-carbon fuels rising, EEX is also supporting the development of green hydrogen. In 2023, EEX launched HYDRIX, the world's first market-based green hydrogen index and has been part of working groups to develop this market. EEX has also developed a trading platform for hydrogen markets in collaboration with H2Global Foundation's subsidiary Hintco as the first customer.

### Facilitating trust and transparency in the energy sector

Attracting a healthy mix of actors and liquidity is critical for market innovations. To that end, we also build transparency services for renewable electricity, renewable gases and green hydrogen.

We offer the full scope of registry services for renewable sources of energy and data transparency, such as HYDRIX and the EEX Global Carbon Index Family. Once price transparency and trust are developed, new trading markets can emerge.

### Facilitating the energy transition through renewable energy adoption

The shift towards a lower-carbon future requires not only renewable energy, but further electrification of the economy. Trading markets operated by EEX Group support the integration of renewable electricity into the grid in multiple ways. As the integration of renewable energies into a grid is not a given, due to fluctuations in power supply, EEX Group's markets offer an efficient management of short-term fluctuations.

Expanding renewable energy sources and infrastructure requires large investments of private capital to complement public funding. The European Commission estimates that, between 2023 and 2030, additional investments totalling 620 billion euros per year will be required for the expansion of renewable energy and ensuring clean energy at affordable prices. To encourage the flow of capital, we provide long-term hedging instruments for investors in renewable energy assets. For example, investors can hedge on bespoke power purchase agreements (PPAs). Over time, this ensures that we have the financing, the infrastructure, and the products to meet energy transition goals, in Europe as well as other markets we operate.



## Building workplace equity and supporting societal changes

### **Employee resource groups at EEX Group**

EEX Group has business operations throughout Europe, North America, as well as the Asia Pacific. Our global offices are encouraged to have employee networks and programmes that are relevant to their locations. Some examples of these groups include Women@EEX, EnergyPride, and an expats network in Germany, as well as Women in FinTech in the US. As part of Deutsche Börse Group, staff also have opportunities to join further support networks and internal events. This is one of the ways in which EEX Group staff can participate in community building.

### **Employee health and wellbeing**

EEX Group also places employee health as a top priority. To address individual wellbeing in a multidimensional way, we offer support for fitness, mental health, diversity education, and work-life balance. Across our locations, these include mental health days and services, sports activities and groups, as well as parental engagement programmes amongst others.

### **Supporting entrepreneurial innovation Leipzig**

Solutions for the energy transition require innovation. To that end, EEX has invested in supporting local economies and innovative energy startups that have synergies with our core business. EEX supports Spinlab, a leading startup accelerator based in Leipzig focusing on the energy transition and smarter cities.

### **Community engagement**

In 2023, we continued to contribute to various community programmes and causes across our locations. We support education, underprivileged children, habitat restoration, and health care initiatives, such as organ donations.

### **Women in leadership commitment**

EEX Group aims to achieve at least 40% of women in leadership by 2026. We integrate this goal into our hiring and promotion process, internal trainings, and workplace flexibility offers. We have initiatives to support women with concrete measures but also to empower leadership to understand potential systemic biases hidden in decision-making processes. As EEX Group has offices worldwide with over 1,000 employees, we localise programmes to support women in leadership.

EEX Group continues to extend and introduce initiatives to support women's career growth, whether through events, mentorship, or other programmes. Over the years, staff have been supported to take parental leave with return-to-work arrangements that fit their needs. Since the Covid-19 pandemic, EEX Group has supported increasingly flexible work hours and remote work arrangements, which allows care givers flexibility throughout their day, while still achieving business goals.

Across our global locations, initiatives include a co-leadership pilot to ensure a balance between business continuity and staff priorities for work-life balance, gender bias leadership training, and internal job application support for leadership development. They also include talent sourcing initiatives, such as outreach to historically black and women's colleges in the US and reviewing job postings for gender-biased language.

## Looking ahead

Decarbonising our operations and transitioning to sustainable energy sources is a long-term investment. EEX Group believes this global effort is only possible through collaboration – within our group companies, with our customers and partners, and the wider public. In sharing our journey, we are taking the first step towards accountability. We expect further developments and improvements in our data collection and methodologies year on year, and look forward to sharing them with you, our global

# 2023 Data

Emissions (tCO <sub>2</sub> )	2023
Total Group carbon footprint	12,361
<b>Scope 1 emissions overall</b>	35
Stationary combustion*	0
Mobile combustion*	35
<b>Scope 2 emissions overall*</b>	106
Purchased electricity*	9
Purchased heating*	96
Purchased cooling*	1
<b>Scope 3 emissions overall</b>	12,220
Purchased goods and services	10,222
Capital goods	435
Fuel and energy-related activities*	121
Upstream transportation and distribution	10
Waste generated in operations	5
Business travel*	809
Employee commuting and mobile working*	620

\*Included in the EEX Group ESG KPI carbon footprint for 2024-2026

## EEX Group ESG KPIs for 2024-2026

	2022	2023	2026 Target (Baseline Year 2023)
Carbon footprint	1.88 tCO <sub>2</sub> per employee	1.59 tCO <sub>2</sub> per employee	1.11 tCO <sub>2</sub> per employee
Employee satisfaction*	70%	73%	> 80%
Women in leadership**	31%	33%	> 40%

Methodology: \*Average the results of a set of chosen questions from the annual employee survey  
 \*\*% of women who are Experts, Heads of, or Directors in EEX/ECC or equivalent in other entities

