

10 Mar 2023
Eurex Clearing

ESG transformation transparency: Introduction of Eurex ESG Clearing Compass

Eurex Clearing Circular 012/23 ESG transformation transparency: Introduction of Eurex ESG Clearing Compass

1. Introduction

This circular contains information with respect to the service offering of Eurex Clearing AG (Eurex Clearing) as well as corresponding amendments to the Clearing Conditions of Eurex Clearing (Clearing Conditions) and the FCM Regulations of Eurex Clearing (FCM Regulations) regarding the following services to be offered as part of the Eurex ESG Clearing Compass:

- A. ESG Portfolio Assessment
- B. ESG Visibility Hub

The amendments for the services under A. and B. will become effective as of **3 April 2023**.

2. Required action

Clearing Members, ISA Direct Clearing Members, FCM Clearing Members (Clearing Members), Disclosed Direct Clients, vendors and other affected contractual parties should take the amendments to the Clearing Conditions into consideration. Clearing Members should assess whether they would like to submit ESG (environmental, social and governance) Information for inclusion in the ESG Visibility Hub on the Eurex Clearing website.

3. Details of the initiative

Eurex Clearing is introducing new services in order to support Clearing Members and their clients with regards to their sustainable transformation activities. The Eurex ESG Clearing Compass aims to contribute to more transparency which lays the foundation for further decisions or actions, e.g.

decarbonization of portfolios or including ESG factors in counterparty assessments. The provided information is neither to be understood as advice nor recommendation for action.

The ESG Portfolio Assessment with regards to delivered margin collateral and the ESG Visibility Hub are initial steps. Eurex Clearing envisages to expand these services in due course.

A. ESG Portfolio Assessment

Eurex Clearing will offer Clearing Members an assessment of securities delivered as Margin, excluding Buffer Margin, and Contributions to the Default Fund on a portfolio level with the following climate metrics, as applicable:

- ◆ Emission exposure in tCO₂e (tonnes of CO₂ equivalent) for Scope 1&2 as well as Scope 3 emissions
- ◆ Carbon intensity based on revenues in EUR
- ◆ Carbon Risk Rating
- ◆ GHG (Greenhouse Gas) Reduction Targets
- ◆ Production Emissions
- ◆ Emission intensity based on GDP in EUR
- ◆ E (environmental) rating - separately for corporates and sovereigns

The climate and rating data is provided by ISS ESG. ISS ESG methodologies have been applied with regards to the aggregation emissions and carbon data.

FCM Client Margin Sub-Accounts, collateral provided to cover a shortfall with regards to Own Funds and the Internal Buffer Margin Accounts are not included in the ESG Portfolio Assessment.

Individually segregated clients with access to the Common Report Engine (CRE) will also receive an assessment of their margin collateral.

Eurex Clearing will provide Clearing Members and individually segregated clients a new daily report, Daily Collateral Climate Metrics (CDESG), on the CRE. This report will source the non-cash Margin, excluding Buffer Margin, and Contributions to the Default Fund from the Daily Collateral Valuation (CD031) and Claim Amount Based Collaterals (CD037).

Details with regards to the available metrics, aggregation of data on portfolio level as well as the structure and field definitions of the report (Daily Collateral Climate Metrics (00RPTCDESGABCFRYYYYMMDDYBCFR.CSV)) will be available at launch in the ESG Portfolio Assessment Manual on the Eurex Clearing website www.eurex.com/ec-en under the following link:

Find > Publications

To reflect these amendments, the following provisions will be amended as outlined in Attachments 1, 2 and 3:

- ◆ Chapter I Part 1 Number 18.2 of the Clearing Conditions
- ◆ Chapter I Number 17.2 of the FCM Regulations
- ◆ ESG Report Terms

B. ESG Visibility Hub

Eurex Clearing will offer Clearing Members the opportunity to add relevant ESG Information to the clearing contact list that is published on Eurex Clearing's website to make sustainability related efforts more visible to the clearing community.

Clearing Members can submit the following ESG Information to be displayed as part of the ESG Visibility Hub:

- ◆ summary of the company's sustainability strategy (ESG Profile)
- ◆ ESG and climate reporting data (Reporting)
- ◆ ESG rating information (ESG Ratings)

All Clearing Members are eligible to participate. To submit the **ESG Visibility Hub form** provided by Eurex Clearing, it is necessary to provide a PIN to identify the person submitting the ESG Information as authorized. The PIN can be obtained from your firm's Central Coordinator. Please contact us at client.services@eurex.com if you need information regarding your firm's Central Coordinator.

