



**12 June 2024**

**Mindspace Business Parks**

**REIT Group<sup>(1)</sup>**

**Sustainability-Linked Financing  
Framework v 1.0**

<sup>(1)</sup> Mindspace Business Parks REIT and its Special Purpose Vehicles





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# Overview of Mindspace Business Parks REIT

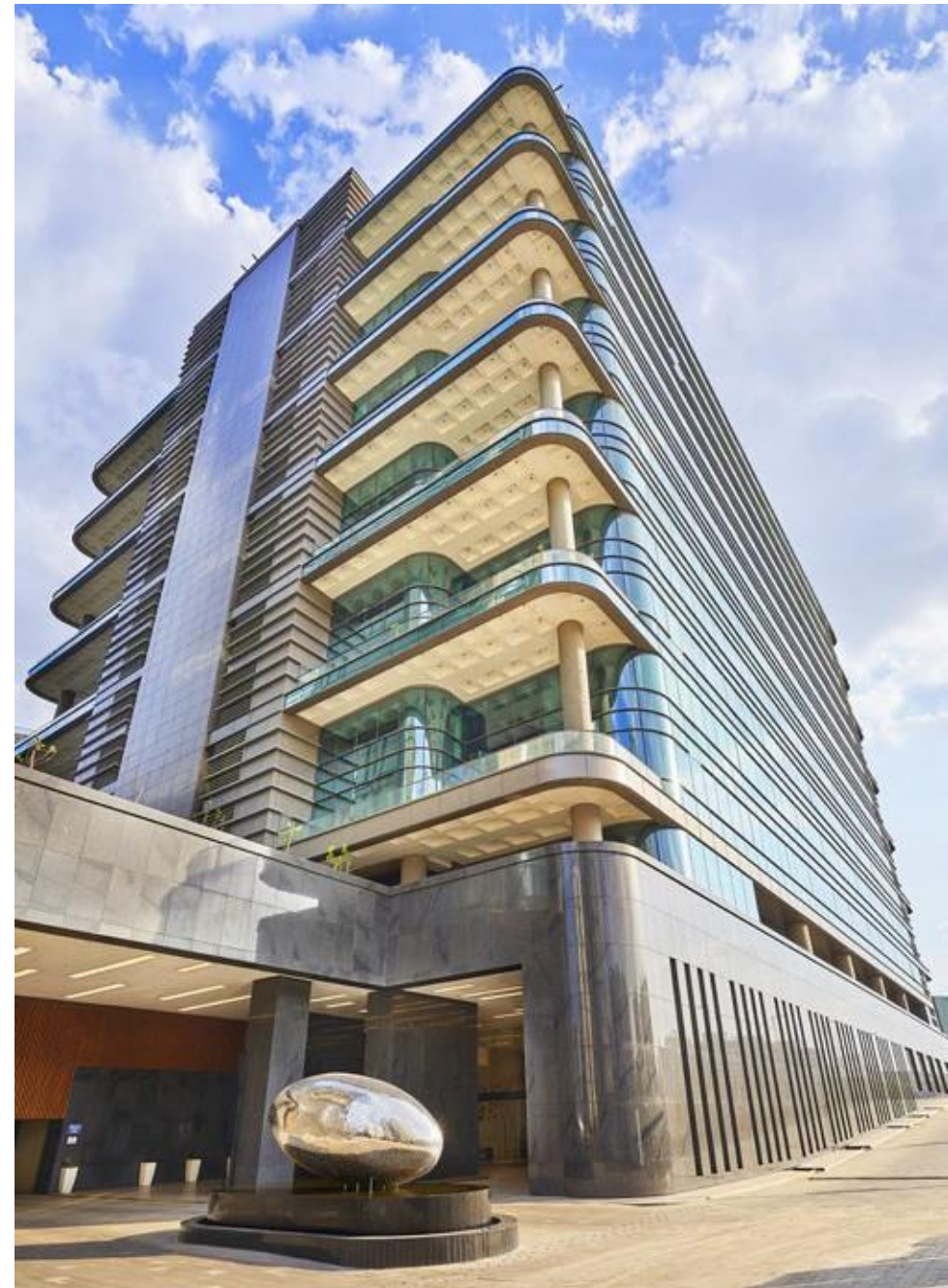
## Business Overview

Mindspace Business Parks REIT (“Mindspace REIT” or “The REIT”) is one of India’s leading providers Grade A commercial spaces. Mindspace REIT has a portfolio with a total leasable area of over 33million square feet of which over 26 million square feet is ready and operational as on March 31, 2024. The portfolio consists of 5 integrated business parks and 5 quality independent office assets. It has a diversified and high-quality tenant base.

Mindspace REIT is sponsored by Cape Trading LLP and Anbee Constructions LLP, which are part of ‘K Raheja Corp Group’ (“KRC Group”). KRC Group is one of India’s prestigious developers with an experience of creating landmarks for over four decades across asset classes of residential, office, retail and hospitality.

## Pioneers in Developing Green Eco-system

KRC Group was one of the pioneers who catalyzed the transition of Indian Real Estate Industry toward Green Buildings. In 2007, it was amongst the first industry participants in India to sign a Memorandum of Understanding (MOU) with CII-Green Building Council to construct green buildings. As on March 31, 2024, approximately 99% of operational area of Mindspace Business Parks REIT being green certified (IGBC / LEED Platinum or Gold) is a testament to this. In continuation to its ambition of becoming a leader in environment conservation and climate change mitigation, Mindspace REIT became the first real estate entity in India to commit to RE100 and EV100 initiatives. Mindspace REIT became the first Indian commercial real estate entity to receive 100/100 in office development benchmark with the coveted title of ‘Global Sector Leader’ in the 2023 Global Real Estate Sustainability Benchmark (GRESB) for Office Development Benchmark. It also ranked first in Asia and is placed 1st out of 9 in India, in the ‘Listed Companies Category’ for commercial business development.





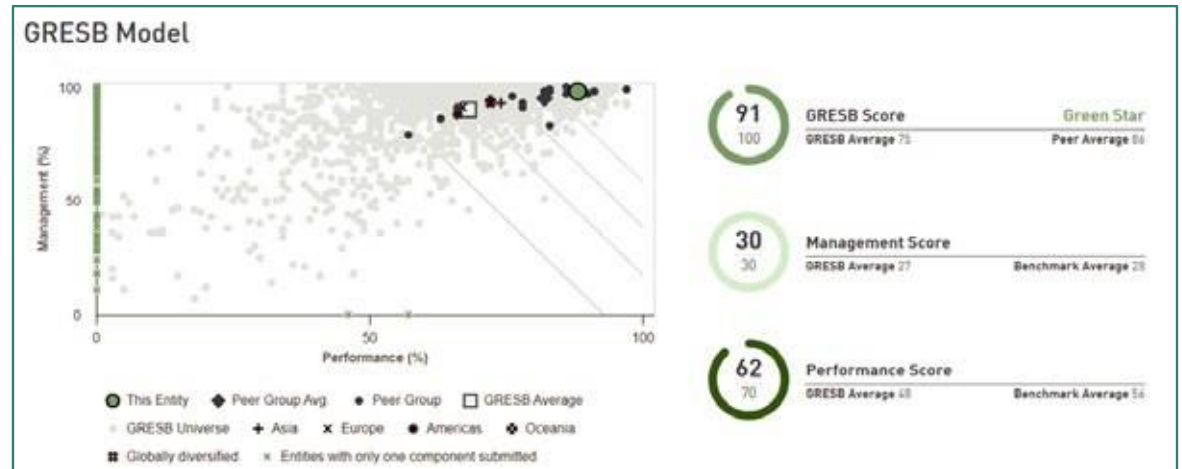
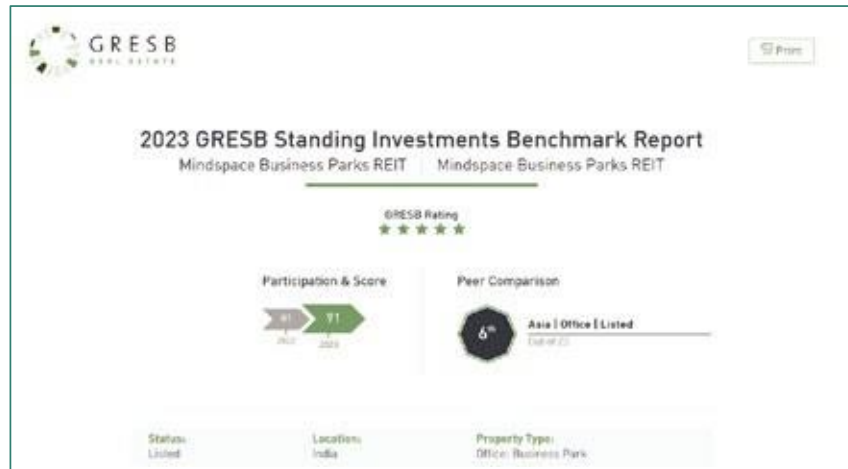
## Environmental Stewardship

