

Green FINANCE

Die Digitalkonferenz für grüne Finanzierung

23. März 2021

Sustainability Journey: Worauf kommt es an?

Referent
DIC ■

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Gastgeber

ING 

DIC.

SUSTAINABILITY JOURNEY

dynamic
performance

next level

23. März 2021

Who we are

The German Commercial Real Estate expert

Dual business model with its own asset, property and development management platform

Listed on the SDAX,
since 2006

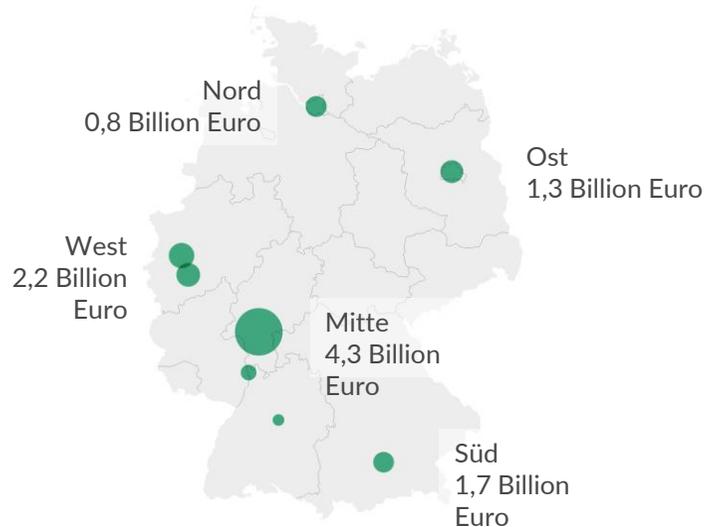
20 Year Track Record

10,3 Billion Euro in
AuM¹

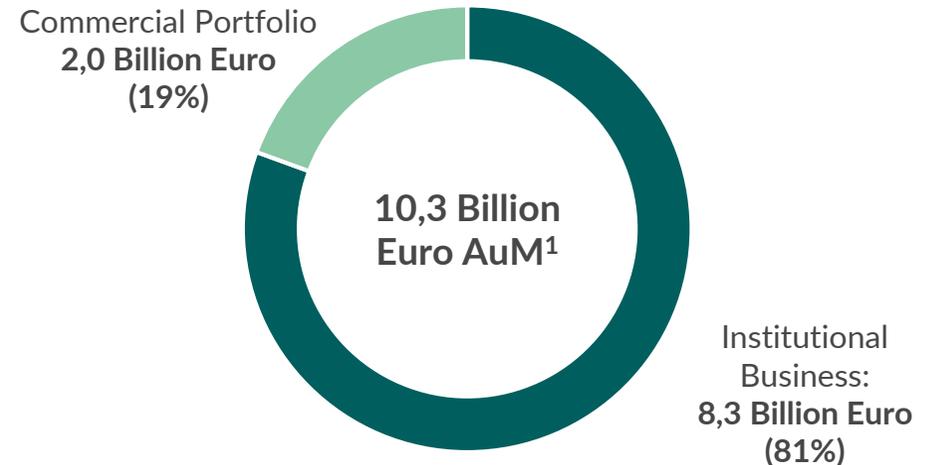
225 Assets¹

8 Offices with
272 Employees

Distribution of AuM per Regional Offices¹



AuM per Segment as of 31. December 2020¹



¹ On a pro-forma Basis AuM as of the Balance sheet date of 31. December 2020 including RLI Investors

Efficiently managed Platform with strong earnings contributions



Real estate management platform with a total of 10,3 Billion Euro AuM¹

ca. 2,0 Billion Euro AuM (91 Assets)¹

Commercial Portfolio

- Directly held portfolio with high-quality assets in top locations
- Stable income from core / core plus and value add assets
- 70% Office, 14% Retail, 13% Mixed-use, 2% Logistics, 1% Other²

2020

Gross Rental Income 100,7 Million Euro

Sales Profit 32,0 Million Euro

ca. 8,3 Billion Euro AuM (134 Assets)¹

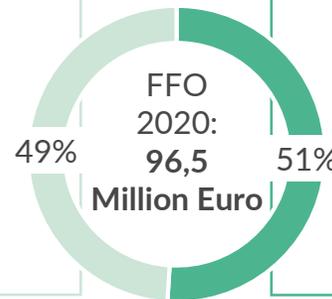
Institutional Business

- Commercial real estate (mainly Core / Core Plus), held and managed for currently 161 institutional customers¹
- All real estate services from a single source (transaction, asset, property and development management, structuring of financing) and DIC is occasionally a co-investor
- 91% Office, 5% Retail und 4% Other²

