OBEROI REALTY

TCFD

REPORT 2024

Task Force on Climate-Related Financial Disclosures Report

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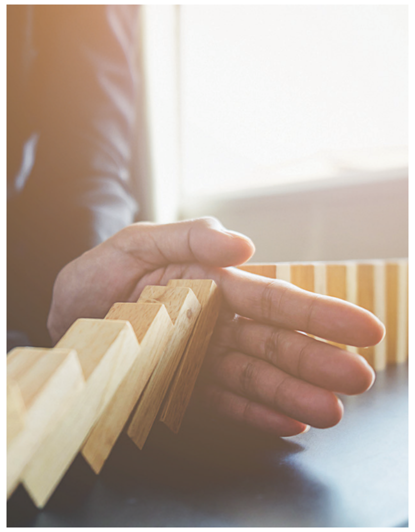


ACTUAL IMAGE - THREE SIXTY WEST, MUMBAI

Caution regarding forward-looking statements

This TCFD Report contains forward-looking statements about expected future events and financial and operating results of Oberoi Realty Limited. By their nature, these statements require the Company to make assumptions and are subject to inherent risk and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by assumptions, qualifications and risk factors referred herein.

Foreword

At Oberoi Realty, we are deeply committed to delivering valuable experiences in the real estate sector while contributing to the overall betterment of the environment.

Guided by our vision “to create spaces that enhance the quality of life,” we have always strived to foster excellence, not only through financial performance but also in terms of environmental and social impact. In the face of climate change, the real estate sector must address climate-related risks and opportunities. Extreme weather impacts property values, and there is a growing demand for resilient, sustainable buildings. The Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework for managing these risks and opportunities.

Oberoi Realty has undertaken a TCFD gap assessment to enhance our climate risk disclosures and resilience. This document outlines our methods, significant discoveries, and plans to promote our shift to low-carbon operations and create a more environment-friendly real estate enterprise.

Introduction

As the global community continues to grapple with climate change, businesses across industries increasingly recognize the imperative to integrate climate-related risks into their strategic decision-making processes. In particular, the real estate industry is situated at the crossroads of several environmental opportunities and challenges. Conducting a comprehensive climate risk assessment and ensuring transparent disclosure are critical for the real estate sector due to their considerable financial implications.

Extreme weather events can significantly impact property values, and there is a growing market demand for resilient and sustainable buildings. Effectively addressing these factors is essential for preserving asset value, attracting investors, and ensuring long-term profitability in an evolving climate context. The consequences of a changing climate directly translate into both business and financial impacts.

The TCFD has become a premier reporting framework for assisting organizations in identifying and revealing climate-related risks and opportunities in response to this urgent need. Through the provision of a methodical framework for comprehending and conveying climate-related hazards, the TCFD framework enables businesses to manage the shift to a low-carbon economy while ensuring sustained financial viability.
The TCFD's recommendations are structured around four key areas: governance, strategy, risk management, and metrics and targets.

- **Governance** emphasizes the importance of clear roles and responsibilities within organizations concerning climate-related issues and opportunities.
- **Strategy** encourages businesses to integrate climate considerations into their long-term planning.
- **Risk Management** focuses on identifying and addressing climate-related risks and opportunities.
- **Metrics and Targets** promote the disclosure of greenhouse gas emissions, climate-related targets, and progress made towards achieving these targets.

In this context, Oberoi Realty has recognized the importance of conducting a TCFD gap assessment to evaluate its current practices in climate risk management and disclosure. This assessment aims to identify the climate risks associated with our assets, the financial and business impacts of the identified climate risks, mitigation/adaptation measures to be implemented, and areas where we can enhance climate-related financial disclosures, improve resilience to climate risks, and capitalize on opportunities associated with climate-related initiatives.

This report outlines the approach, key findings, impacts, and mitigation/adaptation measures of climate-related risks identified for Oberoi Realty. Through this process, we seek to strengthen our transition towards a low-carbon economy commitment to the broader effort of building a more resilient and sustainable brand in the real estate sector.

Scope of the Report

The scope of the TCFD report extends beyond the ORL Group, encompassing both upstream (U/S) and downstream (D/S) value chain partners to deliver a holistic framework for evaluating and disclosing climate-related financial risks and opportunities. For upstream partners, including contractors, suppliers, and raw material providers, the report's scope entails a thorough assessment of climate-related risks such as resource scarcity, regulatory changes, and the physical impacts of climate change on the U/S supply chain. Furthermore, it involves identifying opportunities for sustainable sourcing, enhancing energy efficiency, and fostering innovations in production processes to mitigate climate risks and bolster resilience. The TCFD report aims to promote transparency and enable upstream partners to align their strategic objectives with broader climate goals, ensuring long-term sustainability and adherence to evolving regulatory standards.

For downstream partners, which comprises of lessee, retailers, and end-users, the scope addresses the impacts of climate change on product demand, consumer behaviour, and market dynamics. This includes analysing risks such as shifting consumption patterns, regulatory pressures regarding product carbon footprints, and potential disruptions in the D/S supply chain due to extreme weather events. Additionally, the report explores opportunities for the development of climate-friendly products, the enhancement of brand reputation through sustainability initiatives, and the penetration of new markets driven by environmentally conscious consumers.

By offering a detailed evaluation of these factors, the TCFD report aids downstream partners in making informed decisions, improving risk management, and capitalizing on opportunities linked to the transition to a low-carbon economy. Furthermore, it contributes to creating spaces that enhance the quality of life.

Looking Ahead
Our Commitment

Message from CFO

At Oberoi Realty, we believe that the real estate sector has a unique and profound role to play in the fight against climate change. The choices we make today—how we design, build, and power our developments—will determine the sustainability and resilience of the spaces we create for generations to come.

Climate change is no longer a distant threat; it is an immediate and defining challenge of our time. As the impacts of rising temperatures, extreme weather events, and shifting ecosystems become more evident, the responsibility to act decisively weighs heavily on all of us, especially those of us in the real estate sector. The buildings we construct and the communities we shape will bear the weight of these changes—either as contributors to the problem or as part of the solution.

At Oberoi Realty, we are focused on driving immediate and measurable action to address climate change and embed sustainability into everything we do. We are not just committed to addressing climate risks—we are actively transforming our business to be resilient and future-ready. This is reflected in the decisive actions we've taken, from achieving green building certifications to integrating renewable energy and driving reforestation efforts. We are reducing our vulnerability to climate-related risks by incorporating resilient design principles, enhancing energy efficiency and utilizing sustainable materials. Furthermore, we are committed to adapting our operations and infrastructure to withstand the impacts of climate change, ensuring that our developments remain safe, functional, and environmentally responsible in an uncertain future. A cornerstone of our strategy is ensuring that 100% of our new projects are Green Certified, with a minimum Gold rating under IGBC / LEED or equivalent. Currently, 76% of our projects portfolio have achieved this and the rest are in progress for pre-certification / certification, underscoring our commitment to sustainable development. Moving forward, we will ensure that all ongoing and future projects meet or exceed these rigorous environmental standards.