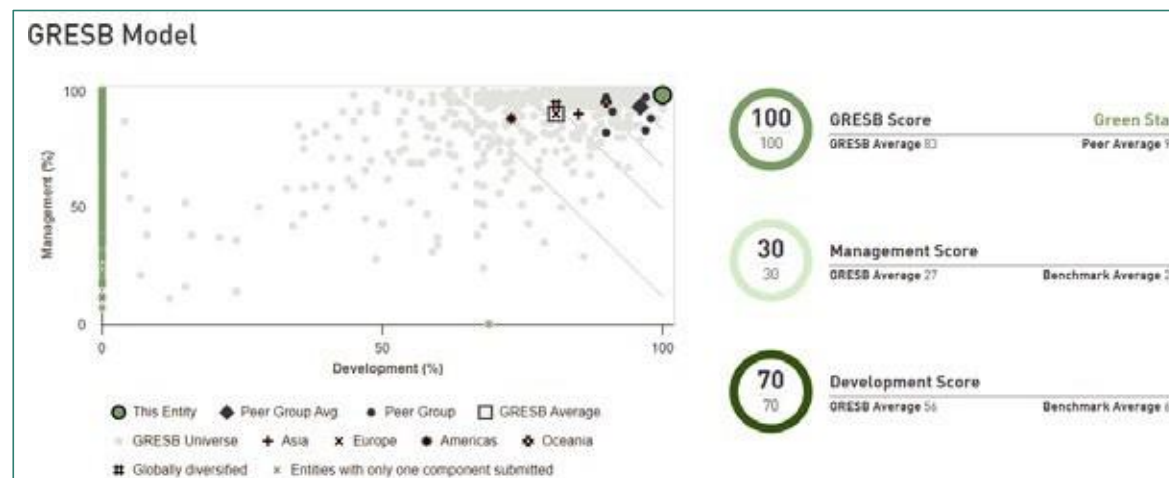
Real estate industry is a significant contributor to greenhouse emissions globally. Any reduction in emissions by this industry can go a long way in making our planet sustainable and mitigating the impact of climate change. Mindspace Business Parks REIT acknowledges the impact its operations have on the surroundings and planet at large. To minimize its impact on environment, business practices of the REIT has been aligned towards various United Nations Sustainability Development Goals on environment, social and governance (ESG) and devised a comprehensive ESG strategy with defined timelines and quantified targets.

India has set an ambitious goal to achieve net zero carbon emissions by 2070 and generate 450 gigawatts (GW) of renewable energy by 2030. India's decarbonization goal is crucial for mitigating the impacts of climate change and promoting sustainable development. At Mindspace REIT, we are committed to supporting India's net zero goal and take responsibility for the impact our construction and asset management activities have on the surrounding environment. We are the first real estate entity in India to join the Climate Group's EV100 and RE100 initiatives. To promote responsible resource use and sustainable business practices, we have implemented impact-oriented initiatives covering topics such as waste management, water usage, and reducing plastic consumption.

### External Benchmarking of Mindspace Business Parks REIT (GRESB)

Global Listed Sector Leader' in the GRESB Development Portfolio Benchmark 2023 with a score of 100/100 score in office development and 91/100 score for Standing Investments. In addition, Mindspace REIT was ranked 1st in Asia in the 'Listed Companies Category' for Commercial Business in GRESB 2023.





## Socially Mindful

In our organization, being socially mindful entails taking responsibility for the wellbeing of our employees, proactively engaging with our value chain partners and tenants, and meaningfully engaging with our surrounding communities. We strive to create a positive work environment for our employees by offering them competitive compensation and benefits, providing career growth and development opportunities, and ensuring their health and safety. We proactively invest in enhancing the capability and capacities of our partners and aligning them with our sustainable development goals to create a better working ecosystem. Additionally, we build long-term relationships with our tenants through various engagement initiatives and consciously look for ways to improve the quality of life of surrounding communities through education and empowerment.

## Responsible Business Conduct

While conducting our business with environmental responsibility and socially mindful practices, it is essential that we provide a governance structure that promotes responsible business practices across our organization and value chain. This includes promoting the highest standards of human rights and engaging with our suppliers to encourage more sustainable practices across our value chain.

Our policies and processes have been clearly articulated with oversight provided by the Board. These policies and processes work harmoniously to ensure we actively engage with occupiers, partners, and the community to understand and deliver on their holistic needs. We have implemented various policies to achieve the same, including a comprehensive human rights policy, a supplier procurement policy, and a supplier code of conduct. Supporting Policies are available on website of Mindspace REIT ([Link](#)).





**Adoption of Fair Accounting and Business Practices** – We have appointed statutory auditors from the Big 4 accounting firms. Detailed quarterly financials are prepared and disclosed to stock exchanges. Mindspace and Asset SPVs have adopted RPT policy as per which all RPTs are undertaken at arm's length and in compliance with applicable laws. These are placed before by the Audit Committee of Mindspace and disclosed to stock exchanges where units of Mindspace are listed, and to unitholders.

**Board Constitution and Independence** Our Board of Directors forms our topmost leadership rung. The Board has been constituted as per applicable provisions of REIT Regulations, with 57% of the Board being Independent Directors.

**ESG Trainings** - 100% of Board of Directors have been sensitized on our ESG Roadmap and trained on BRSR principles. We organized specialized ESG training sessions in Pune, Hyderabad, and Chennai to integrate these principles into our operations. This knowledge enables them to make informed decisions in various business areas, ensuring ESG considerations are central to their decision-making process.

To promote accountability and ownership, we have linked ESG KPIs with the performance evaluation of our KMPs and Senior Management. The actual progress against the ESG KPIs determines the variable component of their compensation.

### 1.1. Responsible Sourcing

Mindspace REIT aims to establish a sustainable ecosystem within the real estate industry. The transition to sustainable supply chain practices holds the potential to cultivate positive relationships with suppliers, enhance customer loyalty, and inspire investor confidence in our mission.