2020

Real Estate Management Fees 79,7 Million Euro

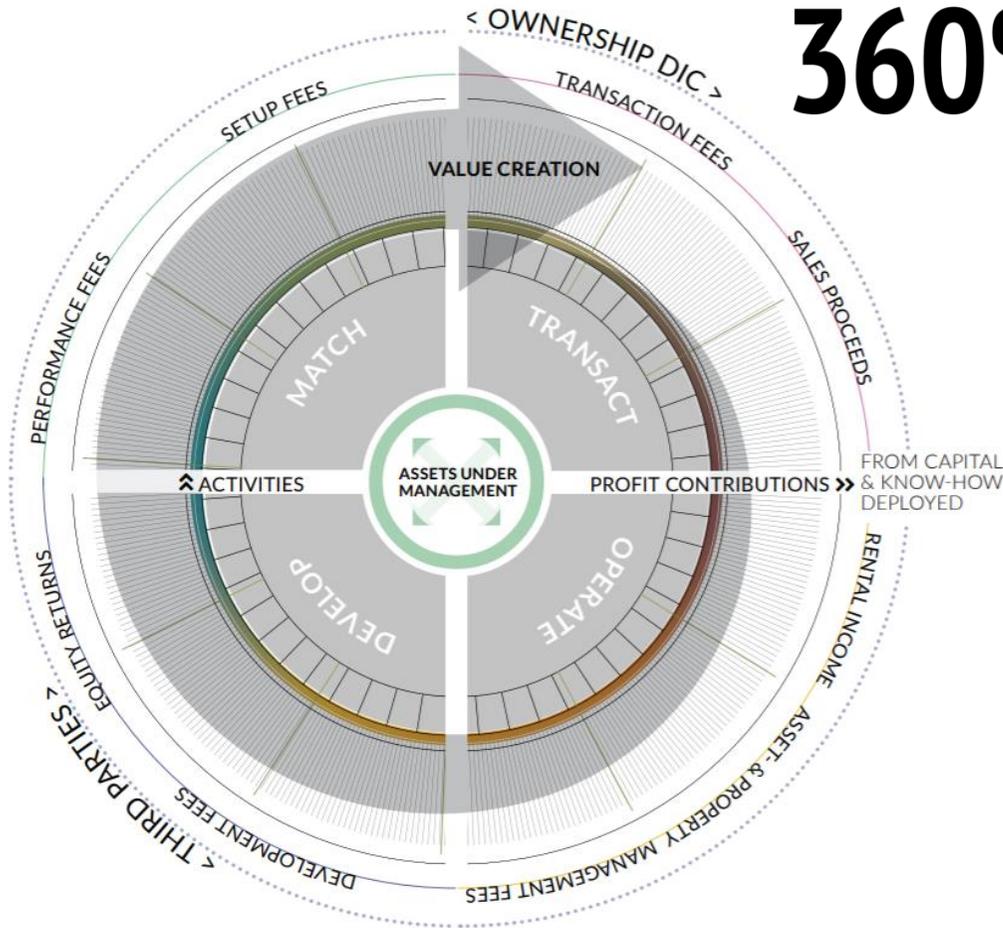
Share of the profit of associates 11,4 Million Euro



¹ On a pro-forma Basis AuM as of the Balance sheet date of 31. December 2020 including RLI Investors; ² On the Basis of AuM as of 31. December 2020 (excl. RLI Investors)

Leading full-service provider for commercial real estate investments

360° Value creation



- Covid-19 has proven our strategy to combine the strengths of a property holding company with the know-how and track record as initiator and manager of investment products for institutional clients
- Our 360° approach involves all stakeholders in the relevant real estate management process to ensure the optimised use of capital resources and effective linkage of properties, tenants and investors on DIC's platform
- Complementary segments and revenue structures enables us to generate diversified income streams

Our commitment to ESG

ESG Milestones and future developments

We have a proactive and long term approach to environmental sustainability, aiming to reduce CO₂ emissions and minimize resources and costs of consumption

1 Overview of reporting activities

- Regular sustainability report since 2011
- GRI standards and EPRA SBPR reporting standards for increased transparency and international comparability
- Regular response to carbon disclosure project
- DVFA governance score in lower MDAX range