We are taking bold steps to achieve Net Zero for Scope 1 and 2 emissions by 2040, prioritizing energy efficiency, renewable energy adoption, and the transition to low-carbon materials. In FY 2023-24, renewable energy accounted for 14.1% of our total energy consumption, a significant increase from 9% the previous year, and we aim to accelerate this growth across our portfolio. In line with our commitment to biodiversity and ecosystem preservation, we are targeting No Net Deforestation by 2030. As part of this, we planted 6,157 trees in FY 2023-24 with a 100% survival rate, contributing to reforestation and environmental restoration. A 12.41% reduction in Scope 1 and 2 emissions compared to FY 2022-23 reflects our commitment to minimizing our environmental impact and advancing our climate goals. As we continue to implement sustainability strategies and invest in energy-efficient solutions, we are setting a strong precedent for accountability and leadership in the real estate sector.

These steps demonstrate our dedication to building a low-carbon, climate-resilient future. We are consistently refining our approach to ensure we meet our sustainability goals while enhancing the long-term value we deliver to our stakeholders.

At Oberoi Realty, we believe that the real estate sector has a unique and profound role to play in the fight against climate change. Our industry is not just about building structures; it's about creating environments where people live, work, and thrive. The choices we make today—how we design, build, and power our developments—will determine the sustainability and resilience of the spaces we create for generations to come.

Mr. Saumil Daru

Director Finance
Oberoi Realty

Governance

Management of Climate Risks

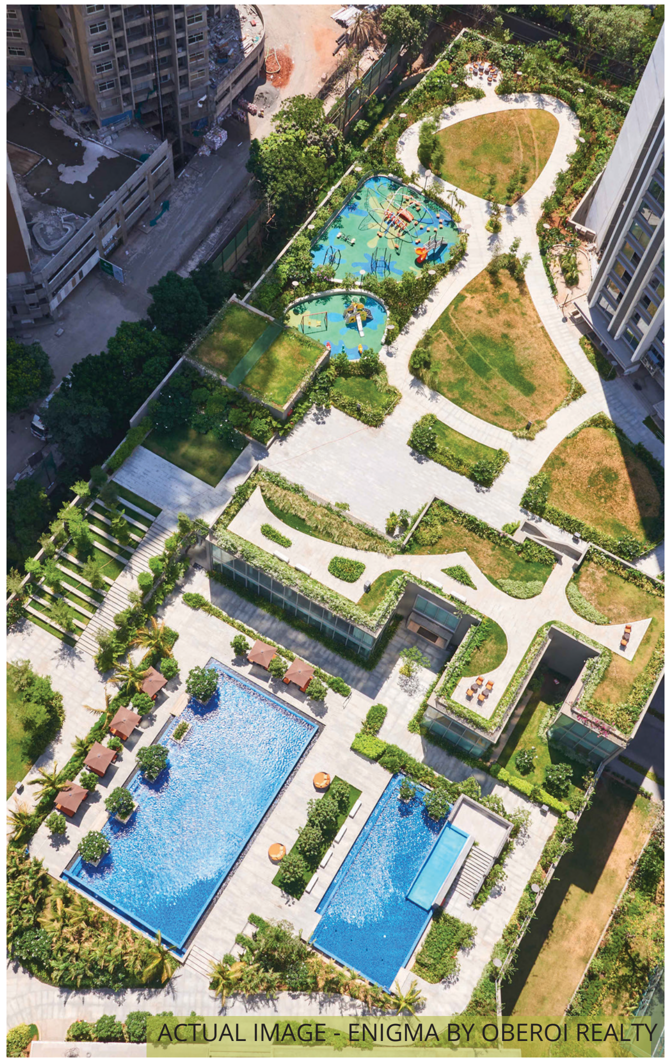
This section outlines the climate and sustainability governance framework of ORL, which is pivotal for the organization to attain its climate risk-related disclosures and targets and embed climate risk-related responsibilities within its operational structure.

ORL has established a comprehensive governance model to achieve its climate and sustainability goals, clearly defining roles, oversight mechanisms, and coordination across the organization. This framework emphasizes the importance of integrating climate and sustainability considerations into the decision-making processes.

We recognize the critical importance of addressing climate-related risks in today's rapidly changing and non-stationary environment. As stewards of our organization, the Board of Directors and Management Team are deeply committed to overseeing and managing these risks effectively.

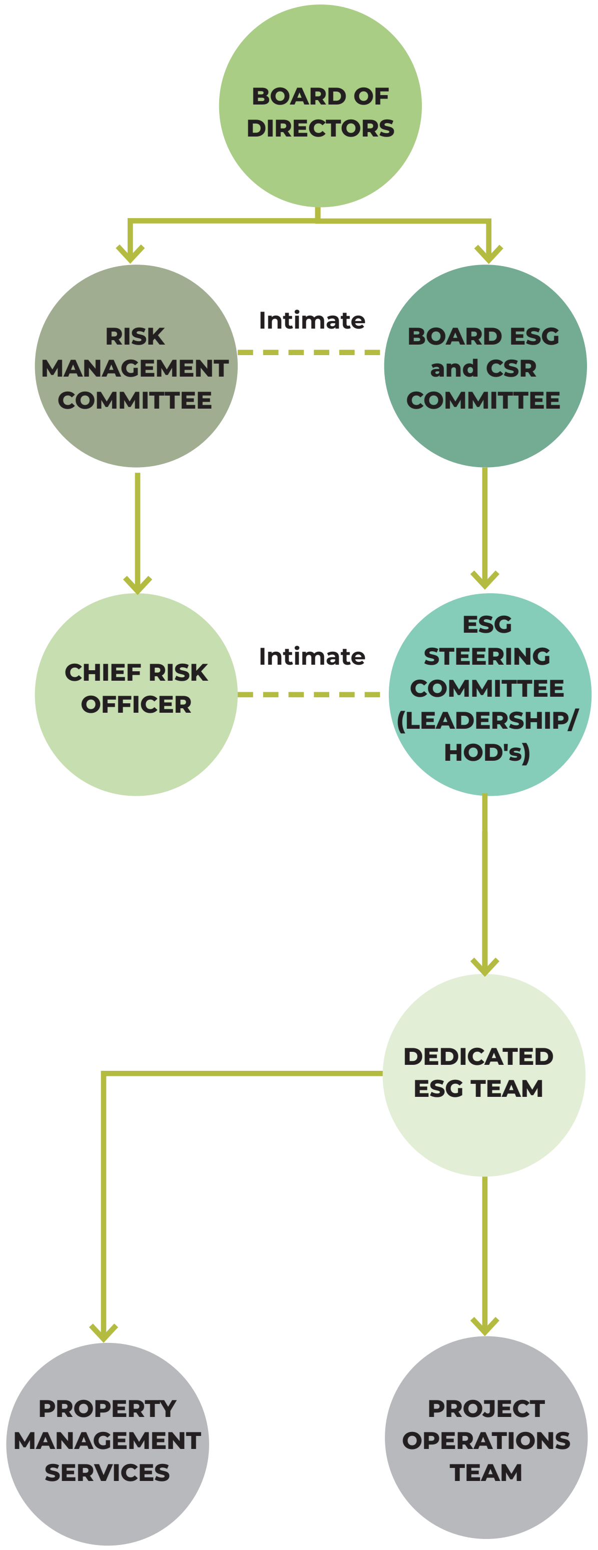
The governance architecture comprises multiple tiers and committees, each with distinct roles and responsibilities, including the Board of Directors (BoD), the Board ESG & CSR Committee, the ESG Steering Committee, a Dedicated ESG & CSR Team, Property Management Services, and the Project Director and Construction Team. Each committee is instrumental in advancing sustainability initiatives and tracking their progress.