By minimizing environmental impact, reducing waste, and upholding social responsibility throughout our supply chain operations, we aim to make a positive difference in the world. Integrating sustainable practices across the value chain, such as utilizing environmentally friendly construction materials, promoting energy-efficient systems, upholding human rights and fair labor practices, local sourcing of materials and other measures, we can reduce our environmental footprint and costs as well as deliver on our goal of enhancing value for our stakeholders.

### 1.2. Supplier Code of Conduct (SCOC)

Our Supplier Code of Conduct (SCOC) applies to all our suppliers and is a core component of our contractual and new vendor onboarding process. Our Suppliers are also mandated to adhere to relevant environmental regulations. 94% of our critical suppliers, who directly supply products and materials that account for over 60% of our construction expenditure, have accepted our SCoC.





### 1.3. Sustainable Procurement Policy

**Sustainable Procurement Policy** To maximize the reach and impact of our sustainability measures, we have integrated a strategy for sustainable procurement within our ESG policy. It outlines a set of qualitative procedures for our suppliers, including endorsing the Supplier Code of Conduct and leveraging environmentally friendly and energy-efficient materials. As of now, we procure 77% of our materials (based on monetary value) in line with this sustainable procurement policy.

### 1.4. Sustainable Supply Chain

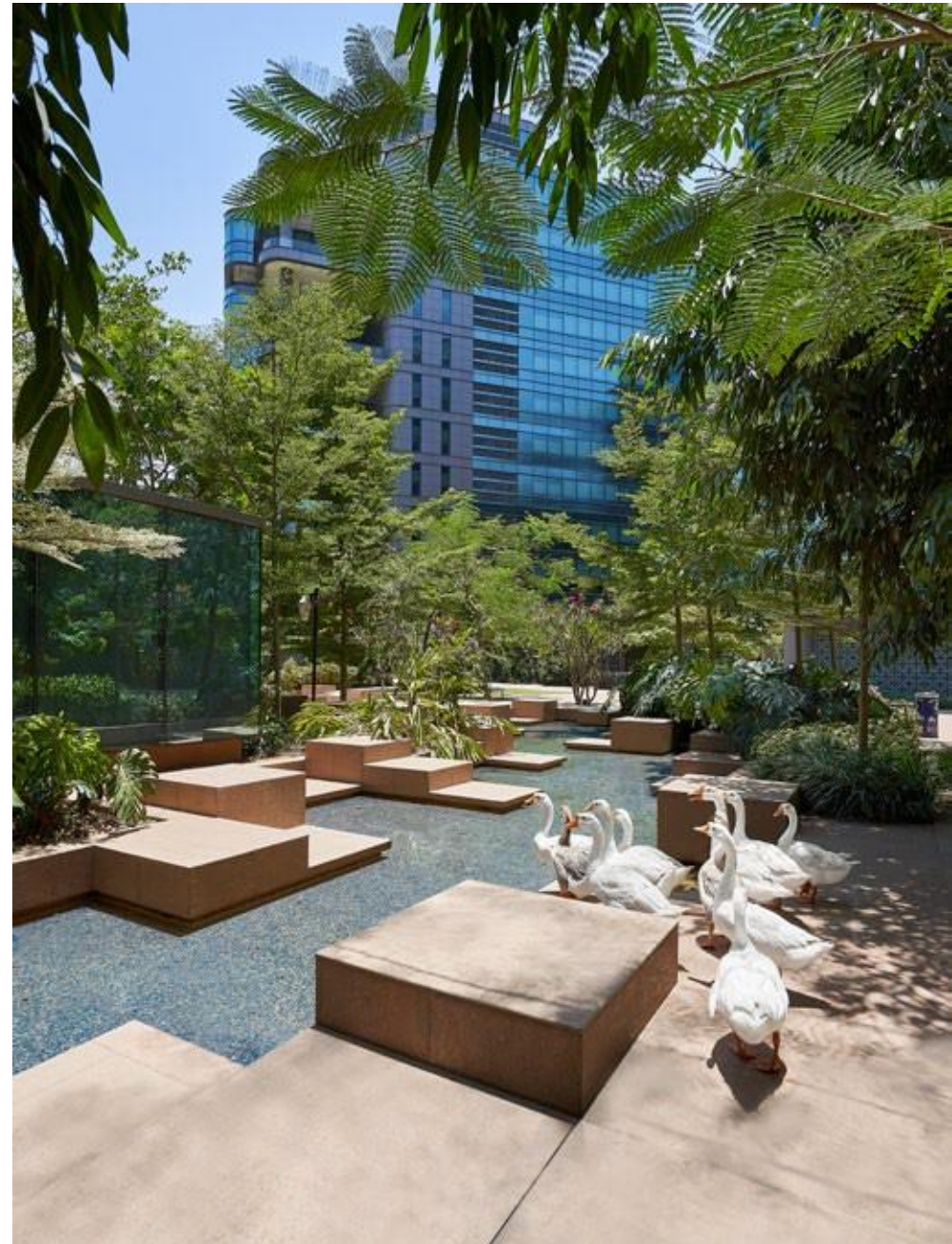
At Mindspace REIT, our comprehensive due diligence practices ensure that substantial emphasis is on our suppliers, especially those who are crucial to our operations. Our supplier evaluation includes the intensive inspection of variables, including environmental, social, and governance (ESG) aspects, along with the routine business criteria.

### 1.5. Supplier ESG Program, Assessment and Development

Our procurement procedures and supply chain management strategies are deeply anchored in our commitment to environmental preservation, societal upliftment, and cost-effective sourcing strategies. We have designed our supplier screening parameters to account for pivotal environmental and social implications. Our sustainable procurement practices embed ESG principles in our supplier relationships to elevate sustainable norms across our value chain. The Supplier ESG program encourages our suppliers to align with the defined principles and the Supplier's Code of Conduct and create an ethical, transparent, responsive value chain. We mentor and support our suppliers to align their business goals to Mindspace REIT sustainability missions and scale competencies to meet our growing business needs.

### Materiality Assessment

Materiality refers to the identification and prioritization of environmental, social, and governance (ESG) issues that are most significant to our various business segments (i.e., Business Parks and Commercial Spaces) and their operations. It is a crucial aspect of our sustainability strategy, guiding us in making informed decisions that align with our corporate values and the expectations of our diverse stakeholders. Such perspectives are key for our growth and facilitate the integration of our business strategy with our ESG Goals, Targets, and a broader Sustainability vision.



## 1.1. Approach to Materiality

We have broadened our materiality assessment by revisiting identified issues to ascertain the Impact on Business and ESG parameters. The material topics were determined by analyzing external sectoral standards, peer groups, rating agencies, international standards, the Enterprise Risk Register and Mindspace REIT's long-term sustainability ambitions. We gauged the significance of each examined area by focusing on aspects such as operations, business relationships, stakeholder engagement, customer centricity, and resource utilization. This extensive analysis helped us in identifying the underlying reasons which will enable us to understand why specific topics should take precedence over others. The material topics were categorized as high, medium, and low after prioritization based on their impact on stakeholder value creation and our business. They were mapped to the Environmental, Social and Governance pillars to form our Materiality Matrix.

## 1.2. Steps Followed in Materiality Assessment



### 1.1.1. Landscape Analysis

Landscape analysis is conducted using external sectoral standards, peer groups, rating agencies, international standards, and the entity's internal documents.

