Environmental Sustainability Policy

We at Lodha Group have strived to ensure that our design, execution and operations augment and strengthen the natural ecosystem that we are a part of. We care about our environment because we care about our children – future generations deserve to be given a better earth than what we inherited.

Over the past few years, as climate change and sustainable development have become ever contextual, we have realized that our responsibility is even bigger, therefore we are committed to:

1. An ever-reducing carbon intensity of our operations and product; in line with our stated vision of **achieving Net Zero emissions in operations (Scope 1, 2) within FY24 and align scope 3 emissions reduction pathway with 1.5 degree goal, i.e., achieving Net Zero emissions by 2050.** Our near term goal is to achieve 51% reduction in scope 3 emissions intensities by 2030.

    a. Follow GHG protocol and disclose the emissions (Scope 1, 2 and 3) on an annual basis.
    b. Consider the following aspects to reduce the operational carbon during the projects:
        i. Integrated passive designs with strong emphasis on natural ventilation and limiting heat gains
        ii. Development of projects under defined performance guidelines (refer item 2a. below)
        iii. Rapid adoption of renewable energy under all available models permissible under prevalent regulations (refer item 4a. below)
        iv. Enabling and promoting non-motorized, shared and electric transport on our township projects
        v. Taking advantage of thoughtful landscape design as a means of carbon offsetting
        vi. Low maintenance designs to limit additional embodied carbon in operational phase of the building
        vii. Effective monitoring and reporting of Energy, Water and Waste data at all construction sites and projects under our maintenance control. Lesson learnt sheet and mandatory 10% y-o-y energy intensity reduction in operations shall be implemented (until next 2 years, post which the target shall be revised).
    c. Continuously improve performance across sustainability benchmarks year on year to achieve global leadership

2. Create and improve **performance standards** for all types of buildings and institute an annual reporting protocol.
    a. All buildings to be designed to following operational performance standards:

Project Type*	**Energy intensities (kWh/sqm/year)**
Residential Projects	<35 (4star BEE) for project cycles until 2024; <30 (5star BEE) for project cycles beyond 2024
Commercial Projects	<100 (5star BEE) for project cycles until 2024; <80 for project cycles beyond 2024
Retail Projects	<250 (5star BEE) for project cycles until 2024; <200 for project cycles beyond 2024

* Performance to be calculated with all infra elements are coupled (excluding parking structures)

b. All projects shall be designed equal or better than the latest version of the ECBC
c. Reporting of carbon intensities of applicable projects against the targets specified in the performance standards shall be done along with the roadmap progress updates.
BEE: Bureau of Energy Efficiency, India
ECBC: Energy Conservation Building Code of India
d. Refer Environment Management System Procedure (LG/EHSM/02) for measures to be taken on the construction sites.

3. Deployment of latest **technology** to control and improve the designs and operational performance
    a. Single page mandatory scope of work for necessary performance modelling^ shall be used on all projects; applicable services shall either be included under the design architect, services consultant or a third party consultant as appropriate.

    ^ Daylighting, Energy, Natural Ventilation, Climate risks, Embodied Carbon, etc.

    b. Implementation of a standard performance analytics tool on the commercial projects shall be done within FY22-23

4. Continuous increase in deployment of **renewable energy** on our developments, both during construction and post occupancy.
    a. All amenities (private[clubhouses, mlcps,..] or public [schools,..]) shall be targeted for maximized rooftop solar; care should be taken to place such buildings in unshaded regions of the plot
    b. All sales galleries and site offices shall be planned with solar rooftop plants such as to achieve a net zero energy footprint
    c. Solar roof top potential on residential rooftops (on area leftover after installation of solar hot water plant) shall be computed and recorded in the DBRs as % offset of the society common area demand, shall be catered by rooftop solar plants All on site solar plants shall be carried out with an opex model (PPA).

d. Construction power shall be completely offset through green tariff (within 5% cost delta), the extra cost shall be offset through efficiency measures to scale down y-o-y energy intensity by >10% until next 2 years (post which the targets shall be revised)
e. Off site renewable energy shall be deployed through cost beneficial open access models where long term visibility and consistency of demand is available.

5. Comply to all applicable **environmental regulations** on all our developments
    a. Active EC tracker shall be maintained as a part of a best practice

6. Incorporate **ESG and climate risk assessment** in all stages of our work - from land acquisition to final handover of a project.
    a. ESG risk checklist should be filled and documented prior to the acquisition of a project (refer Annexure – 1) and a risk mitigation plan should be prepared

    b. Environment risks and adaptation and mitigation measures shall be documented as a section in the DBRs of all projects; TCFD format shall be used for the same (refer Annexure – 2)

7. Take an approach of **Conserve**, **Preserve** and **Rejuvenate** the water resources to achieve **water resilience** in our operations and projects.
    a. Conserve
        i. Reduce water demand by using low flow fixtures, aerators, and pressure reducing valves, measuring water demand and engaging with users to encourage conservation
        ii. Treating the sewage and using the recycled water for secondary uses like flushing toilets, irrigation, in the cooling towers, construction activity, and so on.
        iii. Using techniques to limit water demand in development, construction processes.