Through the implementation of this governance framework, ORL reaffirms its dedication to sustainability and climate action, establishing a precise roadmap for integrating sustainability objectives into decision-making processes and ensuring continuous monitoring and reporting of achievements.



ACTUAL IMAGE - ENIGMA BY OBEROI REALTY

Our Climate governance structure



- Topmost governing body of the Company

- Drive overall ESG and CSR, Climate related and other sustainability aspirations and log term goals.
- Review materiality of key ESG risks(including changing regulation and emerging risks.
- Review CSR projects and fund allocations aligned to key focus areas.

- Drive and monitor function specific ESG, climate-relatedand other short term action areas.
- Monitor progress on annual/long term functional/ departmental KPI and goals.
- Implement and monitor function specific controls for key ESG risks.

- Implement, monitor and drive all ESG and CSR initiatives including effecting environmental management system, climate change preparedness, ESG performance data monitoring and review.
- Conduct timely audit reviews of the implementation of control mechanisms for ESG risks.
- Identify gap areas in ESG performance, CSR impact and implement mitigation measures.

- Ensure compliance to environmental management system protocols at the site and ensuring zero non confirmities, climate change, ESG data monitoring, facilitate environmental audits on periodic basis.

Board level

COMMITTEE:
Board ESG and CSR Committee

RESPONSIBILITIES:

- The Board ESG & CSR Committee appraises the Board of Directors on ESG and climate-related risks to ensure thorough oversight and promote accountability
- Perform an oversight role in shaping the company's ESG and climate aspirations
- Define strategic goals and identify initiatives
- Responsible for sustainability strategy and adoption of ESG and climate-related targets
- Drive overall ESG, climate-related & other sustainability aspirations, and long-term goals.
- Review progress against such ESG and climate-related goals
- Review the materiality of key ESG risks (including changing regulation & emerging risks) such as Water stress, Climate Change, Human Rights, Community Impact
- Review mitigation/adaptation initiatives for specific risks.
- To formulate and recommend to the Board key long-term Sustainability opportunities, ESG policies, and any change thereof, and maintain oversight and ensure periodic review of the implementation of these policies, as required.

COMMITTEE:
Board Risk Management Committee

RESPONSIBILITIES:

- The RMC approves the risk threshold for all the risk categories including ESG and climate-related risks.
- The RMC approves and monitors the risk register prepared and consolidated by the CRO.
- The RMC also appraises the Board of Directors on all material risks including ESG and climate-related risks.

Board Oversight

The Board of Directors plays a critical role in overseeing the climate-related governance process, ensuring effective management of all identified risks in alignment with ORL's strategic objectives.

The Board ESG & CSR Committee appraises the Board of Directors on ESG and climate-related risks to ensure thorough oversight and promote accountability. This process underscores the importance of ESG considerations within ORL's key climate-related risk management framework.

The Board ESG & CSR Committee examines the findings presented by the ESG Steering Committee, ensuring that the identified risks and opportunities are rigorously evaluated and addressed. By fulfilling this role, the Board ESG & CSR Committee ensures the integrity and effectiveness of ORL's approach to managing climate-related risks, thereby supporting the company's broader sustainability goals. This oversight promotes accountability and highlights the importance of incorporating Climate-related considerations into ORL's primary risk management framework.

The RMC comprises three Directors—the Managing Director, the Director of Finance, and an Independent Non-Executive Director, The RMC's role and responsibility is to define the risk threshold for all the risk categories including ESG and climate-related risks. The RMC approves and monitors the risk register prepared by the CRO. The RMC also appraises the Board of Directors on all material risks including ESG and climate-related risks. The Board of Directors, Board ESG & CSR Committee, and RMC's involvement guarantee that climate risks and opportunities receive the necessary attention and resources, demonstrating the company's dedication to sustainable and responsible business practices.

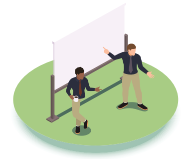
Management Role

At Oberoi Realty, we've established an Environmental, Social & Governance (ESG) Steering Committee led by our Chairman & Managing Director, comprising members from all significant business functions. This committee convenes quarterly to deliberate on vital ESG domains, evaluate performance, and track progress toward key ESG objectives and benchmarks. The ESG Steering Committee identifies, assesses, and quantifies ESG risks, including climate risks and opportunities, and presents the findings to the Board ESG & CSR Committee.

Upon receiving the Board ESG & CSR committee's approval, the ESG Steering Committee shares the identified climate-related risk with CRO.
The CRO consolidates all the climate-related risks including the risks identified by the ESG steering committee and integrates them into the risk register (ERM) for approval from RMC.

As stewards of our organization, the Management Team ensures that the Board of Directors is kept timely apprised of climate-related and ESG risks and their effective management.

Management Level



COMMITTEE:
ESG Steering Committee

RESPONSIBILITIES:

- Identify long-term business opportunities based on ESG and climate-related risks.
- Assist the Board and the company in discharging its oversight responsibility related to all CSR & other ESG performance, including, but not limited to climate change impacts and other climate-related issues, natural resources conservation, environmental impacts, and supply chain sustainability, human rights, diversity and inclusion, and other ESG issues that are material to the company
- Responsible for driving and monitoring climate-related risks and disclosures
- Oversee the function of a team in data collection and collation of climate risks
- Implementation of ESG and climate initiatives
- Conduct timely gap assessments and audits of ESG and climate activities

CRO:

- The CRO consolidates all the climate-related risks including the risks identified by the ESG steering committee and integrates them into the risk register (ERM) for approval from RMC.

Department Level

COMMITTEE:
Dedicated ESG & CSR Team

RESPONSIBILITIES:

- Collaborate with Property Management Services and the Project Director and Construction Team to ensure the effective execution of climate-related risks and opportunities.
- Implement, monitor, and drive all climate-related initiatives, ensuring compliance with environmental management system protocols and zero non-conformities.
- Develop and implement strategies for climate change preparedness, monitor climate-related risks, and ensure timely ESG data monitoring.
- Conduct timely audit reviews of control mechanisms for ESG and climate-related risks, identify gap areas, and implement mitigation measures.

Strategy

Integrating Climate Risk Assessment into Strategic Planning

Climate-related risk considerations are embedded into our strategic planning processes to ensure alignment with our long-term sustainability goals. We recognize that addressing climate risks requires strategic foresight and proactive measures to adapt to changing environmental conditions. By leveraging data-driven analysis and scenario planning, we aim to anticipate and mitigate potential impacts on our economy and business.

The TCFD guidance has categorized climate-related risks into two primary categories: physical risks and transition risks. Physical risks encompass the direct and indirect effects of climate change on the environment, assets, and infrastructure. These risks are subdivided into acute risks such as floods, cyclones, and wildfires, as well as chronic risks like water stress, heat stress, droughts and rising sea levels. These climate risks forecast an increase in both the frequency and intensity of extreme weather events. These risks result in a spectrum of consequences, including property damage, disruptions in the supply chain, and reduced productivity among field workers.