2 Recent highlights

- Sustainability Report 2019 published on 30 June 2020 (EPRA sBPR Bronze Award)
- Digitalisation of real estate data:
 - Smart-meter roll-out for additional improvements in data analysis as well as energy savings
 - Global Tower certified with WiredScore Platinum for smart buildings
- Acquisition of a certified green building for the Commercial Portfolio (SAP Turm in Eschborn with LEED Gold)

3 Future developments

- Additional reporting standards for third-party business on property and vehicle level under review (GRESB, INREV, UN-PRI)
- Review potential of “Green Finance” in the context of Corporate Finance activities
- Implementation of group-wide ESG strategy driven by “Head of Sustainability”
- Highest certification target (DGNB Platinum) for Global Tower at completion



Dear Reader,

It is not just since the onset of the COVID-19 pandemic that the real estate industry has been at the centre of much public debate in Germany. Against the background of the worldwide efforts to find a more sustainable way of business, our industry is of key importance if the Paris Climate Accord are to be achieved and warming is to be checked. Although substantial progress has been made throughout the sector in recent years...



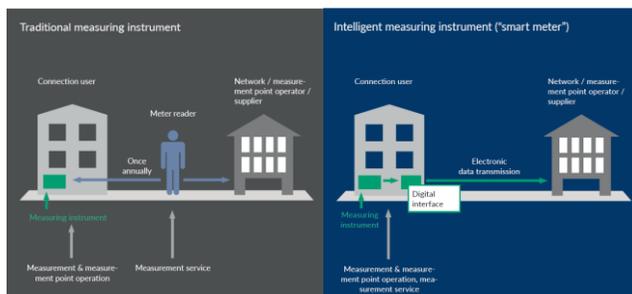
ESG reporting

Ecology

ENVIRONMENTAL PERFORMANCE INDICATORS*

	2019	2018
per sqm		
Indirect electricity consumption, in kWh	77.6	72.5
Indirect heating energy consumption, kWh	90.7	95.6
Indirect CO ₂ emissions, in kg CO ₂ e	55.9	53.5
Water consumption, in cbm	0.30	0.32
per workplace		
Indirect electricity consumption, in kWh	1,241	1,159
Indirect heating energy consumption, kWh	1,450	1,530
Indirect CO ₂ emissions, in kg CO ₂ e	895	857
Water consumption, in cbm	4.8	5.2

- In late 2019, DIC Asset AG launched a **smart metering project** through its fully-owned subsidiary DIC Onsite GmbH
- It will make it possible to **monitor consumer data in real time**, permitting the introduction of **forward-looking energy management**, so that abnormal data values or consumption patterns, for instance, will automatically trigger alerts



Social

The **organic growth** of DIC's asset management, property management business and specifically the takeover of GEG prompted an **increase in workforce**, without neglecting the aspect of **diversity**

- DIC Asset AG and its subsidiaries are **committed** to promoting diversity
- As of 31 December 2020, **52%** of all positions were staffed with female employees

DIC Asset AG has set **targets due in 2022** for the number of **female appointees** to the Supervisory Board and the Management Board, and where applicable, to the two executive levels below the Management Board:

16.66%
for the Supervisory Board

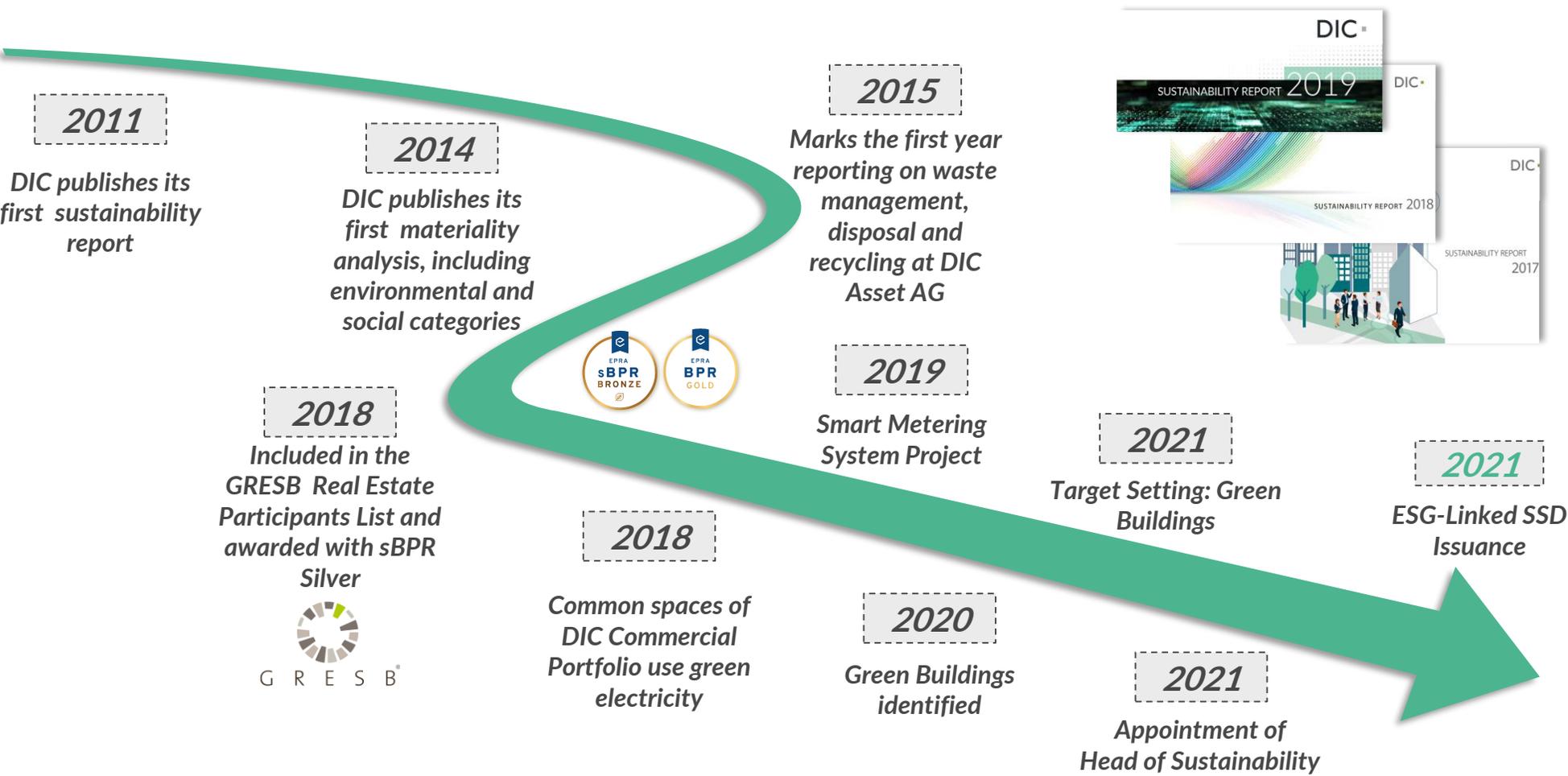
25%
for the Management Board

15.38%
for the executive level below the Management Board

Governance

- As a listed corporation, DIC Asset AG has a **dual management structure** comprising a Management Board and a Supervisory Board
- Close cooperation** between the **Management Board** and the **Supervisory Board**
- DIC **discloses** on the following **Corporate Governance material topics**:
 - Composition of the Boards
 - Succession planning for the Management Board
 - Objectives of the Supervisory Board with regard to its composition, skills profile and diversity policy
 - Remuneration system for the Management Board and Supervisory Board members
- A **compliance policy** for the DIC Asset Group has been in effect since 2013. A compliance officer monitors the observance of material compliance requirements. In addition, a **whistleblower system** for reporting misconduct and breaches is linked on the Compliance sub-page of the company homepage

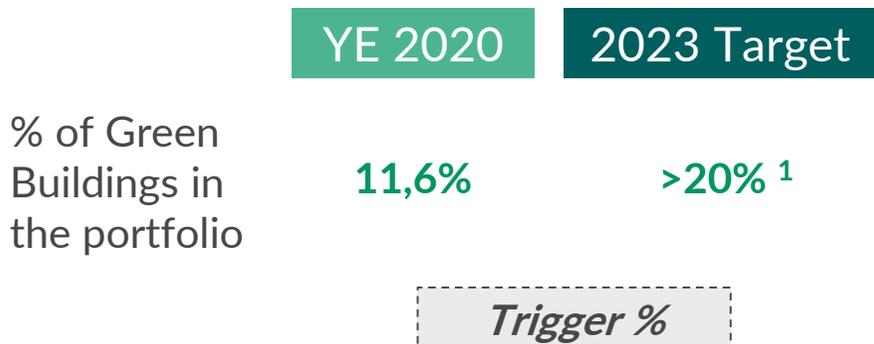
Sustainability journey and road to KPI-linked SSD



