



Aug 2023

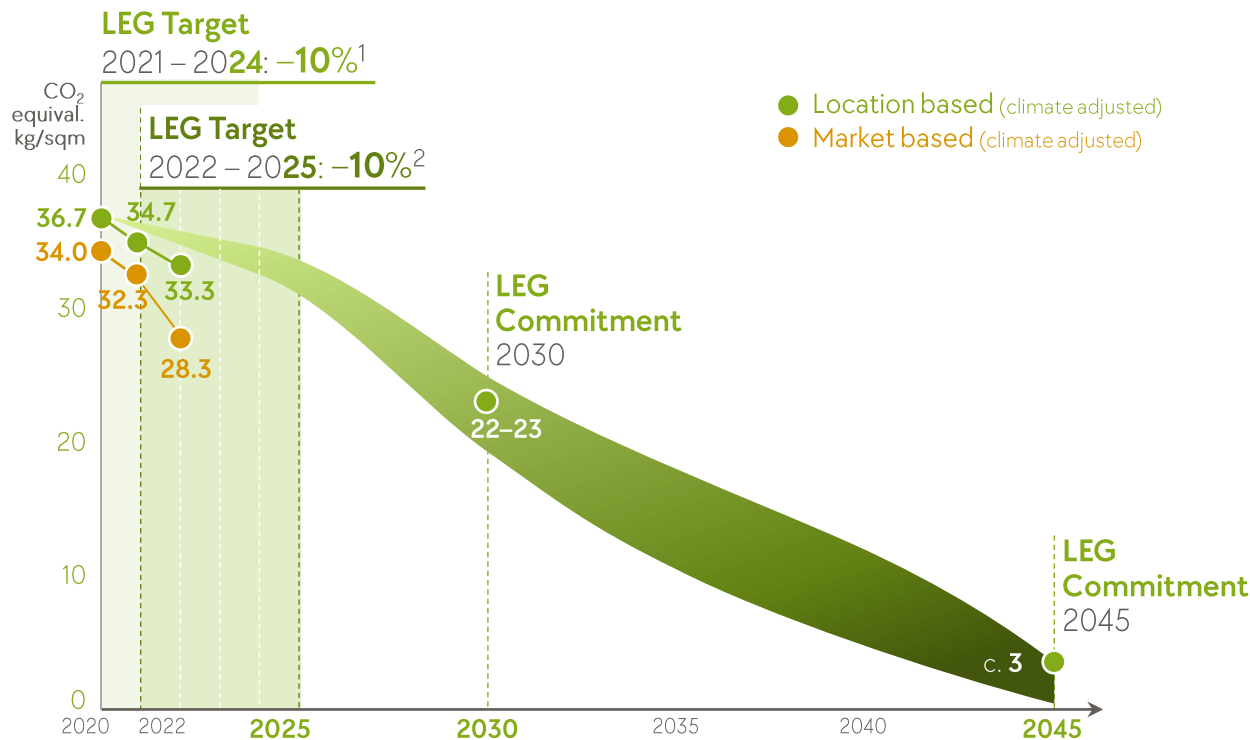
LEG Immobilien SE

# ESG Presentation

**LEG**

# Strong CO<sub>2</sub> reduction of 15% in 2022

Well on track for our target towards climate neutrality

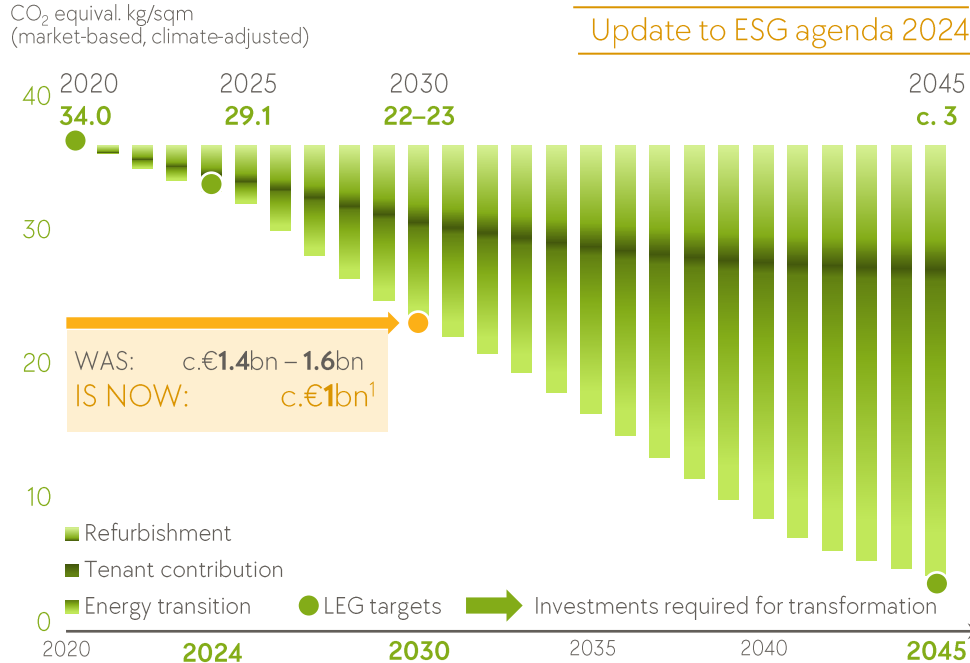


- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- Aligned with strategy via LTI-component of compensation scheme
- 2023-26 LTI component envisages a **10%** efficiency improvement for investments undertaken
- Strong reduction in 2022 by **4%** to **33.3kg** (location based) and by **12%** to **28.3kg** (market based)
- Key driver:
  - **4,028t** CO<sub>2</sub> savings from energetic refurbishments
  - better footprint of our district heating grid based on actual certificates of our utility provider vs. original assumption of market average

<sup>1</sup> Based on FY20 CO<sub>2</sub> level. <sup>2</sup> Based on FY21 CO<sub>2</sub> level. <sup>3</sup> Based on German buildings energy act (GEG).