Categories of Risks and Key Risk Indicators identified for ORL

Physical Risk

Acute

- Cyclones
- Floods

Chronic

- Heat stress
- Water stress/ Drought

Transition Risk

Policy and Legal

- Carbon tax policies.
- Emission goals.
- Enhancing mandates on and regulation of existing products and services.
- Enhancing mandates on renewable energy share.

Technology

- Cost of upgrading assets to comply with IGBC, LEED, Green building standards, and energy efficiency requirements

Market

- Rising market demand for green buildings.
- Rising consumer preference for sustainable living.
- Increase in insurance premiums for climate-related events

Reputation

- Opportunity to build reputation and attract capital through company's sustainability performance and disclosures.

Short-term horizon

10 years (up to 2035)

This horizon emphasizes immediate action to address high-priority risks, encompassing a time frame up to the year 2035. During this period, our efforts will be directed towards the prompt implementation of measures designed to mitigate and adapt to the most pressing risks.

Medium-term horizon

30 years (up to 2055)

Within this horizon, spanning from 2035 to 2055, our focus will be on executing most of our mitigation strategies. During this period, we aim to strengthen our organizational climate resilience and diligently pursue the achievement of our predetermined climate-related and ESG targets.

Long-term horizon

Looking beyond 2055, our focus will involve significant research and development in advanced construction materials, state-of-the-art equipment, and cutting-edge technologies. Our strategic plans aim to position our organization at the forefront of industry advancements and emerging technologies, ensuring sustained climate resilience and preparedness for future challenges.

IMAGE FOR REPRESENTATIONAL PURPOSE ONLY

Climate Risk Scenarios Assessment

In our physical risk assessment, we have considered the climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) Assessment Report (AR6). Specifically, we analyzed two shared socio-economic pathways (SSPs): the optimistic SSP1-2.6 scenario and the pessimistic SSP5-8.5 scenario.

Using two climate scenarios for TCFD assessment is recommended for several compelling reasons. First, it is considered best practice to employ at least two scenarios, as this approach provides a more comprehensive understanding of potential climate impacts under varying conditions and enhances the robustness of risk assessments. Second, rating agencies such as CDP and DJSI typically evaluate companies based on assessments conducted against two climate scenarios. By adhering to this standard, a company ensures that its climate risk management practices align with the expectations of these agencies, which can influence credit ratings and investor confidence. Lastly, many industry peers have adopted the practice of using two climate scenarios in their TCFD assessments. Aligning with this practice helps maintain competitiveness and ensures the company meets industry benchmarks for climate risk assessment.

Transition Risk Scenarios

For transition risk assessment, we adopted the Network for Greening the Financial System (NGFS) scenarios. Transition risks arise from the shift towards a low-carbon, sustainable economy and are driven by regulatory changes, market dynamics, and technological innovations aimed at reducing emissions and addressing climate change.

Physical Risk Scenarios

The physical risk assessment is a fundamental component of climate risk assessment, providing critical insights that enable ORL to navigate the complexities of a changing climate, protect our assets, and ensure long-term resilience and sustainability.

IPCC'S SHARED SOCIO-ECONOMIC PATHWAY (SSP) 1-2.6

SSP1

represents an optimistic scenario where proactive measures are taken to ensure that economic growth is both inclusive and environmentally sustainable.

SSP1–2.6

scenario means the radiative forcing level reaches 3.1 W/m2 by mid-century but returns to 2.6 W/m2 by 2100.

The key features of this scenario are:

Sustainable Socioeconomic Growth
Stringent Environmental Regulations
Effective Institutions
Low Population Growth

IPCC'S SHARED SOCIO-ECONOMIC PATHWAY (SSP) 5-8.5

SSP5

outlines a future where economic growth and development are prioritized, driven by the extensive use of fossil fuels.

SSP5–8.5

being an extreme scenario represents a "pessimistic" scenario, leading to over 3.3°C to 5.7°C temperature rise by the end of the century due to minimal to no effort to reduce emissions.

The key features of this scenario are:

Fossil-fueled Development
Rapid Economic Growth
High Investment in Climate Education
Population Dynamics

+1.4°C

More transition risks

NET ZERO 2050

Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050.

+3°C

More Physical risks

CURRENT POLICIES

Existing climate policies remain in place, but there is no strengthening of the ambition level of these policies, to a global warming of 3°C+ by 2100 and high associated climate impacts.

ACTUAL IMAGE-OBEROI GARDEN CITY, GOREGAON

Our Key Physical & Transition Risks and Impacts

We have identified that floods, extreme weather events like cyclone and heat stress due to extreme temperatures are key physical risks for our business.

IMAGE FOR REPRESENTATIONAL PURPOSE ONLY

Risk/Opportunities Indicator:

Acute Climate Risk: Severity of extreme weather events Flood, Extreme weather event (cyclone)

Projected Impacts on ORL Business

- Critical infrastructure like electricity, transportation systems and assets like malls, hotels, and commercial complexes may face severe impacts. This could include structural integrity issues leading to collapses or weakening of both under-construction and existing buildings.
- Additionally, disruptions to the electricity grid may cause blackouts, necessitating reliance on alternative power sources like DG sets.
- Stoppage of work onsite for unpredictable amounts of time, leading to delays in completion, handover, and eventual loss of revenue
- Sea level rise and storm surge present substantial hurdles for projects in the coastal vicinity, amplifying flood risks, infrastructure vulnerability, and adaptation complexities.

Projected Impacts on ORL Economy

- Rising insurance costs due to extreme weather events.
- Loss of revenue due to extension in project duration due to unforeseen weather events.
- Repair or replacement cost occurred due to damage to property (breaking of façade glass, signage boards, and cooling tower shed)
- Coastal properties may see lower values and higher insurance costs due to increased flood risks from sea level rise and storm surge.

Risk/Opportunities Indicator:

Chronic Climate Risk: Longer-term chronic changes in mean values and ranges of fluctuation of various climate variables. Heat stress due to extreme temperature

Projected Impacts on ORL Business

- Decreased Property Value of buildings located in areas prone to extreme heat or with inadequate heat resilience.
- High demand for air conditioning leading to high energy demand in offices.
- Heavy electricity consumption can lead to pressure on grid causing to disrupted supply of electricity at city or regional level.

Projected Impacts on ORL Economy

- Increased operational expenses.
- Exposure to wet bulb temperatures exceeding 35°C can result in decreased productivity of workers at construction sites due to thermal discomfort, increased risk of heat strokes, and potential fatalities.
- Loss of revenue due to loss of productivity of workers leading to subsequent increase in construction cost and might extend the project completion timelines leading to increase in project cost.
- Increased cost of health insurance for workers.
- Cooling technology to be employed at the construction site which will increase the cost.

LIKELIHOOD

Low Medium High

Our Key Transition Risks & Impacts

Transitioning to low-carbon policies involves implementing sustainable building practices, utilizing energy-efficient technologies, and reducing reliance on fossil fuels in both new developments and existing buildings of ORL.

The real estate sector is increasingly recognizing the urgent need to transition towards low-carbon policies in response to climate risks. Amidst the challenges posed by climate change, such as escalating temperatures, extreme weather events, and mounting apprehensions regarding carbon emissions, the real estate sector finds itself at a crucial juncture.