### 1.1.2. Stakeholder Engagement

Stakeholder management includes management, unitholders, suppliers, and customers, to validate the identified material subjects and gain insights into their perspectives on our ESG imperatives and qualitatively analysed financial impacts on Mindspace REIT. We conducted virtual interactions and online surveys to understand stakeholder concerns.

### 1.1.3. Prioritization

We prioritize material topics that are of the utmost importance to our stakeholders and have the potential to impact our operations significantly and have potential financial impact.

### 1.1.4. Validation and Finalization

We include validation and finalization of material topics into Environment, Social, and Governance pillars. This helps develop a clear ESG strategic framework to address stakeholder concerns and ensure our business can run, transform, and grow without disruptions.



1.3. LIST OF MATERIAL ISSUES AND SDG LINKAGES



OUR MATERIAL ISSUES AND SDG LINKAGES		
Environment	Social	Governance
1 Energy and Emissions management	5 Human Capital Development	10 Portfolio Growth
2 Waste Management	10 Labour Management	20 Active Asset Management
3 Water and Wastewater Management	11 Health and Safety	23 Data Privacy and Security
4 Land use and Biodiversity	12 Human Rights	24 Green Building Certifications -Development and Existing Portfolio
5 Resource Consumption Efficiency	13 Regulatory Compliance	
6 Climate Risks and Opportunities	14 Supply Chain Management	
7 Embodied Carbon and Lifecycle Mgmt	15 Corporate Governance	
8 Sustainable Design	16 Tenant Relationships and Customer Satisfaction	
	17 Community relations	
	18 Accessibility	

# Our Vision

Our initiatives are supported by our clear vision - To be a sustainability leader in the real estate sector by creating long-term value for stakeholders through ESG focused business strategy.



# Our ESG Framework





# Pillar 1: Resource Conservation and Efficiency

Through our mindful strategies, we aim to minimize impact on the environment by adopting sustainable practices such as optimum resource utilization, integrating technological interventions, striving for carbon-neutral operations, and promoting green energy across all our projects.

## Key Focus Areas under this Pillar are as follows:

### Focus Area 1: Carbon Neutral Operations

In line with the national and global transition into a low-carbon economy, at Mindspace REIT, we are committed to being a responsible business. Towards the same, we have set Scope 1 and 2 emissions targets, in line with the Science Based Targets. We are progressively replacing fossil fuels in our operations with renewable energy.



\*Key parameters to achieve LEED/IGBC Certification include efficient resource use, increasing the utilization of renewable energy, waste reduction measures, maintaining good indoor quality, and ecological design, among others.

**Additional Initiatives under Pillar 1**

**Responsible Waste Disposal and Circularity**

- 100% hazardous waste recycled across assets.
- Prohibited the use of Single Use Plastics (SUPs) across assets.
- Installed Organic Waste Composers (OWCs) across campus to convert organic waste into compost for reuse.

**Reducing Water Consumption**

- Zero Liquid Discharge at 2 assets
- Operation of Sewage Treatment Plants (STPs) to facilitate water reuse.
- Onsite laboratory to monitor treated water.
- Optimizing water efficiency through rainwater harvesting

**Land Use and Biodiversity**

- Implemented QR codes for plant species across assets to increase occupier engagement with the surrounding biodiversity.
- Installed bio-sonification to create sounds for 13 plant species for occupiers and visitors to listen to and engage with for mental wellbeing.

### Focus Area 2: Futuristic Buildings

As a leading real estate developer and operator, we are cognizant of the evolving business landscape and the rising need of our tenants and other stakeholders for futuristic buildings. In the development of such buildings, considerations such as the requirements of accreditation agencies, like LEED Green Building Certification, are at the forefront from the conceptualization stages. This consideration guides us in designing our assets with attributes that facilitate efficient resource consumption and create minimal environmental impact by integrating sustainable parameters across all aspects of our built environment.

**Pillar 2: Employee and Community Relations**

Our efforts are directed at the holistic development of our employees by providing them relevant opportunities to learn and grow. We strive to meet the evolving needs of our tenants. Our initiatives also extend towards uplifting the communities around us.

**Focus Area 3: Human Capital Development**

Our focus is on the holistic development of our human capital and creating an inclusive culture for all. We are committed to constantly upskilling our employees through continuous learning, which helps them enhance their personal and professional skill sets. The availability of a broad spectrum of professional development opportunities at Mindspace REIT helps our employees thrive in the workplace which is designed to protect their health and safety and foster their growth. Valuing and nurturing diversity is important for our sustainable growth and helps us understand and incorporate a wide range of skills, experiences, and viewpoints. A diverse workforce also enables us to comprehend and meet the expectations of our tenant base effectively.



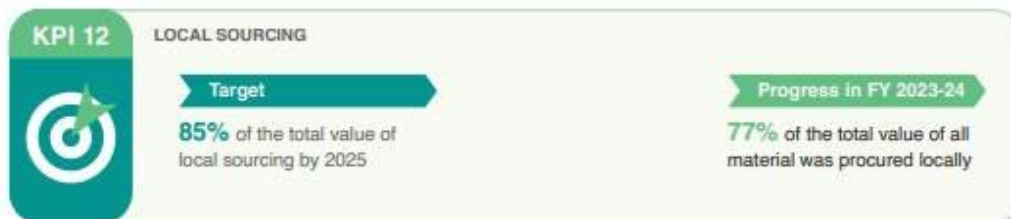
**Focus Area 4: Community and Tenant Relations**

As a business park developer, the support and trust of our communities and tenants is crucial to managing our properties and growing our operations seamlessly. Maintaining strong relationships with our community members and tenants' aids in identifying and addressing their concerns in a timely manner. We are committed to fostering societal development through capacity building of communities and giving them a platform for growth and upliftment. Continuous engagement with our tenants also helps us stay mindful of their expectations.

**Focus Area 5: Health and Safety**

Our people and their wellness are key to us. This extends to employees at all levels, as well as our tenants and partners. We have implemented appropriate systems and processes throughout our operations to monitor and assess health-related risks of our employees, tenants and partners and proactively address them to ensure their safety and security.





## Pillar 3: Responsible Business Conduct

We are committed to the highest standards of ethical conduct and integrity across our organization. We respect human rights of the stakeholders across our value chain. Also, we place a great emphasis on applying stringent measures while empaneling suppliers to make sure they align with our sustainability vision.

### Focus Area 6: Human Rights and Ethical Conduct

Human Rights form an integral part of Mindspace REIT. Our workforce is an asset to us and upholding their rights is key. Towards the same, we have policies and procedures in place to prevent human rights violations across our operations. We also have a grievance redressal mechanism to record feedback from our stakeholders and take necessary actions to resolve the grievances.

### Focus Area 7: Responsible Sourcing and Supplier Engagement

### Focus Area 8: Responsible Portfolio

As a real-estate developer, we are aware of the negative impact our portfolio can have on the environment. To mitigate the same, we aim to build a responsible portfolio by investing in properties screened against carefully developed ESG criteria. Additionally, we plan to conduct an environmental and risk assessment for all new acquisitions.



## Governance Structure

### Executive Committee:

We have a cross-functional ESG governance framework, which is especially responsible for identifying, developing, and monitoring our ESG efforts. The Executive Committee comprising board members and Key Management Personnel (KMPs) oversees the ESG implementation. It is responsible for steering the implementation of ESG strategy. The Committee provides specific guidance and operational insights on the ESG initiatives of the REIT and keeps the Board updated on the progress and industry developments in the ESG space. The committee is empowered to form committees/groups as and when required for undertaking ESG initiatives and achieve set targets in relation to ESG strategy.

