

EMBEDDING VALUE-DRIVEN GROWTH





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Pioneering development
of green homes

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ABOUT THE REPORT

“**Embedding value-driven growth**” is the ninth annual sustainability report of Mahindra Lifespace Developers Limited (‘Mahindra Lifespaces’, ‘MLDL’, or the ‘Company’). The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

Increasingly, investors and other stakeholders are seeking information on the ability of a company to create value over short, medium, and long-term time horizon. Keeping this in mind, Mahindra Lifespaces has initiated transition towards Integrated Reporting, which will reflect how our strategy, governance, and performance lead to the creation of value for our stakeholders. This year, we have adopted some of the key guiding principles and content elements of the Integrated Reporting <IR> framework from the International Integrated Reporting Council (IIRC) while preparing our Sustainability Report.

DEFINING REPORT CONTENT

The report presents quantitative and qualitative disclosures on how our business and associated activities, and our strategy is aligned to deliver value to our stakeholders, and performance on material issues for the period April 1, 2019 – March 31, 2020. These material issues have been identified through stakeholder engagement and review of global and sectoral sustainability trends; and mapped to the six capitals defined under the <IR> framework. It also highlights our contributions towards achieving the UN Sustainable Development Goals (SDGs). This year, we have restated the data on energy consumption and Scope 3 emissions for reporting period 2018-19.

Mahindra Lifespaces acknowledges the support provided by Thinkthrough Consulting Private Limited in the compilation of this report

SCOPE AND BOUNDARY

The report covers the operations of the company under the brands of ‘Mahindra Lifespaces’ and ‘Happinest’ (residential developments), and ‘Mahindra World Cities’ and ‘ORIGINS’ (integrated cities and industrial clusters), unless otherwise stated. There has been no significant change from the previous reporting period in reporting scope and boundary. The report excludes our international operations, joint ventures, and the following subsidiaries:

- Mahindra World City (Maharashtra) Ltd.
- Industrial Township (Maharashtra) Ltd.
- Anthurium Developers Ltd.
- Knowledge Township Ltd.
- Mahindra Infrastructure Developers Ltd.
- Mahindra Water Utilities Ltd.
- Moonshine Construction Pvt. Ltd.
- Deep Mangal Developers Pvt. Ltd.
- Mahindra Construction Company Ltd.
- Mahindra Knowledge Park (Mohali) Ltd.

EXTERNAL ASSURANCE

The content and data disclosed in this report has been externally assured by KPMG India as per International Standard on Assurance Engagement (ISAE) 3000 (Revised) – limited assurance criteria and AA1000 Assurance Standard 2008.

We welcome your feedback on our report and performance at mldl.sustainability@mahindra.com.





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Mahindra Lifespaces – Pioneering development of green homes

Established in 1994, Mahindra Lifespace Developers Ltd. is the real estate and infrastructure development business of the Mahindra Group, and a pioneer of sustainable urbanisation in India. We develop green, innovative, and customer-focused solutions that are rooted in a legacy of trust and transparency. Our developments are characterised by thoughtful design and a welcoming environment that enhance overall quality of life for both individuals and industries.

Beginning as a steel business in 1945, the Mahindra Group now encompasses operations across 20 industries and 10 sectors. It enjoys a leadership position in utility vehicles, information technology, financial services, and vacation ownership in India, along with a strong presence in other businesses. Guided by the three pillars – ‘Accepting no limits, alternative thinking, and driving positive change’, it strives to build not just products and services, but new possibilities for a truly sustainable future.

OUR OFFERINGS¹

This year marks 25 years of the Company along with its subsidiary companies’ engagement in various infrastructure projects including development of real estate residential projects in the mid-premium and affordable housing segments, and integrated cities and industrial clusters.



- Mid-premium multi-family apartment complexes
- 2.17 million sq. ft. under execution
- 3.51 million sq. ft. in pipeline



- Quality affordable houses catering to the emerging middle-class
- 1.40 million sq. ft. under execution
- 0.73 million sq. ft. in pipeline



- Integrated infrastructure for companies in manufacturing and services sector along with residential and social infrastructure
- Around 4,400 acres of area under development/ management at Jaipur and Chennai



- Industrial clusters of area 250-600 acres each in proximity of high growth corridors
- Currently, developing 2 industrial clusters in Chennai and Ahmedabad

¹ As on 31st March, 2020



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OUR MISSION

“TRANSFORMING URBAN LANDSCAPES BY
CREATING SUSTAINABLE COMMUNITIES”

CORE VALUES

QUALITY FOCUS

Quality is the key to delivering value for money to our customers. We continue to make quality a driving value in our work, in our products and in our interactions with others. We will do it 'First Time Right'.



DIGNITY OF THE INDIVIDUAL

We value individual dignity, uphold the right to express disagreement, and respect the time and efforts of others. Through our actions, we nurture fairness, trust and transparency.

PROFESSIONALISM

We have always sought the best people for the job and given them the freedom and the opportunity to grow, and we continue to do so. We support innovation and well-reasoned risk taking, and demand performance.



GOOD CORPORATE CITIZENSHIP

As in the past, we continue to seek long term success that is in alignment with our country's need. We continue to do this without compromising on ethical business standards.

CUSTOMER FIRST

We exist and prosper only because of the customer. We respond to the changing needs and expectations of our customers speedily, courteously and effectively.





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LEADERS SPEAK –

Message from Chairman



Urbanisation is integral to India's economic growth. Over 40% (600 million) of the country's population is expected to live in urban centres by 2030. This rapid urbanisation would indelibly impact inclusive and sustainable growth and poverty alleviation - central to the achievement of goals committed by India to the UN Sustainable Goals 2030 agenda. It is, therefore, exceedingly critical for India to identify and address the adverse trade-offs to its potential growth trajectory.

Mahindra Lifespaces and its business operations and strategy are tightly aligned to Goal 11 - 'Sustainable Cities and Communities'. Guided by its mission of "Transforming urban landscapes by creating sustainable communities", Mahindra Lifespaces ensures that its residential and industrial products fulfil customer needs and aspirations while being socially and environmentally responsible. Till date, completed and ongoing projects are estimated to comprise over 22 million sq. ft. of green construction.

The real estate sector has been grappling with the concurrent challenges of unsold inventory, softening demand, demanding investors, and incomplete projects across India. Taken together, these have held back financial performance and weakened balance sheets. The collapse of Non-Banking Financial Companies (NBFCs) compounded these woes further. The Covid-19 pandemic has come at an inopportune time. While there will be operational hiccups, we will be setting our sights on opportunities for adoption of technologies to enable efficient operation and communication. It is evident that a work from home regime may change office utilisation, as well as re-calibrate acceptable norms for density at commercial and residential spaces. We understand that the demand for "smart" homes by millennials, that represent a large section of potential customers, would drive trends in the real estate sector for cost-effective and sustainable living habitats.