# Transition roadmap towards climate neutrality

Energy transition and energetic refurbishment are the main drivers to reach the targets



## Refurbishment

- At least **30%** efficiency improvement
- Insulation of the building shell, incl. windows and doors
- Contribution of **25% – 30%**

## Smart meter/ Tenant engagement

- Digitisation of heating system via smart metering
- Education and incentivisation of tenants
- Contribution of up to **5%**

## Energy transition

- Shift from fossil energy mix to green district heating
- Shift towards green electricity along Germany's path
- Contribution of **65% – 70%**

<sup>1</sup> Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on wide role-out of air-2-air heat pumps and introduction of smart thermostats.

# LEG positions itself as first mover solutions provider

Digitisation and smart technology to push change

## Serial refurbishment

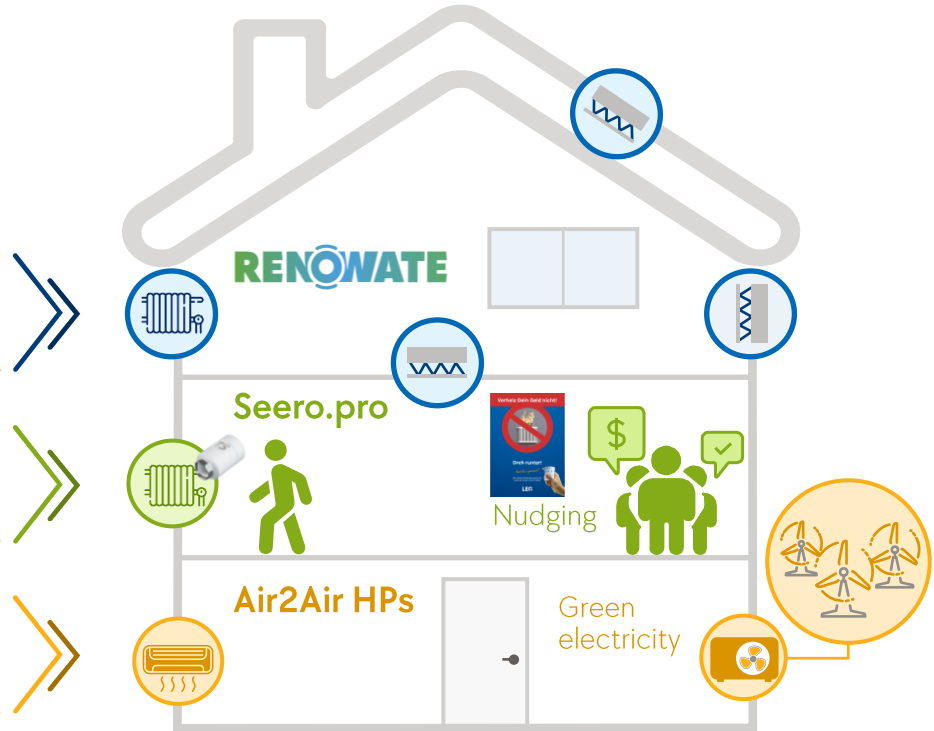
- Insulation of the building shell, incl. windows and doors
- At least **30%** efficiency improvement
- Additional **15%** subsidies from BEG

## Smart technology/ Tenant engagement

- Hydraulic optimisation by digitising radiators
- **30%** reduction in carbon emissions expected
- Avoidance of **€30m** regulatory compliance costs

## Energy transition

- Widespread adoption of Air2Air heat pumps
- Increasing energy efficiency standard, e.g., from **G to C**
- Saving up to **€500m** for carbon reduction until 2030<sup>1</sup>



<sup>1</sup> Against original ESG 2024 agenda with assumed investments of c. €1.5bn until 2030. See slide 35.

# Among the best in class

Upgrade to AAA rating by MSCI

ESG	2018	2019	2020	2021	2022	
MSCI ESG Rating						↑ Upgrade to top rating in 12/2022
SUSTAINALYTICS ESG Rating		20.1	10.4	7.8	6.7	↑ No. 1 out of 159 in real estate management <sup>1</sup> No. 6 out of 1,075 in global real estate <sup>1</sup> No. 30 out of 15,638 in global total coverage <sup>1</sup>
CDP CDP Score						Initial score above sector score (C)
SCIENCE BASED TARGETS SBTi target					Targets submitted	Validation process started
ISS ESG ISS ESG	D+	D+	C-	C-	C	↑ Upgrade to Prime Status
EPRA sBPR Award						Gold rating confirmed
DAX ESG Index			DAX <sup>®</sup> 50 ESG	DAX <sup>®</sup> 50 ESG	DAX <sup>®</sup> 50 ESG	
MSCI ESG Indices					MSCI EAFE Choice ESG Screened Index MSCI World Custom ESG Climate Series MSCI OFI Revenue Weighted Global ESG Index	

<sup>1</sup> As at 05/2023

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