### ESG Committee:

ESG Committee currently includes managers/representatives from across the functions including leasing, asset management, projects, corporate finance and investor relations, and compliance. The Committee is responsible for the implementation of ESG strategy, sustainability initiatives and roadmap to achieve the set targets. The Committee also assesses material and strategically ESG significant matters and implement policies, practices, and disclosures in conformance with the ESG strategy. The ESG committee meets at periodic intervals to ensure alignment towards ESG goals and provides updates to Executive Committee from time to time. The ESG committee shall approve the sustainability-linked financing framework as well as transaction specific sustainability performance targets.

### Steering Committee:

The ESG Steering Committee comprises of our Head of Departments and City Heads. This committee monitors the progress of ESG initiatives, perform screening of proposals and identification of new ESG initiatives, measure effectiveness etc. This committee reports progress to the ESG committee on a quarterly basis.

### R&D Council:

During FY 2022-23, the ESG Committee instituted an R&D Council tasked with researching projects related to enhance the environment and social performance of their assets. The council reports quarterly to the ESG Committee. It comprises of members drawn from the Senior Management with more than a decade of experience in their respective fields of sustainability, engineering, architecture, etc. The members are well versed with existing and changing government regulations and market expectations. As the council develops projects that improve environmental and social performance, we can better align the Mindspace REIT portfolio to mitigate climate risks. R&D Council shall look at exploring new technologies and initiatives to achieve sustainability performance targets.





### Working Groups:

These are the special teams consisting of members of several departments such as sustainability, engineering, architecture, liasioning, leasing, compliance and procurement, formed to undertake a specific ESG initiatives. These tasks may include undertaking internal research, suggesting new ESG initiatives at department level, formulating a detailed action plan, monitoring and reporting progress etc. Working groups reports the progress of ESG initiatives to the steering committee on a monthly basis. Working Groups shall monitor the KPIs and SPTs specified in Sustainability-Linked Financing Framework and can suggest course correction actions if required.



#### ESG Squad

This is a unique forum where members from across the levels of ESG governance framework convene every quarter to jointly review progress against ESG targets, discuss roadblocks, brainstorm new ideas and build capacity. This forum facilitates a meaningful dialogue between various key internal stakeholders and promotes joint action in transparent manner.

# Adopting Sustainable Environmental Practices at Mindspace REIT

Mindspace REIT's vision is to be a sustainability leader in the real estate sector by creating long-term value for stakeholders through ESG focused business strategy. We are committed to investing in initiatives that benefit our stakeholders, while taking necessary measures to reduce our environmental footprint by adopting sustainable practices that help us create lasting values. We endeavor to continue fortifying our position and standing as a reliable partner of choice, to each of our stakeholders, year after year.

To ensure we stay on course to achieving our ESG objectives, we have adopted various quantifiable short-term and long-term targets. Below are some of the key environmental targets of Mindspace REIT,

- Reduce Scope 1 and Scope 2 emissions by 21% (by 2025) and 42% (by 2030) (baseline year is fiscal year ending March 31, 2020)
- Increase share of renewable energy utilized across common areas services and maintained within the portfolio to 35% (by 2025), 50% (by 2030) and 100% (2050) by committing to RE100
- At present more than 99% of the portfolio is green certified, we aim to maintain these levels going ahead. Also, we intend to ensure 100% of new developments are LEED / IGBC certified with minimum Gold Rating. Our focus remains on obtaining existing building or O&M certifications going forward.
- We take pride in announcing that in FY 2024, we signed the commitment letter with the Science Based Targets initiative (SBTi). By formalizing our commitment to the Science Based Targets initiative (SBTi), we aim to validate our emission reduction targets and establish a clear pathway towards achieving net zero emissions. We are leveraging scientific methodologies and industry benchmarks endorsed by SBTi to ensure that our targets align with the latest climate science and contribute effectively to global climate goals. SBTi targets are currently under approval and during the next verification period SBTi target shall be validated.
- Supporting EV uptake by customers by having appropriate set of charging infrastructure installed at relevant premises and dedicated customer engagement program to promote EV usage.





# Sustainability-Linked Financing Framework

This Framework is applicable to Mindspace REIT and / or all our SPVs (“**Mindspace REIT Group**”) and can be used at the discretion of any member of the Mindspace REIT Group for the following sustainability-linked instruments:

**Sustainability-Linked Bonds / Sustainability – Linked Debentures (SLBs)**- Debt securities such as bonds and debentures defined under SEBI Regulations will be aligned to the Sustainability-Linked Bond Principles (SLBPs), June 2023, issued by the International Capital Markets Association as amended from time to time ((hereinafter referred to as “Sustainability-Linked Bonds or “Sustainability-Linked Debentures” or “SLBs”).

**Sustainability-Linked Loans (SLLs)** – Sustainability-Linked Loans will be aligned with the Sustainability Linked Loan Principles (SLLP) published by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) in February 2023 and availed in accordance with applicable law, including all rules and regulations prescribed by the Reserve Bank of India (hereinafter referred to as “Sustainability-Linked Loans”).

This section outlines how the Mindspace REIT Group will structure and address considerations taken into account when executing Sustainability Linked Transactions (“SLTs”) in connection with issuance of Sustainability-Linked Bonds / Sustainability-Linked Debentures and availing Sustainability-Linked Loans (“Sustainability-Linked Instruments”).


For the avoidance of doubt, these Sustainability-linked Instruments may be in any currency, tenor, and in addition to the principles set out in this Framework, may include additional terms and conditions and covenants based on the agreed terms of the financing. Based on the SLBPs / SLLPs, when a member of the Mindspace REIT Group structures an SLB or SLL, it will be based around the following five core components:



## 1. Selection of Key Performance Indicators (KPIs)

Under this Framework, when any entity of Mindspace REIT Group issues an SLB or SLL, it will use at least one of the KPIs included in this Framework post discussion with relevant investors and lenders which shall be further elaborated in the specific transaction documents. The KPIs stated below have been chosen with the SLBP / SLLP guiding criteria in mind. These KPIs relate to the most significant and relevant issues to our business, and accordingly following these will help us make a positive impact linked to our sustainability strategy above. The actual KPIs and the relevant SPTs along with the exact calculation methodology, selected buildings, any exceptional events and / or pro forma adjustments to the calculation shall be further detailed in the respective transaction documents for the financing.

### 1.1. KPI 1: Percentage of area with Green Building Standards / Certifications


Baseline	Definition	Linkage to UN SDG	Unit	Trigger Event	Coverage	Strategy to Achieve the SPT
KPI 1 value as of March 31, 2023	Share of completed area achieving the Green Buildings Standards / Certification by a recognised third party, calculated as follows:  $100 * (\text{Total green certified area of selected buildings}) / (\text{Total area of selected buildings})$		%	Verification of certification	Selected buildings for each transaction and the list of eligible certifications shall be specified in the underlying transaction documents	Regular monitoring energy and water usage.  Explore opportunities to optimize building operations

#### Note:

- In case the certifications in consideration are existing building certifications such as LEED EBOM or Edge Existing then the calculation shall include only completed office buildings which are operational and have been at least 50% occupied by tenants for the past 12 months at the time of measurement.
- In case the list of selected buildings undergoes change due to not meeting occupancy criteria or due to possible redevelopment / demolition of certain buildings, the calculation (including baseline or the performance against the baseline) shall be revised accordingly.
- The exact methodology shall be certified in the respective transaction documents.