This pandemic brought the plight of inter-state migrant workers to the forefront. Restricted movements as a result of the lockdown have caused unprecedented challenges for migrant workers as seen from reverse migration of out-of-state workers. We foresee that this labour issue at site and factory level will impact work completion and materials supply. We also anticipate an impact on material cost due to shortage or high demand of material and inability of manufacturers to supply on time which may affect time delivery. In the wake of longer-term lockdowns and the implications of social distancing at the workplace, real estate developers will need to explore transformative pathways for business continuity in a sustained manner - providing products and services for



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the urban setting. Given that standard real estate business processes are project-based and consist of fragmented value chains, the impact of externalities such as COVID-induced operational disruptions will require an integrated construction process which focusses on local procurement. One of the key impacts of this ongoing challenge is the fact that “Home” has become the refuge. We are very optimistic that this will fuel the growth of the sector going forward.

Since the onset of COVID-19, we have ensured that all our staff and contractors at our operational properties have been briefed on necessary precautions and are fully equipped with protective equipment, as they play a critical role in ensuring delivery of uninterrupted essential services to our customers. The safety and well-being of our staff, tenants, customers and contractors remains our foremost priority, and we are closely monitoring the prevalent macroeconomic conditions, assessing the customer demand, construction supply chain and market regulations. We realise there is an urgent need to integrate environment, social and governance considerations into corporate action and we will continue to emphasise these in our decision making.

Since launching our Sustainability Policy in 2019, we have communicated its principles and practices across the organisation. Our decision-making process has an embedded understanding of how our activities make an important contribution to developing a sustainable future while also providing benefits to everyone involved in our business. In line with Mahindra and Mahindra and its group companies’ commitment to carbon neutrality by 2040, we have set science-based targets and are actively

pursuing strategies to reduce Greenhouse Gases (GHGs) emissions in what we build. This year, we are setting ourselves a more ambitious 5-year sustainability roadmap, which will allow us to future-proof our company and create healthy sustainable habitats for our customers.

At Mahindra Lifespaces, we have been updating our product offerings anticipating the changing demands of our customers. The year 2019, saw the successful launch of our affordable housing project, Happinest Kalyan, which was rated platinum by IGBC. Happinest Kalyan takes forward the legacy of our existing products of integrated cities and industrial clusters and residential projects (mid-premium segment and affordable housing) that constitute a 100% certified green portfolio. We are committed to continue to set the standards in our industry for sustainable development.

This year, Mahindra Lifespaces presents ninth edition of its sustainability report, highlighting our business activities, products, and solutions contributing towards sustainable urban development across our projects.

Regards
Arun Nanda
Chairman



LEADERS SPEAK –

MESSAGE FROM FORMER MD & CEO

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Dear Stakeholders,

I am happy to share this note for the ninth Annual Sustainability Report. This year, at Mahindra Lifespaces, we have stayed true to our commitment to provide sustainable and transformative urbanisation of: ‘Building Responsible and Inclusive Communities (BRIC) by Brick’: Beyond Tomorrow This was achieved through the alignment of our business, governance and organisational strategies with our credo to ‘Sell Genuinely, Build Responsibly, Deliver on Time’.

During these unprecedented times, as the effects of the COVID-19 pandemic are being experienced around the world, our resilient business strategy focused on business continuity, planning, and involving the various dimensions and functions in our organisation has held us in good stead. We are confident that our approach has helped in our response to unforeseen emergencies and will continue to accelerate our business recovery post-COVID. In addition to staying resilient in the crisis, as a responsible business, we continue to embody an inclusive approach for our stakeholders by striving to help all of them in the current situation in order to secure collective prosperity. As a forward-

thinking organisation, Mahindra Lifespaces is well equipped to address such challenges and quickly adapt to the “new normal”, enabling us to innovate and drive sustained and synergic growth for our business and stakeholders.

We have made notable progress in advancing our efforts in ESG (environmental, social and governance) and climate change efforts as envisioned in Sustainability 2.0, formulated last year. This leadership is reflected in improved rankings in voluntary disclosures – Climate Disclosure Project (CDP) – ranking of B from D- last year, CDP supply chain ranking of A-; Global Real Estate Sustainability Benchmark (GRESB) – ranked 5th from previous 10th in Asia. Our commitment to sustainable real estate development was demonstrated through diverse strategic sustainability initiatives. In transitioning towards decarbonisation, Mahindra Lifespaces (MLDL) and fellow subsidiaries (MWCDL, MWCJL) are the only real estate companies in India to get science-based targets (1.5°C pathway) approved by SBTi in November 2019. Further, we also drafted a carbon neutrality plan, which will steer the Company along its low-carbon business strategies. The Mahindra TERI Centre of Excellence was established as a commitment to furthering innovative climate solutions in India with a vision ‘to build a greener urban future by developing innovative energy efficient solutions tailored to Indian climates’ that enable thermal comfort, visual comfort, and water resilience. The centre received accreditation in the current year by the National Accreditation for Testing and Calibration Laboratories (NABL), provided testing services for 75 innovative and emerging energy efficient building materials and products and assembled state-of-the-art facility ‘Guarded Hot Box’ for testing building material assemblies.



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We continue to execute our strategy of green buildings to provide long-term benefits to our occupants as a testament towards environment stewardship. During the year, we continued our efforts to maintain our 100% green portfolio by certifying ongoing projects such as Luminare, Gurugram (rated platinum) and Vicino, Mumbai (rated Gold) under IGBC Green Homes. Mahindra Lifespaces went on to receive the Green Excellence Award 2020 as a 'Green Construction Company' at the iDAC (Infrastructure Development Architecture Construction) Expo.

We engaged with our top 100 suppliers/ contractors to drive Green Supply Chain initiatives in their respective operations and launched the code of conduct and self-assessment for suppliers/ contractors in a bid to strengthen sustainable business practices in the value chain. Pertaining to onsite operations, implementation of occupational health and safety continued to record zero reportable accidents. We are also pleased to share that all our sites and offices have implemented ban on single-use plastics. In a marked change in assessing site sustainability we have institutionalised sustainability maturity assessment as a mechanism to engage, improve site sustainability performance which has resulted in an improved performance, heightened awareness and implementation of initiatives across locations.

The cross functional team (CFT) constituted for water management in last 2018 has resulted in enhancing water productivity across locations. MWC Chennai has developed a water security plan with focus on conservation, rainwater harvesting, and strengthening of grey water infrastructure. We initiated plans to divert waste from our MWC Jaipur away from landfills, and similar activities at MWC Chennai resulted in over 93% waste successfully diverted away from landfill. The Indo German Chamber of Commerce recognised MWC Chennai for outstanding sustainable business practices.

During this year, our engagement on societal responsibility through CSR activities covered health, environment, and education. Awareness drives were conducted at all our locations to sensitise customers and communities on necessary precautions towards COVID-19. To mobilise environmental responsibility across schools, our green army initiative facilitated savings from water and energy conservation and waste management with the participation of over 18,000 children and 72,000 citizens across 91 schools, covering 7 MLDL properties across India. Our support extended to educational activities included a diverse group of beneficiaries through vocational skill development training programs; till date, we have trained 2,023 people.