The ESG Visibility Hub form is available on the Eurex Clearing website under the following link:

[Join > Clearing contacts](#)

To reflect these amendments, the following provisions will be amended as outlined in Attachments 1, 2 and 4:

- ◆ Chapter I Part 1 Number 18.1 of the Clearing Conditions
- ◆ Chapter I Number 17.1 of the FCM Regulations
- ◆ ESG Visibility Hub Terms

As of the effective date, the full versions of the amended legal framework of Eurex Clearing, as specified under items A. and B., will be available for download on the Eurex Clearing website www.eurex.com/ec-en under the following link:

[Rules and Regulations > Eurex Clearing Rules and Regulations](#)

The amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex

Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG prior to the relevant effective date(s) as stipulated in this circular. In case of an objection by the respective contractual party pursuant the preceding sentence, Eurex Clearing AG is entitled to terminate the respective contract (including a Clearing Agreement, if applicable). Instead of submitting an objection, the respective contractual party may submit in writing to Eurex Clearing AG comments to any amendments of the legal framework of Eurex Clearing AG within the first 10 Business Days after the publication of the amendments. Eurex Clearing AG shall assess whether these comments prevent the published amendments from becoming effective taking into account the interests of Eurex Clearing AG and all contractual parties.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

- ◆ 1 – Amended sections of Chapter I Part 1 Number 18 of the Clearing Conditions corresponding to topics A. and B.
- ◆ 2 – Amended sections of Chapter I Number 17 of the FCM Regulations corresponding to topics A. and B.
- ◆ 3 – ESG Report Terms of Eurex Clearing AG corresponding to topic A.
- ◆ 4 – ESG Visibility Hub Terms of Eurex Clearing AG corresponding to topic B.

Further information

Recipients: All Clearing Members, ISA Direct Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, all FCM Clearing Members, vendors and other affected contractual parties

Target groups: Front Office/Trading, Middle + Back Office, IT/System Administration

Contact: esgcompass@eurex.com

Web: www.eurex.com/ec-en/

Authorized by: Matthias Graulich

Further information

[↓ Attachment 1 to Eurex Clearing Circular 012/23](#)

[↓ Attachment 2 to Eurex Clearing Circular 012/23](#)

[↓ Attachment 3 to Eurex Clearing Circular 012/23](#)

[↓ Attachment 4 to Eurex Clearing Circular 012/23](#)

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Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 03.04.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Clearing Provisions

[...]

18 Eurex ESG Clearing Compass

18.1 ESG Visibility Hub

Clearing Members and ISA Direct Clearing Members may provide Eurex Clearing AG with certain ESG-related information which will be linked to the respective Clearing Member or ISA Direct Clearing Member in the public list of all current clearing contacts on the Eurex Clearing Website. The exact scope of this service is described and rights and obligations of the Clearing Member and ISA Direct Clearing Member and Eurex Clearing AG are set out in the terms of use of the ESG Visibility Hub (“**ESG Visibility Hub Terms**”), which are published on the Eurex Clearing Website and shall form an integral part of these Clearing Conditions.

18.2 ESG Portfolio Assessment

Clearing Members and ISA Direct Clearing Members will be provided with a report including climate metrics and ratings on an aggregated portfolio level (“**ESG Report**”). The exact scope of this service is described and rights and obligations of Eurex Clearing AG and the Clearing Member and ISA Direct Clearing Member are set out in the terms for the ESG Report (“**ESG Report Terms**”), which are published on the Eurex Clearing Website and shall form an integral part of these Clearing Conditions.

[...]

Chapter I: Clearing Model Related Provisions

FCM Regulations of Eurex Clearing AG

As of 03.04.2023

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Chapter I Clearing Model Related Provisions

[...]

17 Eurex ESG Clearing Compass

17.1 ESG Visibility Hub

FCM Clearing Members may provide Eurex Clearing AG with certain ESG-related information which will be linked to the respective FCM Clearing Member in the public list of all current clearing contacts on the Eurex Clearing Website. The exact scope of this service is described and rights and obligations of the FCM Clearing Member and Eurex Clearing AG are set out in the terms of use of the ESG Visibility Hub (“**ESG Visibility Hub Terms**”), which are published on the Eurex Clearing Website and shall form an integral part of the FCM Clearing Conditions, including the FCM Regulations of Eurex Clearing AG.