## 1.2. KPI 2: Energy Intensity related to Scope 2

Baseline	Definition	Linkage to UN SDG	Unit	Trigger Event	Coverage	Strategy to Achieve the SPT
KPI 2 value as in the fiscal year ended March 31 2023	<p>% reduction of baseline energy intensity of selected buildings, calculated as follows:</p> <p>(Energy consumption per square meter of built up area excluding parking at baseline - Energy consumption per square of built up area excluding parking meter) / (Energy consumption per square meter of built up area excluding parking at baseline)</p> <p>Energy consumption per square meter of built up area excluding parking will be measured as kWhr / m2</p>		%	When a reduction of energy intensity, in relation to the baseline year, is externally verified to meet an interim or overall target	Selected buildings for each of the transaction as further specified in the underlying transaction documents. The energy consumption shall be for the entire selected buildings including HVAC ventilation for tenants, the area considered shall pertain to built-up area excluding parking.	<ul style="list-style-type: none"> <li>- Conduct energy audit(s) to identify energy efficiency improvement opportunities</li> <li>- Implement corrective measures to improve energy efficiency</li> <li>- Roof top solar</li> <li>- Our energy management strategy focuses on rigorous monitoring and benchmarking practices, which in turn are facilitated by sub-metering, automated meter reading, and floor-wise meters. These technologies are seamlessly integrated into our building management system, ensuring real-time data access and analysis.</li> </ul>

### Note:

1. The baseline year shall be as specified in the framework or respective transaction documents.
2. We intend to leverage our ESG data management software to monitor our energy consumption. Leveraging ESG data management software, we scrutinize energy and emission analytics to drive informed decision-making and benchmarking of assets to optimize our sustainability efforts.
3. In case the list of selected buildings undergoes change due to possible redevelopment/demolition of certain buildings the calculation (including baseline or the performance against the baseline) shall be revised accordingly.
4. If there is a material change in the tenant operations (e.g. including but not limited to tenants operating in multiple shifts instead of single shift, tenant setting up a lab inside its premises, redevelopment / demolition of buildings) in any of the buildings, the same shall be factored in while calculating the intensity. E.g. In case for a particular unit if the tenant operation changes from single shift to double shift, accordingly while calculating the efficiency the energy consumption for that area shall be divided by a factor of 2. Due to such adjustments, if required the numbers (including historical) can be restated.
5. The exact methodology shall be specified in respective transaction documents.

### 1.3. KPI3: GHG emission reduction

Baseline	Linkage to UN SDG	Definition	Trigger Event	Coverage	Strategy to Achieve the SPT
<p>Scope 1,2 – GHG emissions of the buildings of Mindspace REIT (consolidated) for the year ended March 31, 2023</p> <p>Scope 3 (Category 13) – GHG emissions of the buildings of Mindspace REIT (consolidated) for the year ended March 31, 2023</p>		<ul style="list-style-type: none"> <li>- % reduction in Scope 1 and 2 GHG emissions (areas under control of Mindspace REIT and / or its SPVs) calculated as follows:  <math display="block">100 * (\text{Scope 1} + \text{Scope 2 GHG emissions}) / (\text{Scope 1,2 GHG emissions in the baseline})</math> </li> <li>- % reduction on GHG emissions from tenants (Scope 3, Category 13.) calculated as follows:  <math display="block">100 * (\text{Scope 3 GHG emissions}) / (\text{Scope 3 GHG emissions in the baseline})</math> </li> </ul>	<p>When a reduction of GHG emissions in relation to the baseline year is externally verified to meet an interim or overall target</p>	<p>Selected buildings for each of the transaction as further specified in the underlying transaction documents</p>	<ul style="list-style-type: none"> <li>- Improving energy efficiency of operations</li> <li>- Refocusing business on sustainable solutions</li> <li>- Conduct energy audit(s) to identify energy efficiency improvement opportunities.</li> <li>- Implement corrective measures to improve energy efficiency</li> <li>- Roof top solar</li> <li>- Procurement of Green Power</li> <li>- Offsite Renewable Energy</li> <li>- Encourage tenants to go for Green Power</li> <li>- Green leasing</li> <li>- Exploring Biodiesel fuel for DGs, low GWP refrigerants, battery energy storage system</li> </ul>

#### Note:

1. The exact methodology shall be specified in the respective transaction documents.
2. The GHG Emissions calculation for the particular year shall be performed basis the India Grid Factor for that year as published by Central Electricity Authority of India (CEA).



2. Calibration of Sustainability Performance Targets

This section presents the long-term targets Mindspace REIT has set for each of the KPIs. The SPTs for future SLBs / SLLs shall be derived based on these long-term targets and calibrated to suit the tenor and the target observation date of each SLB / SLL. Mindspace REIT has recently signed the SBIT commitment letter for adopting the Net Zero target year. In alignment with this commitment, for each of the SLB / SLL,

<sup>1</sup> As per the Science Based Targets Initiative's (SBTi). For information, MREIT has a corporate target of 42% emission reduction from Scope 1 and Scope 2 by FY2030, as per SBTi recommendations in 2021.

<sup>2</sup> As per the Science Based Targets Initiative's (SBTi) – Report link: [https://sciencebasedtargets.org/resources/files/SBTi\\_Buildings\\_Guidance\\_Draft\\_for\\_Pilot\\_Testing.pdf](https://sciencebasedtargets.org/resources/files/SBTi_Buildings_Guidance_Draft_for_Pilot_Testing.pdf)

Mindspace REIT Group may use one or more of the KPIs in section above and the respective SPTs shall be further elaborated and defined in respective transaction documents.

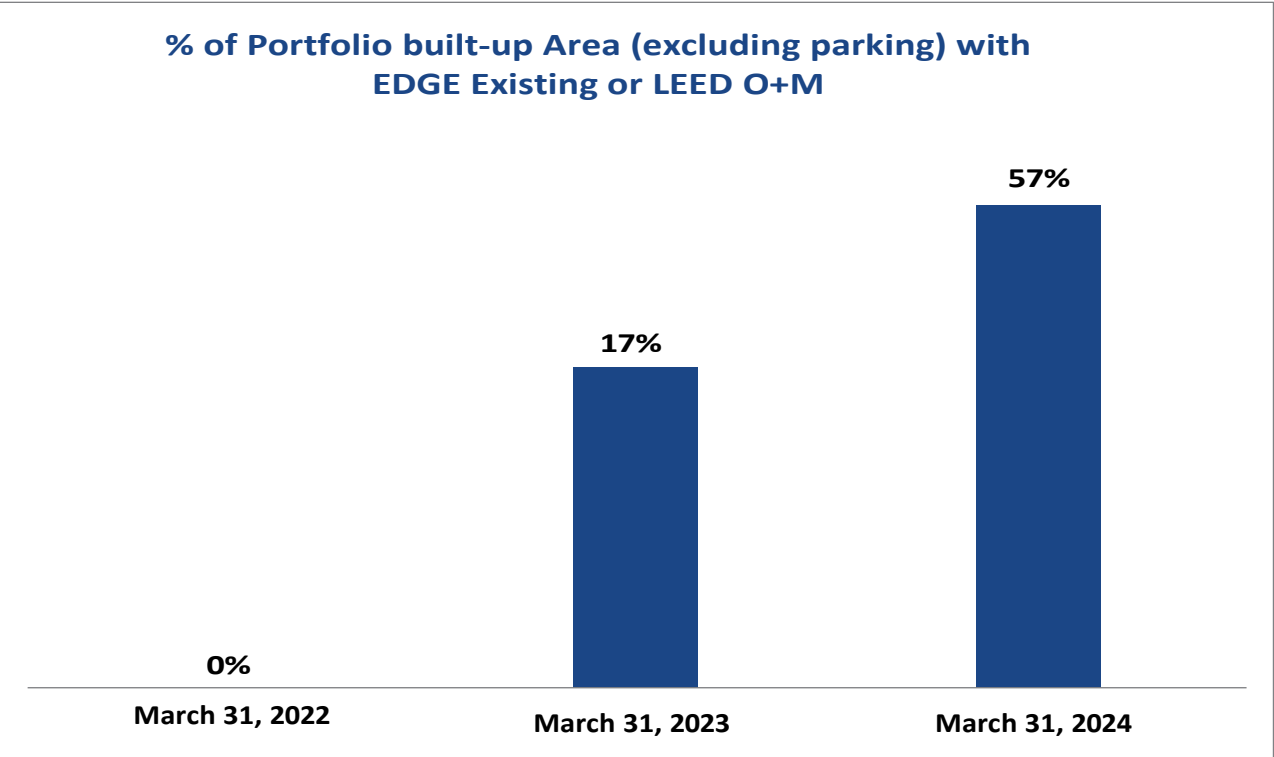
2.1. SPT 1: Percentage of area with Green Building Standards / Certifications