The Indian Chamber of Commerce awarded Mahindra Lifespaces the Corporate Governance and Sustainability Vision Award 2020, in recognition of sustainable performance and corporate social responsibility. Building on the progress achieved thus far, we are developing a 5-year roadmap (2020-2025), to guide us in our future journey. We firmly believe that in order to realise our mission, we will forge meaningful partnerships to turn sustainability commitments into concrete actions, thereby creating value for all our stakeholders. This ninth edition of our Sustainability Report highlights how our sustainability approach generates value for our stakeholders and reinforces resilience into our business and services.

Regards

Sangeeta Prasad

MD & CEO (till July 2020)



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LEADERS SPEAK –

MESSAGE FROM MD & CEO



Dear Stakeholders,

I am delighted to present you with Mahindra Lifespaces' Sustainability Report for 2019-20. The report provides insight into the progress made by us towards fulfilling our social and environmental responsibilities.

Over the last 25 years, Mahindra Lifespaces has paved its path as a leading real estate developer and pioneer in sustainable urban development.

We are redefining the market by providing superior products which are aligned with the needs and aspirations of customers. With three distinct products: Lifespaces, Happinest, and Integrated Cities and Industrial Clusters, we cater to a wide range of customers.

Increasing population and urbanisation, rising aspirations, supportive policy environment, and significant housing shortage have shone a spotlight on the need for affordable housing. Driven by its purpose of Creating the Happiest Places to Grow, Happinest accords the

unstoppable India with an opportunity to invest and adopt a dynamic lifestyle by providing low cost, high-quality, and technology-enabled homes. We put customer dreams and desires at the forefront, which is reflected through our focus on design, quality, and construction planning. In November 2019, we launched Happinest Kalyan in a record time of eight days from the date of the land acquisition. The launch was a great success, with over 70 percent of apartments already sold.

In the mid-premium residential segment, we continue to focus on our core markets – Mumbai, Pune, and Bengaluru. Last year, we launched Vicino in Mumbai. In FY2020-21, we will focus on strengthening our brand awareness and providing a differentiated customer experience across the purchase and occupancy life cycle. Our Integrated Cities and Industrial Clusters continue to attract growing businesses and facilitate economic growth in the country by providing world-class plug-and-play infrastructure, strategic location advantages, and a range of value-added services for its occupants.

With projected increase in urbanisation and the building stock, it is imperative to incorporate the elements of sustainability in the design as well as construction stage. Customers are also increasingly becoming aware of the benefits of green buildings, resulting in a high demand. We, at Mahindra Lifespaces, believe that sustainability is the need of the hour. Our green buildings offer advantages to customers in the form savings in electricity and water costs, and healthier homes. It also translates to improved cost efficiency during construction of buildings.



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In 2015, we had formulated a five-year strategy and roadmap to ensure progressive realisation of sustainability targets by 2020. We are in the process of developing our Roadmap 2025 with bold targets to take us forward on our sustainability journey. In addition, we will focus our efforts on adopting innovative technology in our day-to-day operations and making our construction sites safer for the workforce.

Real estate has felt the impacts of COVID-19 and Mahindra Lifespaces was no exception. Our primary responsibility has been to ensure the safety and well-being of our staff and migrant labor at our project sites. As a responsible corporate citizen, we worked tirelessly over the period of the lockdown to provide conducive living conditions, assured supply of essentials, continuing employment and ongoing health support for the labor force at our project sites. However, we feel that the ongoing crisis also provided opportunities to accelerate change, take strategic actions, and create an agile organisation to emerge as winners. We have been keeping an eye out on opportunities arising out of this disruption. Some of the trends gaining further importance include changing perception of customers, increased value chain control, sustainability, and investment in technology and human capital.

With the grave effects displayed by the pandemic, homebuyers are re-assessing and accelerating their focus towards the ownership of good quality homes rather than tenancy in compromised conditions. The way we live and work is also changing. The aspects of the 'new normal' such as work from home, social distancing, and hygiene and wellness are likely to result in redesigning of homes, increased demand for amenities and services, and adoption of technology. For example, the mid-premium and luxury segment would require indoor spaces for professional and personal requirements. The demand for tools and equipment to enhance indoor health will also increase. We are engaging regularly with our customers to understand their expectations and incorporate them into our forthcoming projects.

Technology is playing a critical role in shaping the real estate sector, with digital technologies such as virtual reality, cloud-based solutions, and blockchain enabling better collaboration with stakeholders, especially customers and suppliers, and providing more control over the value chain. We are exploring and investing in innovation and technologies to build our in-house capabilities on design management, construction management (including safety and quality), and delivery and sales management. Recently, we digitally enabled our entire sales transaction at one of our projects. With uncertainty over the availability of labour force in the coming months, we are also evaluating and conducting trials in construction automation and pre-fabrication.

The convergence of technology and sustainability will also offer long-term benefits. Integration of the Internet of Things (IoT) and sensor technology will enable more efficient operations and data-driven decision making for all phases of project lifecycle. Houses equipped with IoT can monitor and optimise their resource consumption, with energy consumption reducing by as much as 10% between 2017 and 2040.

Building on our legacy as a leader in sustainable urban development, Mahindra Lifespaces will continue to make efforts to accelerate growth. I would like to thank all our employees and business partners who have contributed to our sustainable growth journey. We look forward to your feedback and suggestions, as we forge ahead on our sustainability journey.

Regards

Arvind Subramanian

MD & CEO (With effect from July 1, 2020)



A YEAR IN REVIEW

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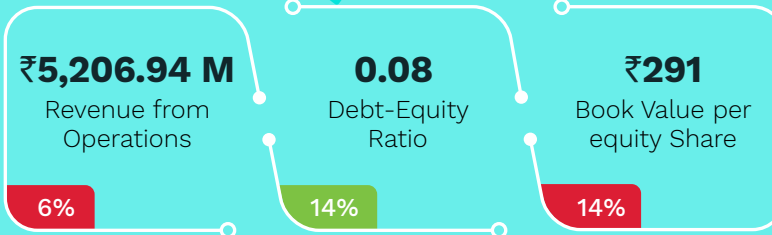
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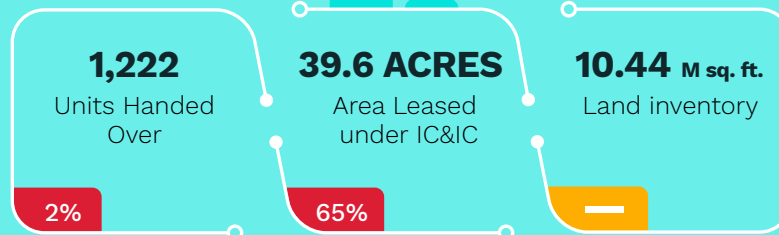
FINANCIAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