17.2 ESG Portfolio Assessment

FCM Clearing Members will be provided with a report including climate metrics and ratings on an aggregated portfolio level (“**ESG Report**”). The exact scope of this service is described and rights and obligations of Eurex Clearing AG and the FCM Clearing Member are set out in the terms for the ESG Report (“**ESG Report Terms**”), which are published on the Eurex Clearing Website and shall form an integral part of the FCM Clearing Conditions, including the FCM Regulations of Eurex Clearing AG.

EUREX CLEARING AG

ESG PORTFOLIO ASSESSMENT

Terms relating to the ESG Report (“ESG Report Terms”)

1 Scope

- 1.1 These are the ESG Report Terms pursuant to (i) Chapter I Part 1 Number 18.2 of the Clearing Conditions of Eurex Clearing AG and (ii) Chapter I Number 17.2 of the FCM Regulations of Eurex Clearing AG. The ESG Report Terms form an integral part of the (i) Clearing Conditions of Eurex Clearing AG and (ii) FCM Clearing Conditions, including the FCM Regulations of Eurex Clearing AG and are – for the avoidance of doubt – also incorporated in (i) Number 17.2 of Chapter I Part 1 of the Clearing Conditions of Eurex Clearing AG and (ii) Chapter I Number 16.2 of the FCM Regulations of Eurex Clearing AG.
- 1.2 Terms used and not otherwise defined in the ESG Report Terms shall have the same meaning as in the Clearing Conditions of Eurex Clearing AG and the FCM Regulations of Eurex Clearing AG.

2 Service provided by Eurex Clearing AG

- 2.1 Eurex Clearing AG will provide climate metrics and ratings for the Clearing Member’s, ISA Direct Clearing Member’s and FCM Clearing Member’s (together “Clearing Member”) non-cash collateral actually delivered as (i) Margin, excluding Buffer Margin, and (ii) Contributions to the Default Fund and as reported by Eurex Clearing AG in the respective reports (“Reports”) on a portfolio level by displaying the aggregated portfolio metrics in the ESG report (“ESG Report”).
- 2.2 For the ESG Report, Eurex Clearing AG will aggregate ESG-related data received from Institutional Shareholder Services Germany AG (“ISS”) (“ISS ESG Data”) which refers to the non-cash collateral contained in the Reports by applying the ESG methodology of ISS (“ISS ESG Methodology”).
- 2.3 Eurex Clearing AG does not provide the ESG Report for any specific purpose. Therefore, Eurex Clearing AG is not liable for, and does not guarantee or warrant the completeness, correctness, clarity, accuracy, reliability, timeliness, availability or fitness of the ESG Report for any specific purpose. Further, Eurex Clearing AG does not - and shall be under no obligation to - assess if the ESG Report is fit for any specific purpose communicated by the Clearing Member.
- 2.4 Eurex Clearing AG will provide the ESG Report as described under 2.1 to the Clearing Member only under the following conditions:

- (a) ISS has provided Eurex Clearing AG with the current ISS ESG Methodology. Eurex Clearing AG will reflect any amendments to the ISS ESG Methodology in the ESG Report as soon as feasible and subject to a respective prior written information by ISS. Notwithstanding any prior written information by ISS, Eurex Clearing AG cannot guarantee that amendments to the ISS ESG Methodology are reflected in time in the ESG Report; and
- (b) Eurex Clearing AG receives the daily delivery of data files from ISS containing the ISS ESG Data which are relevant for the ESG Report. Eurex Clearing AG will only reflect the respective ISS ESG Data in the ESG Report that have been delivered by ISS (i) within reasonable time in advance to Eurex Clearing AG providing the ESG Report and (ii) in the format as agreed between ISS and Eurex Clearing AG.

If ISS has informed Eurex Clearing AG in writing about any amendment to the format in which the ISS ESG Data are provided by ISS, Eurex Clearing AG will make the necessary technical and/or procedural changes as soon as feasible. Notwithstanding any prior written information by ISS, Eurex Clearing AG cannot guarantee that ISS ESG Data are reflected in time in the daily ESG Report if provided in an amended format.

3 Fees

Eurex Clearing AG shall provide the services described under number 2 free of charge.