Transitioning to low-carbon policies involves implementing sustainable building practices, utilizing energy-efficient technologies, and reducing reliance on fossil fuels in both new developments and existing buildings of ORL.

By embracing this transition, the ORL can play a crucial role in driving the global shift towards a low-carbon future while safeguarding its long-term viability and resilience.

Risk/Opportunities Indicator:

Carbon tax policies

Projected Impacts on ORL Business

- Efforts to combat climate change will drive up emissions prices, with projections indicating a significant rise over the next decade to encourage a shift towards Net Zero.
- Carbon taxation is expected to commence by 2025 at a modest cost, gradually increasing to approximately $816.74 per ton of CO2 by 2050.

Projected Impacts on ORL Economy

- Increased operational expenses.

Risk/Opportunities Indicator:

Increase in insurance premium for climate-related events

Projected Impacts on ORL Business

- Insurers commonly use catastrophe models to project risk. However, these models may not accurately predict the risk because the climate is now behaving differently. Researchers predict that due to climate change, the costs related to weather for insurance companies will double or even triple. As a result of increasing losses caused by extreme climate events, property and casualty insurance premiums are expected to rise globally.

Projected Impacts on ORL Economy

- Increase in cost of insurance.

Risk/Opportunities Indicator:

Mandates on renewable energy share in the energy mix

Projected Impacts on ORL Business

- India has set a target of achieving 500 gigawatts (GW) of renewable energy capacity by 2030.
- With the increased push towards renewable energy across all sectors, this would result in a need to increase renewable energy in the energy mix of Oberoi Realty.

Projected Impacts on ORL Economy

- Operational expenses for the purchase of renewable energy
- Capital expense for setting up of solar power generation in owned assets.

Risk/Opportunities Indicator:

Emission goals

Projected Impacts on ORL Business

- Our scenario analysis indicates a likely increase in stringent policy implementation in the short to mid-term future in India. India has taken a national target of **net zero by 2070.**
- We need to align our businesses with this target, at the least.

Projected Impacts on ORL Economy

- Increase in the capital expenditure.
- Increased operational expenses.
- R&D Expenditure
- Compliance fines

Risk/Opportunities Indicator:

Rising market demand for green buildings

Projected Impacts on ORL Business

- Indian Green Building Council (IGBC) has found that green homes reduce water consumption by 30 to 50 percent and energy costs by 20 to 30 percent compared to conventional buildings.
- With increased heat and water stress every year, businesses in the real estate sector face **potential changes in government policies or environmental regulations** that could impact the requirements for green building certification and energy efficiency standards.

Projected Impacts on ORL Economy

- The Indian Green Building Council (IGBC) has found that green homes reduce water consumption by 30 to 50 percent and energy costs by 20 to 30 percent compared to conventional buildings.
- With increased heat and water stress every year, businesses in the real estate sector face potential changes in government policies or environmental regulations that could impact the requirements for green building certification and energy efficiency standards.

LIKELIHOOD

- Low
- Medium
- High

Risk/Opportunities Indicator:

Mandates on and regulation of existing products and services

Projected Impacts on ORL Business

- Non-compliance with developing green-rated buildings and sustainable offerings may result in a competitive disadvantage and loss of market share, as customers prefer green buildings.

Projected Impacts on ORL Economy

- Loss in revenue
- Increase in capital cost.

Risk/Opportunities Indicator:

Rising consumer preference for sustainable living

Projected Impacts on ORL Business

- Failure to comply with developing green-rated buildings and sustainable offerings could lead to a **competitive disadvantage** and diminished market share as customers increasingly **prioritize sustainability.**

Projected Impacts on ORL Economy

- Loss to market share
- Increase in capital cost.

Risk/Opportunities Indicator:

Opportunity to build reputation and attract capital through company's sustainability performance and disclosures

Projected Impacts on ORL Business

- Green building & sustainable practices give businesses a **competitive edge** by aligning with evolving consumer preferences and demonstrating commitment to environmental responsibility. Prioritizing sustainability can attract a larger customer base and command **premium prices** for products and services, **improving brand reputation, customer loyalty, and revenue growth.**

Projected Impacts on ORL Economy

- R&D Expenditure.
- Cost of applying for certifications.

Risk/Opportunities Indicator:

Cost of upgrading assets to comply with IGBC, LEED, Green building standards, energy efficiency requirements

Projected Impacts on ORL Business

- Failure to comply with developing green-rated buildings could lead to c**ompetitive disadvantage** and diminished market share as customers increasingly **prioritize sustainability.**