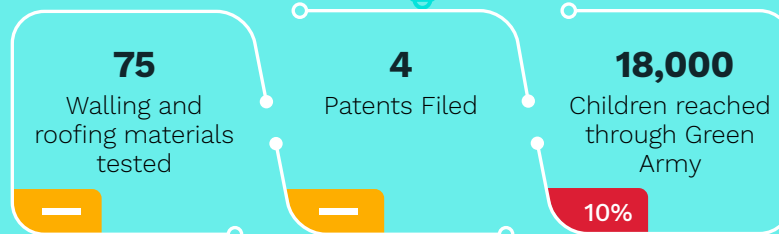
MANUFACTURED CAPITAL



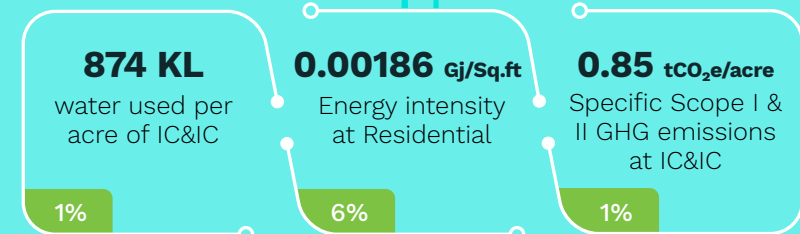
HUMAN CAPITAL



INTELLECTUAL CAPITAL



NATURAL CAPITAL

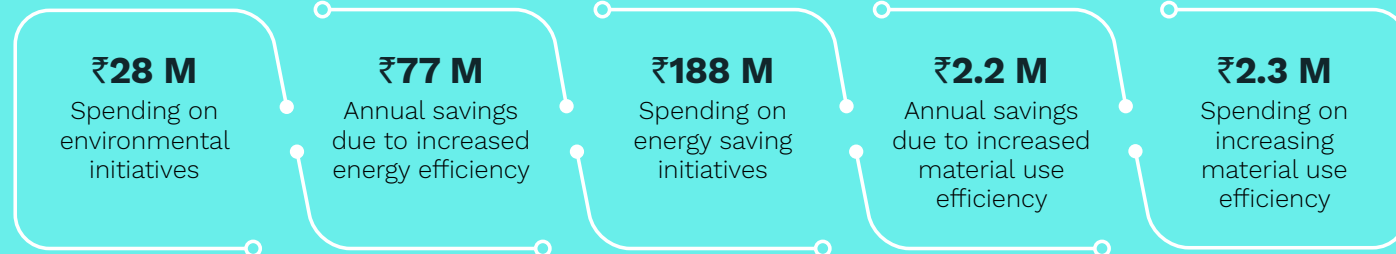


■ Negative Change ■ Positive Change ■ Constant



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IMPACT OF VALUE-ADDED INITIATIVES



 <p>'Best CSR Impact Award' Mahindra World City, Jaipur</p>	 <p>'Sustain Award 2019' 'Indian large companies category' Mahindra World City, Chennai</p>	 <p>'bespoke award in deployment of technology' Mahindra World City, Chennai</p>	 <p>Corporate Governance and Sustainability Vision Award 2020 in Sustainable Performance & Corporate Social Responsibility Mahindra Lifespaces</p>
 <p>1st rank in the housing category in Swachh Bharat drive Project Anthea</p>	 <p>Green Excellence Awards 2020 in 'green construction company' Mahindra Lifespaces</p>		



ENSURING EMPLOYEE WELL-BEING AND BUSINESS CONTINUITY

OUR RESPONSE TO COVID-19 PANDEMIC

The coronavirus pandemic has infected people in 219 countries and territories with more than **46.8 million** infections confirmed so far. In India, it has already affected more than **8.26 million** people and the numbers are rising every day². In order to curtail the adverse health impacts, the Governments across world imposed strict containment measures in the form of nation-wide lockdown and restrictions on activity and mobility. Such measures across the world have fuelled the 'Great Lockdown' recession, the likes of which have never been seen in the history of the world. The real-estate sector has also felt the pandemic and the slowdown in the economy.

Our first and foremost priority has been to ensure the health and safety of our employees, labour workforce, customers, and other stakeholders. Construction activity at project sites were stopped in March 2020 in compliance with the Government's directives. In order to reduce the migration of our labour force to their native regions, we provided accommodation and other essentials like food, health check-ups, etc. and educated them on social distancing measures, use of masks and personal protective equipment, and personal hygiene. We also conducted awareness sessions and mock drills with all our contractors emphasising the moral and legal responsibility to support the workforce. We also liaised with local labour and health authorities regarding the operation and preparedness.

² As on 4th November 2020

In such uncertain times, business resilience and continuity planning have never been more important and relevant. Mahindra Lifespaces believes the private sector should focus on mitigating financial and operational instability, and building resilience, that will enable them to contribute effectively to bolster the economy. We established a cross-functional Rapid Action Force (RAF) to monitor the situation and suggest effective actions. Daily calls were organised with the RAF and Safety function to coordinate frontline operations.

Mahindra Lifespaces has also leveraged digital and technology solutions for both internal operations and customer interactions. We showcased agility and resourcefulness, developing a technology-driven business continuity plan two weeks before the lockdown was imposed and migrating all our employees to a work-from-home environment. Training sessions, leadership communications, and team building events were also regularly organised to engage them, and help them transition to the new normal. We organised online sessions on health and wellness like pranayama meditation sessions, basic functional exercises etc. We also conducted sessions with doctors on topics such as immunity building, understanding COVID-19 symptoms, among others. In addition, we also liaised with our insurance partners to facilitate hospitalisation of affected employees.



Our efforts to ensure employee well-being during COVID-19



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We also conducted the meeting of Board of Directors through videoconferencing. Adapting to the new way of operating, we also initiated processes such as prospect reach out, sales, and customer servicing remotely, and provided timely updates to our customers through various channels of communication.

Some of our sites have also leveraged the CSR funds to create awareness amongst stakeholders. We donated INR 5.252 million to our workmen in residential businesses as well as the operation and maintenance staff within Mahindra World City. Mahindra World City, Chennai also conducted awareness sessions for residential and commercial customers. In addition, our team fumigated all public places in and around the project site. We also distributed hand sanitisers to essential workers like doctors, nurses, and police force.

With the Government lifting lockdown measures, we have resumed our operations in a phased manner while enforcing strict protocols for health and safety. We have also developed and conveyed to our employees 'Back to Office' guidelines highlighting aspects like behaviour at workplace, maintenance of hygiene and safe practices, and guidelines in case of sickness and health emergency. All the security personnel and site sales team were trained on the SoPs. Thermal screening is mandatory at all locations, along with hand wash/ sanitisation. Each site is required to submit compliance status.

As a next step, Mahindra Lifespaces is assessing risks and opportunities due to the pandemic and developing an effective action plan for departments to respond appropriately. Some of the trends gaining further importance in the post-COVID world include changing expectations of customers with respect to product design, increased value chain engagement, and reskilling of the workforce. We aim to incorporate the lessons learnt to create long-term transformative strategies and become resilient against future disruptions.