ESG-Linked Schuldschein

KPI and Pricing Mechanism

KPI-Link SSD

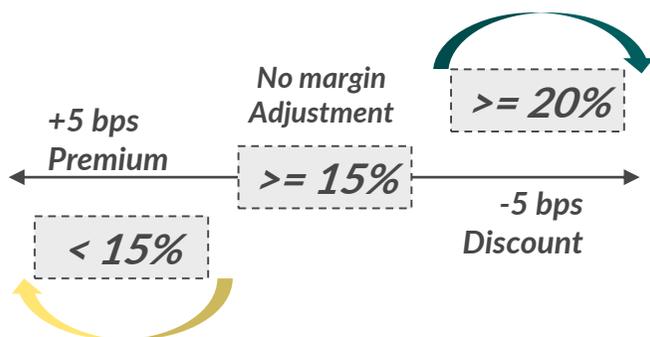


“Green Buildings” Definition:

Calculation method: Buildings built in accordance with the building Energy Code EnEV 2009 (corresponding to top 15% most energy efficient buildings) and/or buildings with the following certifications:

- % of the buildings with min. a LEED "Gold" certificate
- % of the buildings with min. a DGNB "Gold" certificate
 - In the case of DGNB, a certificate of at least "Gold" for certificate methods after 09/11/2015 and of at least "Silver" for certificate methods before 09/11/2015
- % of buildings with a BREEAM min. "Very Good" certificate
 - In case of BREEAM In-Use certification, the certificate of only one assessment part is sufficient
- % of buildings with an ENERGY STAR "70" certificate

Pricing Mechanism



Premium (+5 bps)	No adjustments	Discount (-5 bps)
Testing dates: YE 2023, 2026, 2029 % Green Buildings <15%	Testing dates: YE 2023, 2026, 2029 % Green Buildings ≥15% and <20%	Testing dates: YE 2023, 2026, 2029 % Green Buildings ≥20%

¹ Adoption by the end of 2023: 520 Million Euro / 2.6 Billion Euro Commercial Portfolio = 20.0%

DIC Green Buildings

DIC currently has a portfolio of 232 million euros in green assets, with the goal of more than doubling it to over 500 million euros in the commercial portfolio by the end of 2023¹



Karlsruhe

Bahnhofplatz

- Market Value: 44,7
- Space in thousand sqm: 11,0
- Annualised rental income: 1,9
- WALT in years: 9,2
- Vacancy rate in %: 0,0



Leverkusen

Horst-Henning-Platz

- Market Value: 57,1
- Space in thousand sqm: 13,4
- Annualised rental income: 2,4
- WALT in years: 14,1
- Vacancy rate in %: 0,0



Eschborn

SAP-Tower

- Market Value: 72,1
- Space in thousand sqm: 9,3
- Annualised rental income: 2,6
- WALT in years: 7,6
- Vacancy rate in %: 0,0



Duisburg

Steinsche Gasse

- Market Value: 58,3
- Space in thousand sqm: 12,6
- Annualised rental income: 2,2
- WALT in years: 16,3
- Vacancy rate in %: 0,0



Nachhaltiges Gebäude
DGNB Vorzertifikat in Gold



Nachhaltiges Gebäude
DGNB Vorzertifikat in Silber

1) Based on the assumption of a EUR 2.6 billion commercial portfolio in 2023

Key Highlights of the Sustainability Journey

1

Long track record in sustainability: Regular sustainability report since 2011

2

Common spaces of DIC Commercial Portfolio use green electricity

3

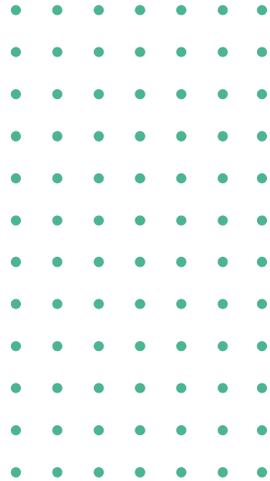
Measuring the energy efficiency of the portfolio

4

Target setting Schuldschein: Green Buildings from 11,6% to >20% in 2023

5

ESG-Linked Schuldschein



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