The above-mentioned details are at the portfolio level. Specific transaction document for each of the SLB / SLL shall outline the exact KPIs, SPTs, level of certifications, coverage of buildings, timelines and calculation methodologies.

The SPT 1 shall be 100% Green Building Standards / Certifications pertaining to the selected buildings which shall be specified in the respective transaction documents by fiscal year ending March 31, 2030.

Ambitiousness of the SPT

At present over 99% of the portfolio of Mindspace REIT is certified green as per design and construction under LEED / IGBC. Under this SPT. We are looking at obtaining and maintaining LEED O&M or Existing EDGE certification for 100% of the selected buildings under each of the transactions. Requirements for maintaining operations certifications are stringent and these need to be re-validated every 3 years as per LEED O&M or Existing EDGE certifications. This also requires performing energy audits to identify areas of improvement.



2.2. SPT 2: Reduction in Energy Intensity related to Scope 2

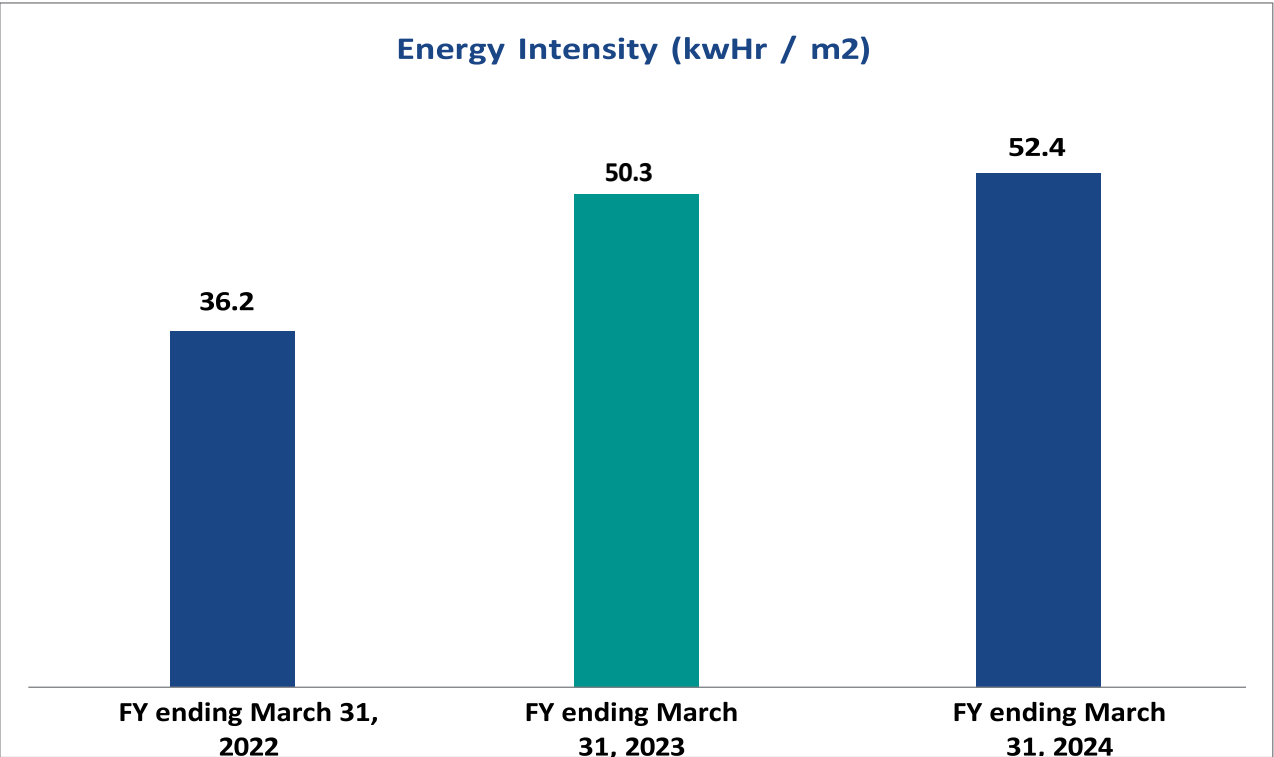
Energy intensity has been calculated using build-up area excluding parking area. The energy intensity across the portfolio increased gradually over the last 3 fiscal years post the Covid pandemic as a result of corporates gradually returning to office. **The baseline year for this KPI shall be fiscal year ending March 31, 2023.** As specified above in the document, the energy intensity numbers also include energy consumption on account of HVAC for tenant as well as common areas.

**The above-mentioned details are at the portfolio level. However, specific transaction document for each of the SLB / SLL shall outline the exact KPIs, SPTs, coverage of buildings and calculation methodologies.**

**The SPT 2 shall be reducing the energy intensity for the selected buildings by 15% till the fiscal year March 31, 2030, over the stated baseline. The actual targets, timelines may vary depending on the tenor of the instrument.**