“ THE ONSLAUGHT OF COVID-19 PANDEMIC WARRANTED AN UNPRECEDENTED NATIONWIDE LOCKDOWN WHICH MANDATED IMMEDIATE LARGE SCALE EFFORTS. TRUE TO OUR VALUES, WE RESPONDED SWIFTLY TO ENSURE THE SAFETY OF OUR STAKEHOLDERS AND SERVE THEIR NEEDS WITH ESSENTIAL SUPPLIES. A SAFE AND SECURE LIVING SPACE WITH ACCESS TO ESSENTIAL SUPPLIES AND WATER BECAME A PRIORITY AND HAS BEEN PROVIDED TO THE WORKFORCE AT SITES ACROSS THE COUNTRY. FOOD, MASKS, SANITIZERS AND PPE KITS ALONG WITH INFORMATION KITS ON PRECAUTIONS TO BE TAKEN FOR SAFETY, HEALTH AND HYGIENE, WERE ARRANGED FOR THOUSANDS OF COMMUNITY MEMBERS, FRONTLINE HEROES AND OUR WORKFORCE. ”

Kriti Sharma

Chief People Officer



STRENGTHENING INTEGRITY AND COMPLIANCE

We, at Mahindra Lifespaces embed the highest standards of corporate governance in our operations, with focus on managing our affairs in a fair and transparent manner. Our governance framework, in accordance with evolving regulations, is driven through our ambit of policies. The systems allow us to build trust, ownership, and confidence among all our stakeholders, while embedding effective, accountable and transparent practices.

Core elements of our governance philosophy



Compliance with corporate governance standards



Complete transparency and adequate disclosure practices



Compliance with the laws of the geographies in which we operate



Trusteeship of shareholder capital rather than ownership



Corporate success much above individual preferences



Communicate externally, how the Company is run internally

Ashvita, Hyderabad



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OUR GOVERNANCE STRUCTURE

The governance structure at Mahindra Lifespaces utilises a multi-tiered approach, that ensures responsive, inclusive, and participatory decision-making. The Board of Directors provide guidance to the management on various strategic aspects and oversee the actions and results toward achievement of long-term objectives. As on date, the Company’s Board comprises of six members, including two women Directors³.

Our Board committees



³ For more details please refer to the website. <https://www.mahindralifespaces.com/about/board-of-directors>



LEADERSHIP COMMITMENT TO SUSTAINABILITY

Our leadership is committed and drives the sustainability agenda within the organisation. Our top-down, tiered governance structure provides a solid foundation that anchors our sustainability strategy and targets. All our business units have different roles to play and assigned responsibilities to support implementation. For more details on our sustainability governance structure, please refer to https://www.mahindralifespaces.com/wp-content/uploads/2019/12/Sustainability_Report_2018-19.pdf

Key sustainability topics discussed by the Board in 2019-20

Areas	Information shared with the Board	Areas	Information shared with the Board
Strategic initiatives	<ul style="list-style-type: none"> » Sustainability Roadmap 2025 » Financial implications of climate risks and opportunity » Sustainability Policy 	Transparency and disclosure	<ul style="list-style-type: none"> » CDP disclosures (Climate Change and stakeholder engagement) » GRESB » 8th edition of Sustainability Report
Natural capital	<ul style="list-style-type: none"> » Water Security plans » Site Sustainability Maturity Model » Zero waste to landfill (ZWL) initiatives » Plastic Ban and EHS Policy » Science Based Targets for MLDL, MWCDL, and MWCJL » Carbon Neutrality plan 	Social and relationship capital; Intellectual capital	<ul style="list-style-type: none"> » Green Army (Reach and Impact) » Mahindra Green School » Mahindra TERI CoE » Green Supply Chain Management policy and EHS Policy (upgradation and Implementation)
Manufactured capital	<ul style="list-style-type: none"> » Green certifications for the projects 	Financial capital	<ul style="list-style-type: none"> » Financial performance and capital forecasts » Business plans, operating and capital expenditure budgets



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FOCUS ON ETHICS AND INTEGRITY

We have zero tolerance for bribery and/or corruption and our policies, governance philosophy, and robust governance mechanisms ensure that there is no breach in conduct by any of Mahindra Lifespaces' employees. We have formulated separate Codes of Conduct for our Directors, Independent Directors, Senior Management, and Employees. It provides in-depth coverage on dealings with suppliers, customers, and other business partners. Furthermore, the code covers issues related to ethics, bribery, corruption, and provides guidance for recognising and dealing with these issues. Our codes and policies are available to all our stakeholders, including our employees on internal and external communication portals. We also provide them in vernacular languages,

wherever applicable. Familiarity of the codes and policies is provided as a part of the induction and onboarding. Refresher trainings are driven through the internal communication portal.

This year, we amended our Green Supply Chain Management Policy to enhance coverage and ensure compliance by contractors, suppliers, vendors, transporters, service providers, and business partners. We also published the Code of Conduct for Suppliers/ Contractors this year and communicated through appropriate channels, to ensure that the processes followed by them are socially and environmentally responsible.



Mahindra World City, Chennai



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The Corporate Governance Cell periodically reviews the efficacy of the codes and policies and suggests amendments on the basis of market trends, global good practices, and feedback provided by stakeholders. We also conduct periodic review and evaluation of the policies internally through The Mahindra Way (TMW) as well as through Integrated Management System (IMS).

All stakeholders can freely communicate their concerns and grievances through vigil mechanism set down in our Whistle Blower Policy.

A snapshot of our policies

Environment, Health & Safety policy

to improve our environmental performance while preventing accidental injuries and occupational ill health



Sustainability Policy

to integrate sustainable practices within operations and ensure equitable and inclusive growth for all our stakeholders



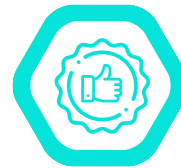
Green Supply Chain Management Policy

to encourage contractors, suppliers and vendors to ensure total compliance for better health, safety and environment



Quality Policy

for continuous improvement and sustainable development



Mahindra LIFESPACES

Code of Fair disclosures

for transparent, continuous and non-selective information dissemination to shareholders



Policy on Prevention of Sexual Harassment

for protection of women at the workplace



Corporate Social Responsibility Policy

for contributing to the social good



Whistle Blower Policy

to reinforce robust implementation of the Company's code of conduct





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REGULATORY COMPLIANCE

The company operates in a highly regulated sector, which has experienced a drastic shift in regulatory and market dynamics. These changes have been instrumental in providing our customers the rights and provisions for legal actions against any infringement of their rights. However, for Mahindra Lifespaces, the impacts of such changes were minimal. This was made possible due to our commitment towards sustainable business practices, ethical values, and driving positive change in the lives of stakeholders and communities.

Since inception, we have been setting benchmarks as a responsible corporate citizen. We were one of the first real estate developers in India to adopt GST regime, as well as share the benefit of input tax credit with our customers. We also adopted the Real Estate (Regulation and Development) Act, 2016 framework with swiftness for all our applicable projects.

All projects are executed after an in-depth due diligence and sanction of relevant approvals. A strict adherence to socioeconomic and environmental regulatory compliances is ensured and every project is launched only after relevant approvals have been procured. This is supported by an inhouse regulatory risk management process that maps emerging regulations, allowing us to have a seamless transition in regulatory regime. Our policies, procedures, and practices surpass minimum requirement for any regulation, providing us with the support to swiftly implement necessary changes.

As a result, no penalties or fines have been imposed by any regulatory authority for noncompliance with any rules and regulations (Economic, Environmental and Socioeconomic), in the reporting period. Some of our achievements are:

- » We have continued adopting RERA framework for all our projects;
- » We published our fourth annual Business Responsibility Report (BRR), in line with SEBI's notifications and nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business';
- » We also abide by the Competition Act, 2002 - a mandatory legislation that deals with anti-competitive behaviour and all labour related legislations of the Central and State Governments.