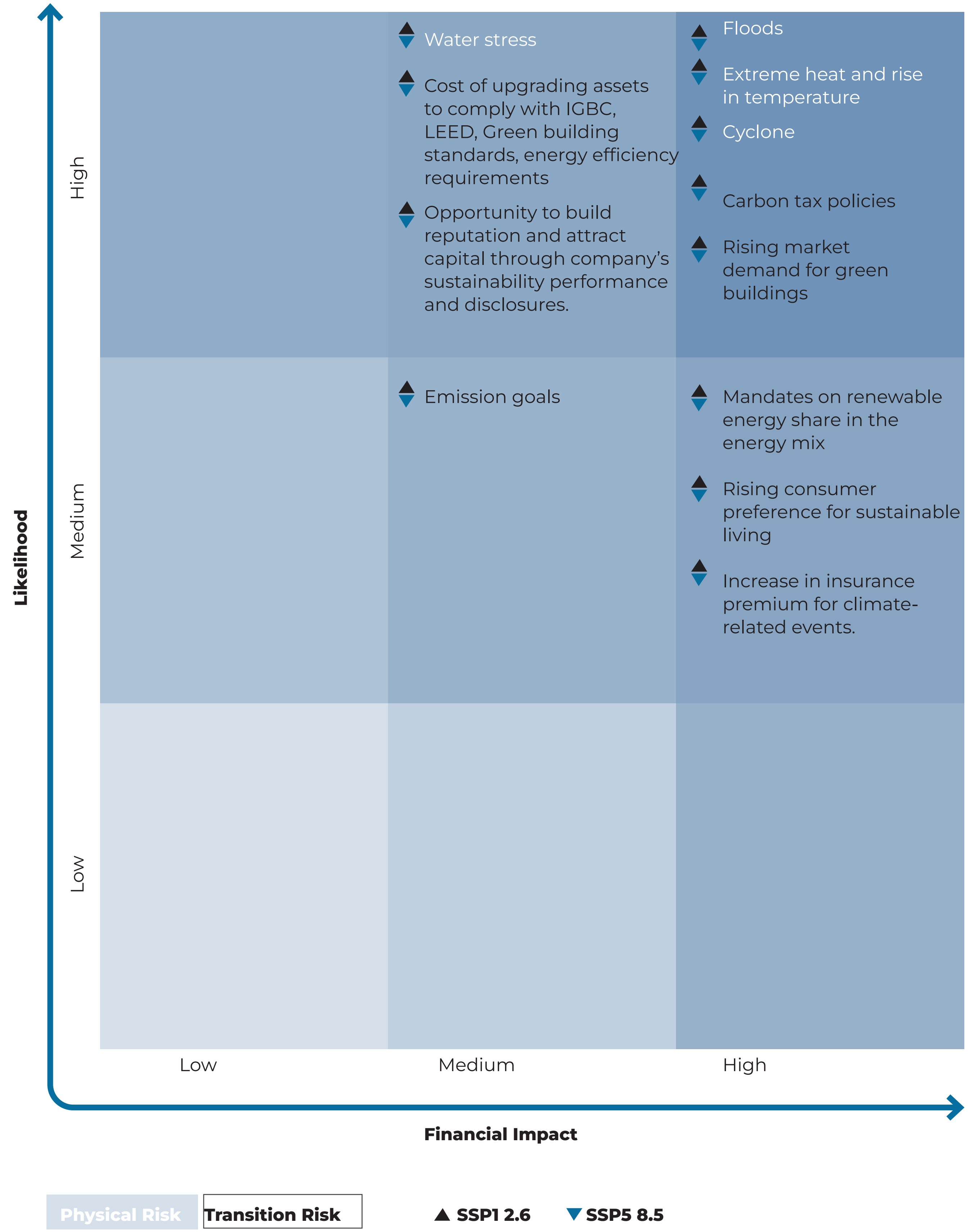
Projected Impacts on ORL Economy

- Failure to comply with developing green-rated buildings could lead to competitive disadvantage and diminished market share as customers increasingly prioritize sustainability.

LIKELIHOOD

Low Medium High

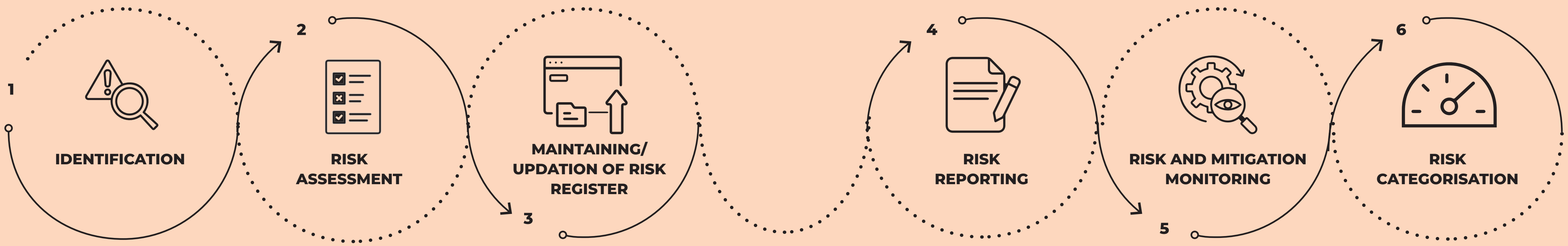
Comprehensive Risk Matrix



Risk Management

Our risk management strategy employs a structured approach to categorize risks, ensuring seamless alignment with our overarching business objectives.

This methodology promotes ongoing dialogue between our leadership and management teams, fostering robust oversight by our Board of Directors. Furthermore, we've conducted thorough assessments of climate-related risks, integrating these insights into our risk management framework. We're also proactively integrating climate change considerations into our business continuity plans. We've appointed Risk Champions from each function and business segment to ensure comprehensive risk identification and management. These individuals work closely with our Chief Risk Officer (CRO) to update our risk registers biannually, ensuring that our risk management practices remain dynamic and responsive to emerging threats.



1. Risk Identification

Our policy delineates a structured approach to recognizing potential risks across diverse facets of the company's operations, encompassing market dynamics, regulatory shifts, operational uncertainties, and environmental variables.

2. Risk Assessment

We conduct thorough risk assessments to gauge the potential impact and probability of identified risks. This involves both quantitative and qualitative analyses to prioritize risks based on their severity and guide decision-making processes.

3.Maintaining/ Updating Risk Registry

This process involves documenting the risks identified in the risk register by the CRO once the risk evaluation is conducted.

4. Risk reporting

The risk champions conduct quarterly assessments of the risk register for their specific business segments, in collaboration with the Chief Risk Officer (CRO). Following this evaluation, priority risks are promptly identified and managed. The CRO subsequently presents these key risks, along with mitigation plans, to the Risk Management Committee (RMC) for review on a semi-annual basis.

5. Risk Mitigation and Monitoring

The Risk Champions conduct quarterly reviews to assess the progress of action plans approved by the Board of Directors or Risk Management Committee. The Chief Risk Officer then receives updates from the Risk Champions regarding the status of mitigation plans and their agreed-upon target dates.

6. Risk Categorization

The risk champions conduct quarterly assessments of the risk register for their specific business segments, in collaboration with the CRO. Following this evaluation, priority risks are promptly identified and managed. The CRO subsequently presents these key risks and mitigation plans to the RMC for review on a half-yearly basis.

Integration of climate risks into our Enterprise Risk Management (ERM) Processes

The integration of climate risks into our real estate Enterprise Risk Management (ERM) framework is a strategic imperative aimed at fortifying our resilience in the face of environmental challenges.

By incorporating climate-related considerations into our risk management practices, we enhance our ability to anticipate and mitigate the potential impacts of climate change on our operations and assets . This integration involves systematically assessing climate risks across our properties and portfolios and identifying vulnerabilities and opportunities for adaptation and mitigation. We analyzed factors such as extreme weather events, sea level rise, regulatory changes, and shifting market dynamics to assess their implications for our business.

In line with its commitment to proactive risk management, Oberoi Realty integrates climate risk considerations into its Risk Management practices. This involves:

Climate Risk Assessment

Oberoi Realty conducts comprehensive assessments to evaluate the potential impacts of climate change on its business operations and assets. This includes scenario analysis to model various climate-related scenarios and their implications on financial performance and strategic priorities. This assessment is followed by a climate risk mitigation plan to safeguard the business from identified climate risks.

Sustainable Development Initiatives

Oberoi Realty prioritizes sustainable development practices across its projects, including green building designs, energy efficiency measures and certifications, and water conservation initiatives. These efforts mitigate climate risks and contribute to environmental stewardship and community resilience.

IMAGE FOR REPRESENTATIONAL PURPOSE ONLY

Summary of Physical Risks

Acute Risks such as cyclonic activities, Flooding, and Extreme weather

MITIGATION MEASURES

- Asset-level interventions such as suitable stormwater drainage from the roof and throughout the campus, sufficient water and damp-proofing, suitable hardscape and softscape materials, etc.
- Contingency planning for acute risks as a part of Business Continuity Planning and Disaster preparedness plans as this is a regular weather disaster in Mumbai.
- Investing in solar-powered backup systems and battery storage units for offices
- Collaboration with local authorities in affected regions to ensure real-time monitoring of the situation and tenants' wellbeing.

Provide secure housing and ensure the safety of construction workers during such event.