    b. Preserve: It is critical to preserve and ensure that polluted water does not enter natural water resources.
        i. Steps to preservation involve treating water to bring it to a minimum quality that can be discharged to natural water bodies and deployment of filtration chambers and oil interceptors in the drainage systems
        ii. Safeguarding the water storage from contamination by adequate flood risk mitigation, sealed manholes, regular maintenance and other measures.

    c. Rejuvenate
        i. Harvesting rainwater and recharging groundwater to improve the ground hydrology of the site

ii. Restrict runoff by limiting excessive concretisation of urban areas. By softer landscaping, abundant greenery, and respecting natural ground hydrology.

d. References
   i. Refer Environment Management System Procedure (LG/EHSM/02) for measures to be taken on the construction sites.
   ii. Refer following policies for measures to be taken during design and operations of the projects:
      1. MEP 07 – Guidelines for Plumbing
      2. MEP 21 – Water Sources, Demand Types and Treatment Options
      3. MEP 28 – STP Guidelines

8. To undertake measures to reduce noise, water, soil and air **pollution**; by restricting effluents, emissions and waste within limits prescribed in the regulations and codes.
   a. Maintain indoor air quality by giving due consideration to ventilation and use of materials with low VOC content
   b. Use of building materials that are environment friendly both in terms of emissions as well as their capacity to pollute.
   c. Wherever impactful materials are used, adequate information on safe handling, use and disposal should be made available to all stakeholders.
   d. Follow appropriate cleaning protocols, including use of materials that do not cause harm to the environment
   e. Refer Environment Management System Procedure (LG/EHSM/02) for measures to be taken on the construction sites.

9. Maintaining and enhancing of **biodiversity** on our projects, and have special focus on greenery and nature. We are also committed to no deforestation and shall also screen our supply chain for the same.
   a. Biodiversity protection and preservation measures taken during the year shall be listed in the annual sustainability report
   b. We are committed to cover 100% of our sites under Biodiversity Action Plan by 2027.

10. Having a thoughtful approach towards **resource efficiency**, recycling and reuse. All our projects shall be certified to minimum LEED/IGBC Gold, or equivalent, rating.
   a. Develop embodied carbon reduction roadmap baselining the embodied carbon study carried out in FY22.
   b. Assess the material palette and update the products to reduce environmental impact.
   c. Construction waste shall be segregated as per waste streams and contracts shall be in place to pick up waste of each stream. All streams shall be measured to

demonstrate >75% diversion from land fill sites. Refer Environment Management System Procedure (LG/EHSM/02)for further details.

d. Project waste shall also be segregated and contracts shall be in place with recyclers to pick up waste from each stream and share a monthly report.
e. Refer Garbage Policy for further details on projects.

11. Ensure **safety and security** of all workmen and building occupants, with a target of zero fatality and industry best LTIFR (Lost Time Incidence Frequency Rate).
    a. EHS statistics shall be reported internally on a quarterly basis

12. Continuously **engage with all our stakeholders** to create awareness on Environmental Sustainability issues, and ensure facilitation and promotion of above commitments.
    a. Annual Sustainability/Integrated report shall be circulated to all stakeholders
    b. Necessary surveys should be created to formally receive feedback from stakeholders on ESG issues.
    c. Creating operational performance guidelines and awareness material for tenants, owners and our own operational teams
    d. Promoting sustainability action by applicable stakeholder (enabled through tracking, gamification, and incentives over a period of time)
    e. Promote engagement with suppliers and vendors who demonstrate a higher degree of adoption of sustainable practices through their product and organizational approach

13. Participate in Sustainability/ESG benchmarks of repute* and consistently perform in the top 5% organizations globally, while progressing meaningfully towards a global leadership position.

Annexure – 1

Pre Aquisition ESG Checklist **Project Name:**			Date:
Dimension	**Item description**	**Nature of risk (high/ moderate/ low)**	**Response upon Survey (add annexures for long responses)**
Environment	Does the project fall in the floodplain of nearest water body; are flood assessment studies available		
Environment	There is availability (or estimated forecast) of municipal water supply lines with adequate capacity prior to the expected time of residents move in.		
Environment	The biodiversity at the site can be preserved or enhanced. The natural vegetation present be preserved in the masterplan either as retention or transplantation.		
Environment	Is there proximal availability of public transport, within a walking distance of 800m		
Environment	Is there proximal availability of minimum 8 amenities from the ones listed below, within a walking distance of 800m 1. ATM / Bank 2. Clinic / Hospital 3. Crèche / School 4. Grocery store / Supermarket 5. Laundry 6. Park / Garden 7. Pharmacy 8. Post office / Courier service 9. Restaurant / Cafeteria 10. Service apartment / Hotel 11. Sports club / Fitness center / Gym 12. Theatre The amenities should be operational at the time of resident move in.		
Environment	Are the project boundary limits include or are within affected proximity of a source of unsafe levels of noise, water, soil and air pollution; and if there is any need for decontamination, rehabilitation regarding the same		
Social	Can the acquisition result in involuntary displacement of the any settler on the land		
Social	Can the project have operations impacts on surrounding communities such as heavy traffic, loss of livelihood,		