Luminare, Gurugram



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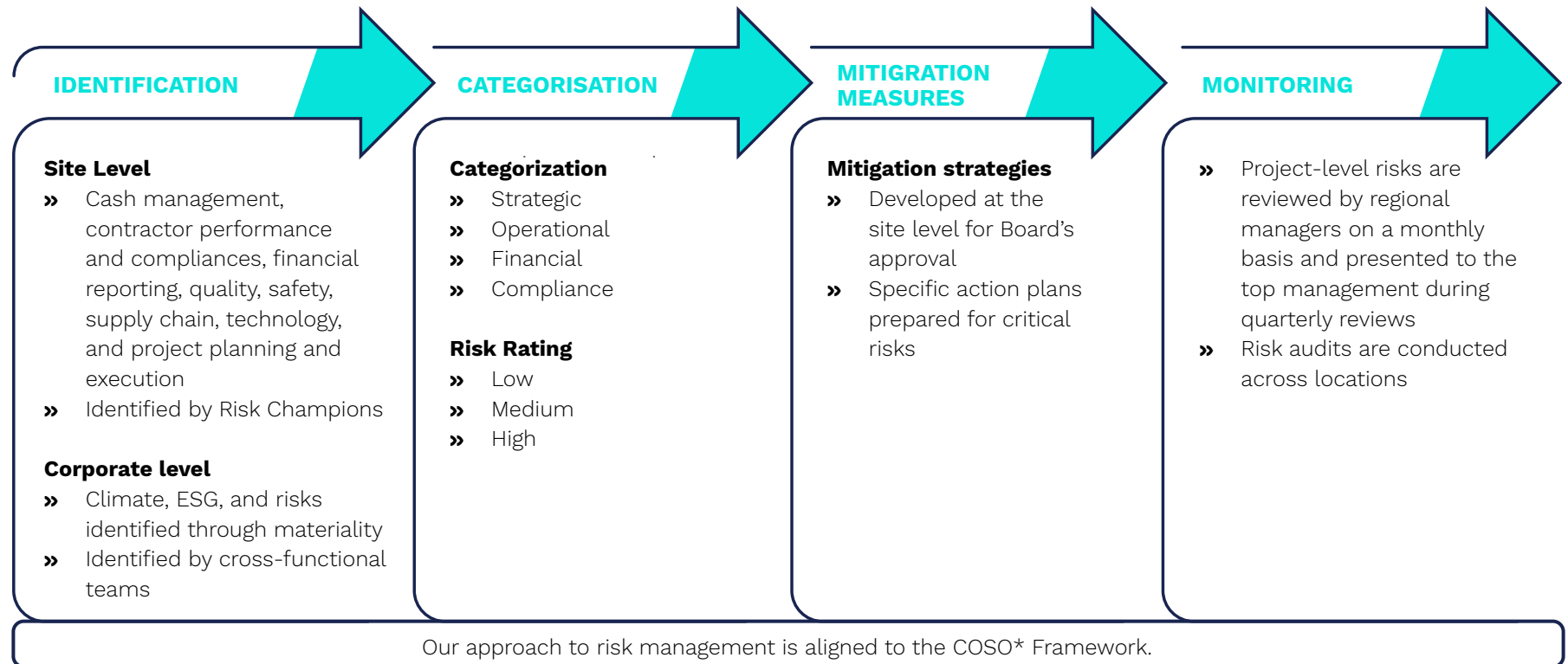
FUTURE-PROOFING OUR BUSINESS

Risk management at Mahindra Lifespaces is achieved through an enterprise wide risk management framework (ERM). The framework is utilised to identify, monitor, and mitigate business risks from operations, compliance, strategy, financials, governance, reputation, and processes. This is driven by a Risk Management Committee, consisting of two Directors and the Chief Financial Officer, that periodically reviews the risk

management plan and oversee the complete process.

The ERM framework for the Company is dynamic. It has evolved with the integration of climate and other ESG risks for improved risk mitigation. The Company also leverages globally recognised reporting frameworks and disclosures such as Carbon Disclosure Project (CDP), Global Real

Our ERM Framework



* COSO: Committee of Sponsoring Organisations



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Estate Sustainability Benchmark (GRESB), and Task Force on Climate-related Financial Disclosures (TCFD) to widen the coverage of climate related risks and opportunities.

We also identify short, medium, and long-term climate and ESG risks for our operations, suppliers, and customers. Financial planning is conducted on the basis of these risks and their impact on business continuity. For upstream, the risks associated with supplier and procurement is factored

into business planning. Labour productivity and operational disruption due to climate change is factored in through labour welfare and weather preparedness planning in operations of our residential business. For downstream the impacts on climate change on customers provides us an opportunity to deliver a green product portfolio. Our environmental management system also tracks the risks associated with climate and ESG in the impact register. This helps us assess and mitigate risks at site level.

Our climate-related risk landscape

	Risk description	MLDL's mitigation strategy	Capitals impacted	
PHYSICAL	ACUTE (CATASTROPHIC EVENTS)			
	<p>Extreme weather such as heavy rains and flooding could result in:</p> <ul style="list-style-type: none"> » Disruption to construction activities at project sites » Costs incurred to repair or replace damaged or destroyed assets 	<ul style="list-style-type: none"> » Monsoon preparedness plan 	<ul style="list-style-type: none"> » Manufactured » Financial 	<p>TH </p> <p>PFI </p> <p>Col </p>
	<ul style="list-style-type: none"> » Potential for cross infection of COVID-19 among workers and project staff during construction activities. Implications on stoppage of onsite construction activities 	<ul style="list-style-type: none"> » Training for prevention against COVID-19 » Revised SoP 	<ul style="list-style-type: none"> » Manufactured » Human 	<p>TH </p> <p>PFI </p> <p>Col </p>

<p>TH: Time Horizon</p> <ul style="list-style-type: none"> Short – 0-1 years Medium – 1-5 years Long – 5-15 years 	<p>PFI: Potential Financial Impact</p> <ul style="list-style-type: none"> Low – upto INR 1 million Medium – upto INR 1 million - 10 million High – greater than 10 million 	<p>Col: Cost of implementation of mitigation strategy</p> <ul style="list-style-type: none"> Low – upto INR 1 million Medium – upto INR 1 million - 10 million High – greater than 10 million
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Risk description

MLDL's mitigation strategy

Capitals impacted

PHYSICAL

CHRONIC (RESOURCE AVAILABILITY AND EFFICIENCY)

Unavailability of water could lead to:

- » Delayed occupancy certificate which delays profit realisation
- » Hamper the reputation among potential clientele
- » Impact business continuity of customers at Integrated Cities and Industrial Clusters

- » Formulation of a robust water security plan
- » Enhancement in grey water infrastructure and strengthening of rain water harvesting infrastructure

- » Natural
- » Manufactured
- » Financial
- » Social & relationship

TH

PFI

Col

- » Unavailability of water could lead to reduced availability for occupants of housing projects, which could impact the consumer preference.