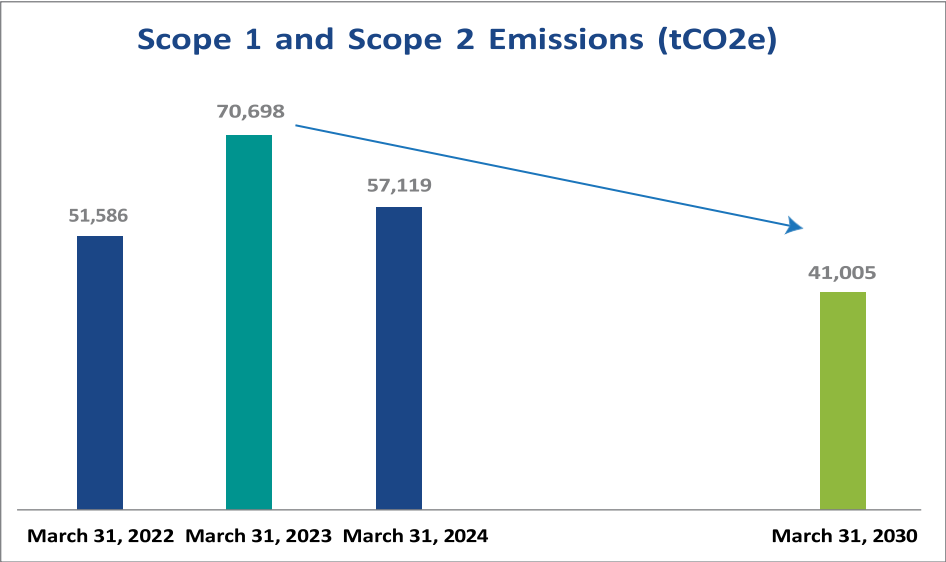
**Ambitiousness of the SPT**

The target is to reduce Common Area + HVAC energy intensity (related to Scope 2 emissions) by 15% for selected buildings as specified in respective transaction documents and SPTs. Mindspace REIT’s business has no control over occupier’s premises while Mindspace REIT typically provides HVAC for common areas as well as occupier premises. HVAC consumption typically forms 50% of the total energy consumption of office building. The target cannot take benefit of offsite renewable energy and potential to generate onsite renewable energy is limited considering terrace space constraints. Mindspace REIT has conducted energy audits of certain buildings in the portfolio and basis the same certain measures have been identified such as equipment upgrade with respect to the latest technologies. These reports corroborate the ambitiousness of the targets specified under this KPI.



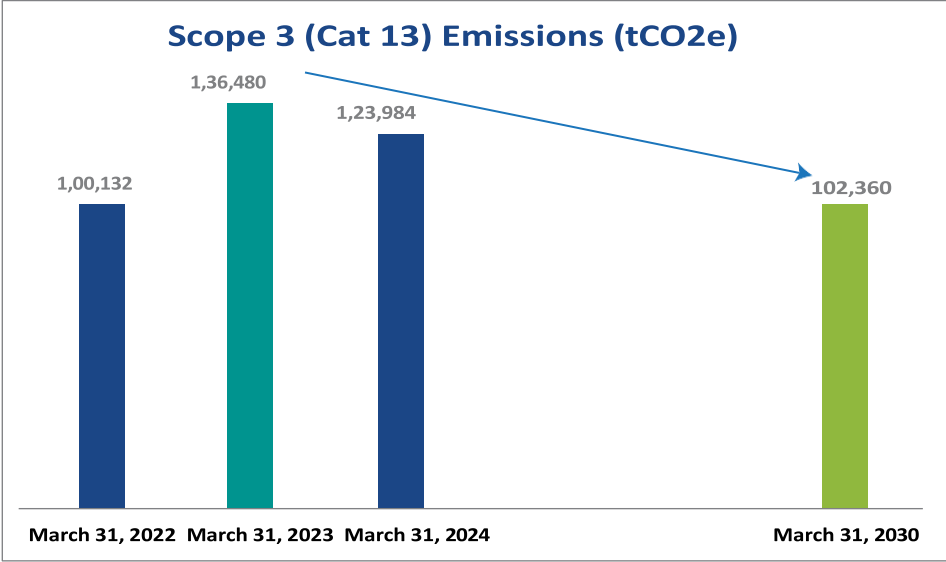


2.3. SPT 3: GHG emission reduction



**\* Note:** To calculate emissions for the reporting period, we have adopted the new set of grid emission factors released by the Central Electricity Authority of India.

The GHG increased from fiscal year ending March 31, 2022 to fiscal year ending March 31, 2023 as a result increase in physical occupancy due to return to office trends.



**\* Note:** To calculate emissions for the reporting period, we have adopted the new set of grid emission factors released by the Central Electricity Authority of India.

**The above-mentioned details are at the portfolio level. Specific transaction document for each of the SLB / SLL shall outline the exact KPIs, SPTs, coverage of buildings and calculation methodologies.**

**The SPT3.ashall be reducing the Scope 1 and 2 emissions by 42% by the fiscal year March 31, 2030, over the stated baseline and SPT3.b shall be reducing the Scope 3 (Category 13) emissions by 25% by the fiscal year March 31, 2030, over the stated baseline.**

#### **Ambitiousness of the SPT**

The target is to reduce scope 1 and 2 emissions by 42% by FY30, with FY23 as the baseline year and to reduce Scope 3 emissions (category 13) by 25% by FY30, with FY23 as the baseline year. The Scope 1 and 2 reduction target is set without using carbon offsets and is in accordance with the 1.5 °C pathway as per SBTi. We have signed the commitment letter with the Science Based Targets initiative (SBTi). By formalizing our commitment to the Science Based Targets initiative (SBTi), we aim to validate our emission reduction targets and establish a clear pathway towards achieving net zero emissions. We are leveraging scientific methodologies and industry benchmarks endorsed by SBTi to ensure that our targets align with the latest climate science and contribute effectively to global climate goals. SBTi targets are currently under approval and during the next verification period SBTi target shall be validated.

### **3. Sustainability-Linked Instrument Characteristics**

Mindspace REIT Group shall link the performance of the selected KPI(s)/SPT(s) to the financial structure of the SLB / SLL. The mechanism may include a variation in the coupon or redemption price, and the endeavor is to make the degree of variation meaningful and commensurate.

The exact mechanism will be described in the relevant transaction documentation. Other details including a fallback mechanism in case the SPT(s) cannot be calculated or observed in a satisfactory manner, and/or language that takes into consideration potential exceptional events or extreme events that could substantially impact the calculation of the SPT(s), the restatement of the selected SPT(s), and/ or pro forma adjustments of baselines or selected KPI(s) scope, will also be provided in such transaction document, where applicable. The level of KPIs during the base years for the KPIs will be recalculated to reflect any significant changes in Mindspace REIT's structure (e.g. acquisition, divestiture, mergers), or technical changes (i.e. an updated IT system, changes required for obtaining a higher level of assurance). To the extent such KPI revisions in the transaction document is concerned, the revisions should be done in accordance with the terms of such transaction documents.

### **4. Reporting**

Mindspace REIT Group will disclose our performance of the selected KPI(s) and compare against the relevant SPT(s) once a year as per criteria and buildings specified in the specific transaction documents, at a minimum, until the target observation date of the SLB /SLL.

The performance as per specific KPIs linked to SPTs will be reported either in Mindspace REIT's sustainability report or its annual / half yearly report / impact report or as a separate document that will be made available to the lenders and / or debt security holders and / or trustee and / or regulators as the case may be.

### **5. Verification**

At time necessary for assessing the performance against the SPT(s), (such as a trigger event that may impact the SLB's / SLL's financial/structural characteristics), Mindspace REIT Group will seek independent external verification on the performance level against the SPT(s) for the selected KPI(s) by a qualified external provider of such independent verification services at least once a year. Mindspace REIT has appointed Bureau Veritas Industrial Services Private Limited to provide the Second Party Opinion on the Sustainability-Linked Financing Framework. The output of the verification process will be made publicly available on our website.



## Annexure 1

### 3. Sustainability-Linked Instrument Characteristics

- Avacado Properties and Trading (India) Private Limited (“Avacado”),
- Gigaplex Estate Private Limited (“Gigaplex”)
- Horizonview Properties Private Limited (“Horizonview”)
- Intime Properties Limited (“Intime”)
- KRC Infrastructure and Projects Private Limited (“KRC Infra”)
- K. Raheja IT Park (Hyderabad) Limited (“KRIT”)
- Mindspace Business Parks Private Limited (“MBPPL”)
- Sundew Properties Limited ('Sundew')

The list of SPVs may undergo change from time to time and shall also include any entities in which Mindspace Business Parks REIT or its SPVs holds at least 50% equity stake or interest.



## Disclaimer

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