	irreversible negative impacts on air, water or soil etc.; identify the stakeholders that can be negatively impacted		
Social			
Governance	Does the owners/promoters/company have a track record of complying with national corporate governance standards		
Governance	The title due diligences carried out to avoid any future claims or disputes		
Any other ESG observations to be listed here:			

Checked by:	Name and Designation	Signatures
Business Development Lead	.....	.....
Project Design Lead	.....	.....

Annexure 2

Climate Change Strategy

Background

There is near universal alignment on the fact that global warming, due to increased atmospheric Green House Gases [GHG], may lead to catastrophic climatic changes. This document details our approach about risks and opportunities for our business resulting from climate change, and as a responsible and the largest real estate organization we are committed to identify, assess and manage these risks to support the resilience of business, communities and customers.

There are two categories in climate risks,

01. **Physical Risks:** These are the risks of physical impacts to business, property and communities from changes in climatic conditions, including flooding, strong winds, high temperature, water crisis/droughts, etc.
    These kinds of events can impact our assets and may disrupt the operations. We must emphasize creating climate resilient assets which operate with minimal/no disruption from events and should also build communities that are prepared to adapt to risks and opportunities resulting from climate change.
02. **Transition Risk:** To limit global warming there will be imminent policy/regulatory changes, emergence of new technologies, and responsible customer behaviour as the world will mobilise to decrease their reliance on carbon.
    Being ready in advance for the same shall also offer significant opportunities to retain market leadership, while reducing negative impact of future retrofits.

Our approach

Risk	Negative financial impact of the risk	Positive financial impact by mitigating it	List of applicable Mitigation Measures (non exhaustive)
Physical risk (acute^)	High costs of repair, disrupted businesses	Operating cost advantages Business continuity	01. Monsoon preparedness plan, 02. Water Security Plan by enhancing water recycling and rainwater harvesting. 03. Flood assessment and management plan. 04. Build and demonstrate resilience in structural, electrical, water, and telecom connectivity
Physical risk (chronic^^)	Costs of systems upgrade and retrofits, and even asset retiring	Lower costs of upgrades by future proofing design (e.g. spaces for extra equipment, upsized provisions)	01. Climate risk assessment program in place 02. High performance buildings 03. Scalability provisions 04. Climate resilient supply chain 05. Increase renewable energy usage 06. Assess, report and reduce embodied carbon 07. Enabling enhanced use of walkability, shared and Electric mobility
Policy and regulatory risk	Increased costs: Of energy, goods and services Due to enhanced building codes	Make resilient through secured renewable supplies/contracts. Avoid retrofit costs.	01. Adequate analysis during design 02. Accelerated energy star ratings adoption for buildings 03. Green buildings
Legal risk	Possible litigation costs arising out of inadequate disclosures to customers, investors and authorities.	No litigation costs due to transparency through adequate disclosures	Assess and monitor litigations through ERM.
Technological risk	Late adoption of technology and high costs of retrofits. Adopting technology too early is also a risk.	Increased performance and revenue due to better performing operation and product.	01. Tech platform to assess asset performance and user comfort 02. Deployment of innovative design techniques to improve performance
Market risk	Loss of attractiveness of the product, loss of revenue	Increased attention of customers, increased revenues.	01. Leadership stance through certifications and lower costs of occupancy

Reputational risk	Loss of capital as stakeholder consider that the company isnt conscious or active	Lower cost of capital and high valuations as stakeholders view the company as responsible and risk conscious. Be counted as leaders.	01. Stakeholders engagement, transparent communication and community awareness.

We will assess our projects for climate change risk and opportunities, and build on low risk sites or such sites where we can feasibly mitigate the climate risks known to us. We will assess how does our design factors get impacted by the climate change in each region that we operate in. Our fundamental approach on Climate Change shall rest on following pillars:

1. **Do not contribute to global warming** - by reducing and eventually eliminating carbon addition to the atmosphere due to our operations and products
2. **Create resilient products and operations** which can endure changing climate and its impacts to the extent possible.

A formal approach to assess climate change with due consideration to physical as well as transitional risks & opportunities is given by TCFD (Taskforce of Climate Related Financial Disclosures), as follows. Our project design basis reports shall include the climate risk identification in this format; we plan to implement Climate risk disclosures in our annual ESG report of FY 21-22.

^heatwave, high wind/cyclones, floods
^^increased mean temperatures, increased mean sea levels, altered rainfall patterns