- » Provisioning of smart meters

- » Natural
- » Manufactured
- » Financial
- » Social & relationship

TH

PFI

Col

- » Unavailability of curing water may cause delay in the project completion and have negative impact on the quality of construction.

- » Innovation in material use

- » Natural
- » Manufactured
- » Financial

TH

PFI

Col

TH: Time Horizon

- Short – 0-1 years
- Medium – 1-5 years
- Long – 5-15 years

PFI: Potential Financial Impact

- Low – upto INR 1 million
- Medium – upto INR 1 million - 10 million
- High – greater than 10 million

Col: Cost of implementation of mitigation strategy

- Low – upto INR 1 million
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Risk description

MLDL's mitigation strategy

Capitals impacted

CHRONIC (CHANGES IN WEATHER PATTERNS)

PHYSICAL

Changes in climate patterns and extreme variability in weather events would cause::

- » Disruptions to supplier delivery, logistics and overall operating costs
- » Damage to assets and revenue generation
- » Heatwaves would result in increased cooling demands and increase the electricity consumption as high as 15% during days of intense heat.
- » Integrated Cities and Industrial Clusters

- » Robust Supply chain
- » Diversification of suppliers
- » Innovation in building materials

- » Manufactured
- » Financial

TH

PFI

Col

Intense heat would affect:

- » Working conditions during the construction phase
- » Worker health issues through heat strokes resulting in absenteeism

- » Dynamic working conditions and hours
- » Appropriate hydration and rest areas are provided

- » Manufactured
- » Human

TH

PFI

Col

Potential for increased insurance costs as a result of flooding at project sites during construction stages.

- » Customized emergency preparedness and response plans

- » Manufactured
- » Financial

TH

PFI

Col

Higher temperatures would result in

- » Thermal discomfort related to customer occupancy
- » Increased operating costs by customers and thereby cost of ownership of purchased property

- » Innovation in building materials, e.g. Insulation, ventilation, etc.

- » Manufactured
- » Human
- » Financial

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TH: Time Horizon

Short – 0-1 years

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TRANSITION

	Risk description	MLDL's mitigation strategy	Capitals impacted
	CURRENT REGULATION		
	Non-compliance to any environmental and social acts for protection and welfare (EPA Act, EIA regulations, BOCW Act) have an implication on business and withdrawal of tax benefits.	» Institutional monitoring for non-compliance and mitigation plans	» Natural » Manufactured » Financial TH PFI Col
	EMERGING REGULATIONS		
	We anticipate that the ESG regulations for the construction sector will change as India gears up to meet its NDC and SDG targets. Changing policies related to stringent building standards, emission caps, changes to subsidies etc.	» Institutional regulatory and ESG monitoring	» Natural » Manufactured » Financial » Human » Social & relationship TH PFI Col
	Sectoral policy changes such as mandate for energy star rated homes, green building certification, hike in water tariff and stricter building standards, energy rating are the risks for the company and would require investments.	» Green Building Policy for adoption of green homes	» Natural » Manufactured » Financial » Social & relationship TH PFI Col Under assessment

TH: Time Horizon

- Short – 0-1 years
- Medium – 1-5 years
- Long – 5-15 years

PFI: Potential Financial Impact

- Low – upto INR 1 million
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TRANSITION

Risk description

MLDL's mitigation strategy

Capitals impacted

LEGAL

Litigation associated with water demand, energy source, and building structural quality.

» Incorporation and monitoring of litigation through ERM

» Social & relationship
» Manufactured
» Financial

TH
PFI
Col

TECHNOLOGY

Rising costs of ownership (for customer) of buildings and maintenance to manage climate risks. Construction portfolio vulnerable to climate change will become less desirable over time.

» Integration of IoT based smart solutions
» Implementation of IGBC, LEED and GRIHA systems for built portfolio.

» Intellectual
» Manufactured
» Financial

TH
PFI
Col

Low carbon building technology may not find easy adoption amongst customers such as gypsum fiber reinforced concrete.

» Capacity building of the customers

» Intellectual
» Manufactured
» Financial

TH
PFI
Col

TH: Time Horizon

Short – 0-1 years
 Medium – 1-5 years
 Long – 5-15 years

PFI: Potential Financial Impact

Low – upto INR 1 million
 Medium – upto INR 1 million - 10 million
 High – greater than 10 million

Col: Cost of implementation of mitigation strategy

Low – upto INR 1 million
 Medium – upto INR 1 million - 10 million
 High – greater than 10 million



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TRANSITION

Risk description

MLDL's mitigation strategy

Capitals impacted

MARKET

Reputational risk range from poor quality of buildings, customer dissatisfaction, poor customer relation, delay in handover to inadequate compliance, insufficient facility to labourers and erosion of shareholder value and market capitalisation.

» Periodic review and upgradation in the risk assessment register

» Financial
» Social & relationship

TH

PFI

Col

Decreased revenues due to reduced demand for products and services

» Product diversification and penetration

» Social & relationship
» Manufactured
» Financial

TH

PFI

Col

Potential challenges in access to new and emerging markets including special economic zones (SEZs) and provision of green infrastructure for industrial end-use.

» Dynamic product portfolio to match changing customer preference

» Social & relationship
» Manufactured
» Financial

TH

PFI

Col

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TRENDS SHAPING OUR SECTOR

The global pandemic has transformed the future of society, businesses, and the economy. The current scenario has reinforced the need to assess the major trends impacting business, examine related risks and opportunities, and redefine organisational strategy, goals, and targets to ensure business continuity.

We, at Mahindra Lifespaces, continuously monitor major social, environmental, economic, political, and technological changes which are

relevant to our work and incorporate them in our strategy. We believe our resilience and our ability to adapt to these rapidly changing conditions is essential to our long-term success. Of the key trends presenting major challenges to government and industry over the coming years, ten are particularly relevant in shaping our future strategy. Our ambitions, goals, and targets reflect these global and regional trends.

Trends		Our response
<p>Accounting for climate change</p> 	<p>A new concept for real estate investors is that of climate risk and resilience. The question of how exposed an asset or a portfolio is to the various impacts of climate change has become a key concern and has been outlined by the Task Force on Climate-related Financial Disclosures. The real estate industry has begun developing advanced strategies to identify, understand, and manage climate-related risks.</p>	<ul style="list-style-type: none"> » Climate-related and ESG risks are integrated into the ERM framework » We have taken ambitious science-based targets to limit temperature rise to 1.5°C » We also aim to become carbon neutral by 2040 (Please refer to the section on Strengthening integrity and compliance and Natural capital)
<p>Combating water crisis</p> 	<p>The severity of water challenge has risen globally, with developers struggling to meet demand for construction, landscaping, and customer needs. However, this also provides opportunities for integration of water efficient infrastructure such as rainwater harvesting to ensure conservation.</p>	<ul style="list-style-type: none"> » We have constituted two cross-functional teams at Mahindra Lifespaces and Mahindra World Cities to develop, monitor, and evaluate water conservation strategies. (Please refer to the section on Natural capital)
<p>Circularity in real estate</p> 	<p>The real estate sector has a large resource footprint. Adopting circular economy models offers significant financial returns while reducing the overall resource footprint and greenhouse gas emissions associated with design, construction, and use of buildings. It also places emphasis on techniques that minimise waste generation during construction and deconstruction.</p>	<ul style="list-style-type: none"> » We are committed to creating Zero Waste to Landfill sites at Chennai and Jaipur (Please refer to the section on Strengthening integrity and compliance and Natural capital)