4 Termination

Eurex Clearing AG may terminate the performance of this service at any time upon prior notice. For the termination period, (i) the Regular Notification Period according to Chapter I Part 1 Number 17.2.2 of the Clearing Conditions of Eurex Clearing AG and, (ii) in case of the FCM Regulations, Chapter I Number 16.2.2 of the FCM Regulation of Eurex Clearing AG apply. Any prior notice shall be given by Eurex Clearing AG in accordance with (i) Chapter I Part 1 Number 16.1 or 16.2 of the Clearing Conditions of Eurex Clearing AG and, (ii) in case of the FCM Regulations, in accordance with Chapter I Number 15.1 and 15.2 of the FCM Regulations of Eurex Clearing AG.

EUREX CLEARING AG
ESG VISIBILITY HUB TERMS

1 Scope

These are the ESG Visibility Hub Terms pursuant to (i) Chapter 1 Part 1 Number 18.1 of the Clearing Conditions of Eurex Clearing AG and (ii) Chapter 1 Number 17.1 of the FCM Regulations of Eurex Clearing AG. The ESG Visibility Hub Terms form an integral part of the (i) Clearing Conditions of Eurex Clearing AG and (ii) FCM Clearing Conditions, including the FCM Regulations of Eurex Clearing AG and are – for the avoidance of doubt – also incorporated in (i) Number 17.2 of Chapter I Part 1 of the Clearing Conditions of Eurex Clearing AG and (ii) Chapter I Number 16.2 of the FCM Regulations of Eurex Clearing AG.

2 Object of the ESG Visibility Hub

2.1 The ESG Visibility Hub aims to

- (a) provide Clearing Members, ISA Direct Clearing Members and FCM Clearing Members (together “**Clearing Member**”) an opportunity to showcase their publicly accessible ESG (Environment, Social, Governance) information on the Eurex Clearing Website and,
- (b) support market participants assessing Clearing Members as a potential counterparty to receive, compare and use ESG information of the respective Clearing Member.

2.2 The Clearing Member may include in the ESG Visibility Hub ESG-related information based on ESG profiles (hereinafter “**ESG Profiles**”), non-financial reports, comparable sustainability reports (hereinafter “**ESG Transparency Reports**”) and/or ESG ratings (hereinafter “**Other ESG related Information**”, ESG Profiles, ESG Transparency Reports and Other ESG related Information together the “**ESG Information**”), which are available to the Clearing Member. All ESG Information which the Clearing Member intends to make available via the ESG Visibility Hub of Eurex Clearing AG shall be provided by the Clearing Member to Eurex Clearing AG in order to upload it into the ESG Visibility Hub. The Clearing Member shall remain fully responsible for the ESG Information provided to the public via the ESG Visibility Hub of Eurex Clearing AG.

3 Obligations of Eurex Clearing AG

3.1 Eurex Clearing AG shall publish in the ESG Visibility Hub on the Eurex Clearing Website the ESG Information as provided by the Clearing Member. For this purpose, the Clearing

Member shall upload the respective ESG Information in the format and via the transmission channels as communicated by Eurex Clearing AG from time to time.

- 3.2 Eurex Clearing AG shall use reasonable efforts to keep the Eurex Clearing Website accessible via the internet and to update and/or delete the Clearing Member's ESG Information on the Eurex Clearing Website within a reasonable period (however, not more than once per calendar month) if the Clearing Member provides new ESG Information in accordance with number 3.1 or requests the deletion of some or all ESG Information. Eurex Clearing AG shall be allowed to suspend displaying the Clearing Members ESG Information under the ESG Visibility Hub if the ESG Information is not updated by the Clearing Member in accordance with number 4.4.
- 3.3 Eurex Clearing AG shall provide the services described under sections 3.1 and 3.2 free of charge.
- 3.4 The Clearing Member shall remain solely responsible for the clarity, completeness, accuracy, timeliness, and comprehensibility of the ESG Information it provides to Eurex Clearing AG for publication on the Eurex Clearing Website. Eurex Clearing AG does not - and shall be under no obligation - to check the ESG Information against these or other criteria.
- 3.5 Eurex Clearing AG may refuse to publish ESG Information provided by the Clearing Member
- (a) if the ESG Information is provided in a format that is not suitable for further processing in order to be published;
 - (b) if Eurex Clearing AG reasonably assumes that the publication would violate any applicable law, regulation or third-party rights; or
 - (c) if, notwithstanding number 3.4, Eurex Clearing AG reasonably assumes that the ESG Information is false, inaccurate, misleading, obsolete or otherwise likely to create a false impression on the average user of the Eurex Clearing Website accessing the ESG Information.