ADAPTATION MEASURES

- Implementing flood-resistant design and construction techniques for new buildings/ projects.
- Elevating structures above potential flood levels based on historical flood event levels in the region.
- ORL can consider developing comprehensive flood response and evacuation plans.
- Integrating green infrastructure to absorb rainwater and reduce runoff at the site.
- Strengthening critical infrastructure such as power lines and communication networks to withstand cyclone impacts.
- Ensuring adequate insurance coverage for all potential climate-related risks, including floods, wildfires, and cyclones.
- Incorporating climate risk assessments into financial planning and investment decisions for real estate developments of upcoming new projects.
- Incorporating the clock hour correction factor as per Central Public Health and Environmental Engineering Organisation (CPHEEO) 2019 guidelines in the stormwater drainage design at Indian locations will help to strengthen the stormwater drainage system.
- Sea level rise and storm surge issues demand proactive planning, cooperation, and investment in resilient infrastructure and adaptive management approaches.

Heat stress due to extreme temperature

MITIGATION MEASURES

- Introducing energy-efficient and star-rated cooling systems with low Global warming potential (GWP)
- Review insurance policies to ensure adequate coverage for heat-related damages and consider additional coverage options as needed.
- Pre-construction site assessments for heat challenges
- Reducing dependence on grid electricity- on-site solar panels at office locations, battery storages.
- Alter shift timings for construction workers during warmer months, allowing them to rest during periods of peak heat.

ADAPTATION MEASURES

- Innovative Cooling Solutions: Passive Cooling Systems: Integrate passive cooling strategies, such as natural ventilation, shading devices, and thermal insulation, into building design to reduce reliance on mechanical cooling systems.
- Evaporative Cooling: Explore evaporative cooling technologies, such as misting systems and evaporative coolers, as energy-efficient alternatives to traditional air conditioning.
- Resilient Building Materials: Use of Heat-Resistant Materials: Incorporate materials with high thermal mass and heat resistance properties to mitigate heat absorption and maintain structural integrity. As an asset owner, Oberoi Realty can explore the use of heat resistance material during the construction of projects.
- Prefabrication: Embrace prefabricated construction methods to improve efficiency, reduce construction time, and minimize on-site heat exposure for workers.
- Providing Shade and Rest Areas: Creating shaded areas and designated rest zones for construction workers to seek refuge from extreme heat. ORL can provide workers with cooling headbands or hardhat sweatbands to avoid heat stress discomfort. Remediation measures from heat stress should be embedded in the SOPs for workers at the construction site of ORL.
- Implementing Heat Stress Prevention: Educating workers on heat stress prevention measures and adjusting work schedules to avoid the hottest times of the day.
- Green design strategy: Implement vertical gardening on building facades and integrate natural light ventilation during the design phase to minimize electricity usage and mitigate the need for additional cooling.

Summary of Transition Risks

Carbon tax policies

MITIGATION MEASURES

- Reduction in emissions year-on-year

Mandates on and regulation of existing products and services

MITIGATION MEASURES

- Adjust business strategy to emphasize the adoption of sustainable construction practices.
- Seek LEED/IGBC certification for all new construction projects

Rising market demand for green buildings

MITIGATION MEASURES

- Apply for green rating certifications for all new constructions.
- Investment in training workers to build with new materials.
- Identify and procure from suppliers specializing in sustainable/ green construction materials.
- Actively participate in industry conferences and declare Oberoi's stance on green building practices.

Increase in insurance premiums for climate-related events.

MITIGATION MEASURES

- Identify all vulnerable locations of Oberoi Realty and obtain climate stress-related insurance accordingly.
- Build resilience against climate-related events in all Oberoi Realty assets.

Emission goals

MITIGATION MEASURES

- Investing in energy-efficient equipment
- Reducing energy costs through environment-friendly design and nature-based solutions
- Investing in low GWP (global warming potential) material for construction
- Expenditure on carbon credits and offsets.

Mandates on renewable energy share in the energy mix

MITIGATION MEASURES

- Onsite renewable power generation through rooftop solar panels
- Invest in offsite renewable power generation projects.
- Enter into renewable Power Purchase Agreements.

Rising consumer preference for sustainable living

MITIGATION MEASURES

- Align business strategy towards increasing sustainable construction practices.
- Emphasize how Oberoi provides unparalleled value through its expertise in designing and implementing eco-friendly infrastructure projects.
- Continuous assessment of customer needs

Cost of upgrading assets to comply with IGBC, LEED, Green building standards, and energy efficiency requirements

MITIGATION MEASURES

- We have LEED certifications for our 9 business locations, and we aim to integrate green building certifications into all future projects.
- Energy efficiency retrofits in offices/ offerings, upgrading of all building equipment to meet energy efficiency standards.
- Conduct thorough financial analysis to accurately assess the long-term cost savings on the offered initiatives.

Metrics and Targets

EMISSIONS REDUCTION

Achieve net-zero GHG Emissions (Scope 1 and 2) by

2040

GREEN CERTIFICATION

All projects to be Green Building Certified (Minimum Gold)

100%

WATER POSITIVITY

Achieve Water positivity by

2030

ZERO WASTE TO LANDFILL

Achieve Net Zero Waste to Landfill by

2030

SUSTAINABLE LAND USE

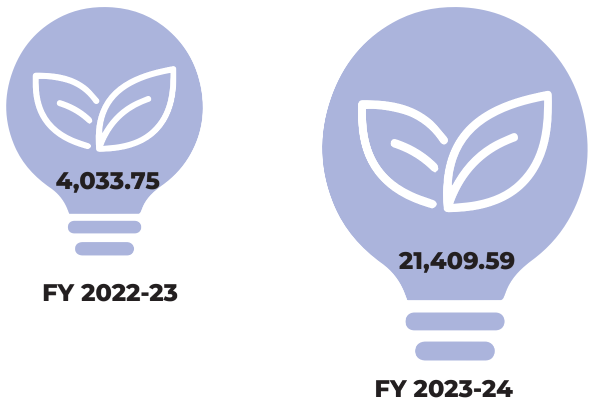
Achieve No Net Deforestation

2030

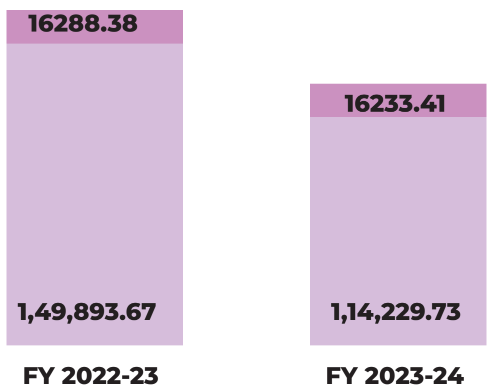
Our progress towards our targets

ENERGY CONSUMPTION (in GJ)

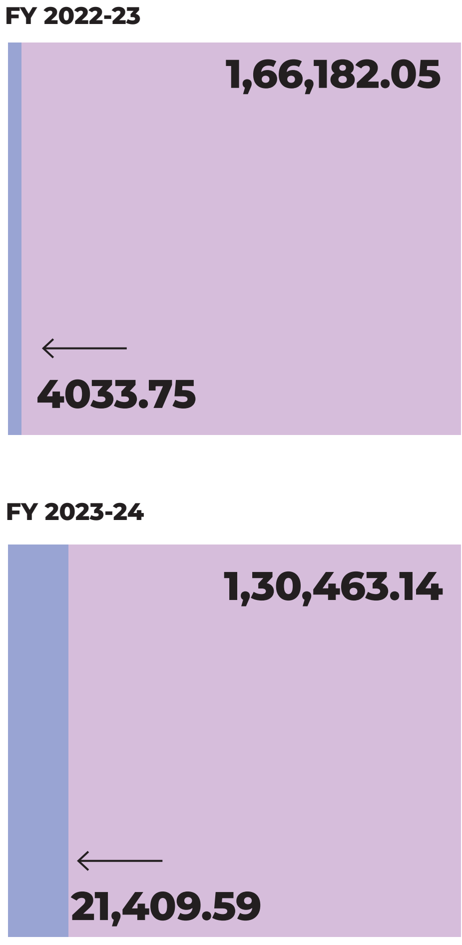
ENERGY CONSUMPTION (GJ) FROM RENEWABLE SOURCES