4 Obligations of the Clearing Member

- 4.1 The Clearing Member shall ensure that the ESG Information it provides to Eurex Clearing AG for publication in the ESG Visibility Hub is clear, accurate, up-to-date and comprehensible and is not likely to create a false or misleading impression on the average user of the Eurex Clearing Website. The Clearing Member further ensures that providing, uploading, displaying and distributing the ESG Information on the Eurex Clearing Website does not violate any applicable laws, regulations or third-party rights. The Clearing Member shall ensure that the ESG Information it provides to Eurex Clearing AG for publication is published on the Clearing Member's website before or is otherwise accessible to the public.

- 4.2 The Clearing Member shall ensure that no personal data is included in the ESG Profiles which will be published on the Eurex Clearing Website.
- 4.3 The Clearing Member shall inform Eurex Clearing AG immediately about any ESG Information published in its ESG Visibility Hub that does not conform to the criteria in number 4.1 and will provide Eurex Clearing AG with updated ESG Information which conforms to the criteria in number 4.1. The Clearing Member acknowledges that Eurex Clearing AG does not – and is under no obligation to – check the ESG Information provided to it by the Clearing Member against the criteria in number 4.1 or any other criteria.
- 4.4 The Clearing Member shall provide the ESG Information to Eurex Clearing AG in the format and via the transmission channels as communicated by Eurex Clearing AG from time to time.
- 4.5 The ESG Information of the Clearing Member published on the Eurex Clearing Website is to be updated immediately (without undue delay) after new or amended ESG Information becomes available.
- 4.6 The Clearing Member shall not manipulate the Eurex Clearing Website in any way whatsoever. The Clearing Member may notably not submit or transfer any ESG Information or data for upload which contains viruses, trojan horses or similar executable program codes which are capable of damaging, viewing, intercepting, forwarding or deleting data or systems, or of providing unauthorized access to data, systems or areas. The Clearing Member shall not use any mechanisms, software or any other routines which can interfere with or put an excessive strain on the Eurex Clearing Website, or the systems used to operate the Eurex Clearing Website.

5 Intellectual Property Rights and Data Protection

- 5.1 Eurex Clearing AG may use the ESG Information provided by the Clearing Member, word and device marks, designations and other ancillary copyrights included therein for the purposes required for providing the services as described in these ESG Visibility Hub Terms, notably reproduce, display and distribute them on the Eurex Clearing Website and make it available to the users of the Eurex Clearing Website.
- 5.2 Eurex Clearing AG and the Clearing Member will comply with its obligations under applicable data protection laws. In particular, each party shall:
- (a) ensure that the processing of personal data is lawful, also with respect to the collection of personal data and the disclosure of personal data to the other party;
 - (b) take appropriate technical and organizational measures to ensure the integrity and confidentiality of personal data in accordance with data protection legislation and
 - (c) delegate the processing of personal data exclusively to processors that provide sufficient guarantees for the implementation of appropriate technical and

organizational measures so that the processing complies with the requirements of data protection legislation and ensures the protection of the rights of the data subjects.

- 5.3 If the Clearing Member provides personal data to Eurex Clearing AG in the context of the performance of this ESG Visibility Hub Terms, the Clearing Member shall ensure that the data subjects have been duly informed about the relevant aspects of the processing in accordance with and within the limits set out in Articles 12 to 14 GDPR and any other relevant provisions of data protection laws.
- 5.4 Eurex Clearing AG and the Clearing Member shall, where appropriate and necessary, assist each other in good faith and with due regard to the ease of compliance with their respective data protection obligations, in particular with regard to the information to be provided to data subjects, the security of the processing, the performance of privacy and data protection impact assessments, data protection breach notifications and the handling of requests from data subjects exercising their rights under data protection laws.
- 5.5 For further information on how Eurex Clearing AG as a data controller processes personal data, please see the information on the Eurex Clearing Website (www.eurex.com).

6 Termination

Eurex Clearing AG may terminate the performance of this service at any time upon prior notice. For the termination period, (i) the Regular Notification Period according to Chapter I Part 1 Number 17.2.2 of the Clearing Conditions of Eurex Clearing AG and, (ii) in case of the FCM Regulations, Chapter I Number 16.2.2 of the FCM Regulation of Eurex Clearing AG apply. Any prior notice shall be given by Eurex Clearing AG in accordance with (i) Chapter I Part 1 Number 16.1 or 16.2 of the Clearing Conditions of Eurex Clearing AG and, (ii) in case of the FCM Regulations, in accordance with Chapter I Number 15.1 and 15.2 of the FCM Regulations of Eurex Clearing AG.