ENERGY CONSUMPTION (GJ) FROM NON-RENEWABLE SOURCES



TOTAL ENERGY CONSUMPTION (GJ) FROM RENEWABLE AND NON-RENEWABLE SOURCES



LEGEND:

- Renewable sources
- Non- Renewable sources (GJ)

EMISSIONS (in $mtCO_2e$)

WASTE MANAGEMENT

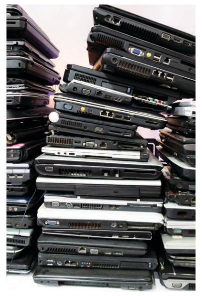
TOTAL WASTE GENERATED (IN METRIC TONNES)

PLASTIC WASTE

FY 2022-23
166.4

FY 2023-24
85.47

E-WASTE



FY 2022-23
0.9

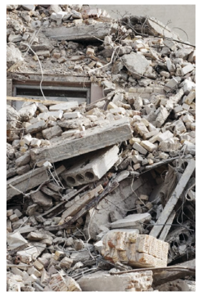
FY 2023-24
5.62

BIO-MEDICAL WASTE

FY 2022-23
0

FY 2023-24
0.01

CONSTRUCTION AND DEMOLITION WASTE



FY 2022-23
844.01

FY 2023-24
24,2573.85

BATTERY WASTE

FY 2022-23
3.76

FY 2023-24
4.24

OTHER HAZARDOUS WASTE

FY 2022-23
3.79

FY 2023-24
1.87

OTHER NON-HAZARDOUS WASTE

FY 2022-23
141.44

FY 2023-24
1367.85

TOTAL

FY 2023-24
24,4038.91

FY 2022-23
1160.30

- We have also established On-Site Waste Converter (OWC) machines across our premises.
- Plastic waste is managed through a robust segregation program with dedicated bins for plastic waste at all sites, offices, residences, and hotels.
- Westin MGC installed an in-house glass bottling plant, reducing plastic bottle use by 55%, from 34,000 to 15,000 monthly.

FOR EACH CATEGORY OF WASTE GENERATED, TOTAL WASTE RECOVERED (IN METRIC TONNES)

REUSE

FY 2022-23
48.23

FY 2023-24
139,445.49

RECYCLE

FY 2022-23
149.6

FY 2023-24
1465.05

RECOVERY

FY 2022-23
28.14

FY 2023-24
0

TOTAL WASTE RECOVERED

1,40,910.54

FY 2022-23
225.97

FOR EACH CATEGORY OF WASTE GENERATED, TOTAL WASTE DISPOSED BY NATURE OF DISPOSAL METHOD (IN METRIC TONNES)

INCINERATION

FY 2022-23
0

FY 2023-24
0.01

LANDFILLING

FY 2022-23
844.01

FY 2023-24
49,570.29

DISPOSAL

FY 2022-23
90.32

FY 2023-24
0

TOTAL WASTE DISPOSED

1,03,128.37

FY 2022-23
943.33

Way Forward

Navigating Climate Risks and Building a Resilient Future

We plan to actively manage our carbon footprint through emission reduction and the implementation of carbon offset projects to address the residual emissions. These initiatives are fundamental to our vision of creating a resilient, sustainable future for our business and the communities we serve.

As Oberoi Realty envisions its future, the company remains steadfast in its commitment to sustainability and climate resilience. Recognizing the evolving environmental challenges and market dynamics, Oberoi Realty aims to integrate sustainable practices deeply into its business operations. This involves not only enhancing its risk management framework but also prioritizing green initiatives across all projects that align with our vision to create spaces that enhance the quality of life. The goal is to create long-term value for stakeholders while contributing positively to the environment and society.

At Oberoi Realty, we are mindful of the vital role our company must play in navigating the complexities of climate change. The real estate sector stands at the forefront of this challenge, and our actions today will not only define our business success but also the future of the communities we serve. Our long-term resilience depends on our ability to anticipate and adapt to evolving environmental risks, and I am proud to share that we have embraced this responsibility wholeheartedly. This year, we have launched our inaugural TCFD report, marking a significant milestone in our commitment to transparency and proactive climate risk management.

This report outlines the tangible steps we have taken to integrate climate-related risks into our governance, strategy, risk management, and performance metrics. From enhancing energy efficiency in our buildings to assessing the potential impact of physical and transitional climate risks on our financial statements, we are taking proactive measures to safeguard our business from climate-related disruptions. Moreover, we are determined to leverage new opportunities such as investing in green building technologies and expanding our focus on renewable energy projects, to future-proof our operations.

Over the past year, we have made significant strides in embedding climate-related considerations into our financial and operational strategies. In alignment with the TCFD, we have undertaken a comprehensive assessment of the risks and opportunities posed by climate change across our portfolio. Our aim has been to ensure that our decisions—whether in capital allocation, project development, or asset management—are guided by the principles of sustainability, resilience, and forward-looking risk management. We are fully committed to achieving Net Zero for Scope 1 and 2 emissions by 2040. This ambitious goal reflects our unwavering dedication to sustainability and our determination to lead the real estate industry in reducing carbon emissions and mitigating climate impact. We are driven to driving sustainability throughout our operations by investing in energy-efficient equipment, reducing energy costs through environmentally friendly design and nature-based solutions, and utilizing low GWP materials in construction. Our strategy emphasizes sustainable construction practices by enabling green building certifications for all new projects. We are also prioritizing renewable energy by generating power onsite with rooftop solar wherever feasible and entering into renewable Power Purchase Agreements.

We plan to actively manage our carbon footprint through emission reduction and the implementation of carbon offset projects to address the residual emissions. These initiatives are fundamental to our vision of creating a resilient, sustainable future for our business and the communities we serve. We are planning to adopt science-based targets (SBTi) for Scope 1 and 2 emissions in the following year. This initiative demonstrates our determination to align our emissions reduction goals with the latest climate science and contribute meaningfully to global efforts to combat climate change. We are also working on implementing an Internal Carbon Pricing (ICP) mechanism, which will allow us to factor the cost of carbon emissions into our business decisions. Recognizing that collaboration is the key in driving sustainability, we are committed to working closely with our suppliers by providing training and resources to drive value chain decarbonization. Looking ahead, we will continue to refine our approach, adapt to emerging climate scenarios, and ensure that sustainability remains central to our growth strategy. In doing so, we are confident that Oberoi Realty will remain resilient and thrive in a low-carbon future.

Thank you for your trust and support as we continue this important journey.

Ayashkanta Rout

Head - Sustainability & CSR
Oberoi Realty

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