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Trends	Our response
<p>Rise of green buildings</p>  <p>Rising environmental awareness, evolving regulatory mandate, and incentives for customers and developers, will see the green building segment double by 2022. Green buildings help in improving efficiencies during construction and use phase, leading to long-term benefits for occupants. The use of technological interfaces such as Internet-of-things (IoT) also optimise operations of the built environment in terms of predictive maintenance and resource conservation.</p>	<p>» We have a 100% green certified portfolio (Please refer to the section on Manufactured capital)</p>
<p>Changing customer expectations</p>  <p>Today's customers expect residential developments to have interventions that allow them to reduce their cost and environmental footprint. Interventions such as renewable energy, rainwater harvesting, waste segregation etc. are increasingly becoming popular among conscious home buyers. In current scenario, the focus on health and wellness and demand for telecommuting has also increased. Additionally, with the emergence of electric mobility, developers are exploring ways to design the built environment to facilitate electric vehicles and supporting infrastructure.</p>	<p>» We leverage digital platforms to understand customer behaviour</p> <p>» We also conduct customer satisfaction surveys to capture their sentiment and identify areas of improvement</p> <p>(More details in Social and relationship capital)</p>
<p>Leveraging technology</p>  <p>Awareness and use of property technology (Proptech), digital tools, and big data techniques is growing rapidly. These technologies enable better collaboration with stakeholders and provide more control over the supply chain. COVID-19 is also spurring the adoption of these technologies by real estate developers, especially in delivery and sales management. Such technologies would also play a key role in assessing the health of a building – by tracking metrics such as ventilation, air filtration, etc.</p>	<p>» Mahindra Lifespaces has been utilising technology for optimising resource consumption in the construction and use phase, and providing a seamless sales and handover experience to customers.</p> <p>(More details in Intellectual capital)</p>
<p>Emphasis on transparency and disclosures</p>  <p>The need for transparent processes, high ethical standards, and timely disclosure has been highlighted by investors, customers, and other stakeholders. In this regard, frameworks such as GRI, CDP, GRESB, and TCFD are increasingly finding acceptance among real estate developers. These frameworks are also being leveraged to identify material issues and incorporating risks and opportunities into strategy using forward-looking tools such as scenario-based analysis.</p>	<p>» We are active participants of GRI, CDP and GRESB disclosures</p> <p>» We publish our BRR annually in line with SEBI regulations</p> <p>» We leverage TCFD recommendations to sharpen our focus on climate-related risks and prioritise initiatives</p> <p>(More details in Strengthening integrity and compliance and GRI Index)</p>



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Trends	Our response
<p>Sustainable development through SDGs</p>  <p>Businesses, including real estate developers have great potential to contribute towards achieving the goals and targets laid down by the SDGs. With only ten years left to achieve this agenda, ambitious actions are required to deliver the Global Goals by 2030. SDGs help businesses align their strategies with global priorities, provide avenues for growth, foster innovation, and strengthen stakeholder relations.</p>	<p>» We align our sustainability initiatives with SDGs (Aligned with all capitals)</p>
<p>Evolving regulatory landscape</p>  <p>The developers are under immense pressure as the regulatory systems of the country are focusing on ensuring consumer protection. A government crackdown on banking-sector malpractice combined with growing credit risk among developers, has seen ESG compliant developers enjoying better reputation and benefits. Citizens are also becoming more aware about environmental protection. Fines and work stoppage due to complaints and regulatory non-compliance are becoming increasingly common. Furthermore, the evolving regulatory landscape means that the sector should be prepared for enhanced regulatory enforcement.</p>	<p>» We comply with applicable socioeconomic and environmental regulatory compliances</p> <p>» We have an inhouse regulatory risk management process that maps emerging regulations (More details in Strengthening integrity and compliance)</p>



Our approach to sustainability

Our sustainability journey

Sustainability 1.0



Launched first Pre-Certified Green Homes



Developed Sustainability Roadmap



First Real Estate company with Sustainability Report



Disclosures to CDP and GRESB



Reward mechanisms recognising employee's contribution



Initiated Supplier & Contractor Meets



Co-founded Sustainable Housing Leadership Consortium (SHLC)



Strategic partnerships with TERI for Mahindra – TERI Centre of Excellence

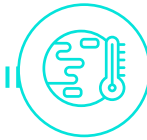


'Joyful Homecomings' became the customer value proposition

Sustainability 2.0



Science Based Target (SBTi)



Climate change Risks & Opportunities



Making Sustainability Personal



Carbon Neutral Business



Growth Alignment to SDGs



Zero Waste to Landfill (ZWL)

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Mahindra Lifespaces practices and promotes sustainable urbanisation through an integrated approach to design and project execution that is strongly rooted in environmental and social considerations. With the **Urboonisation** framework, we laid down the foundations of our sustainable development journey. In the first wave of our journey, our efforts revolved on developing green built environment, cascading sustainable practices across the supply chain, and enhancing the quality of our disclosures.

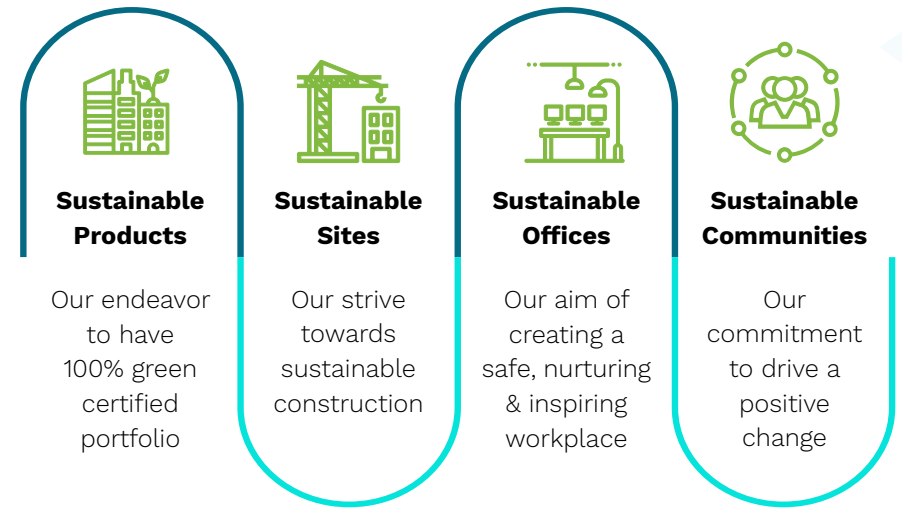
Sustainability 2.0 is a manifestation of our futuristic approach. Under this, we are focusing on moving towards carbon neutrality, integrating SDGs into business considerations, and deepening our engagement with customers and employees. This is being facilitated by our Sustainability Policy which helps us to realise our mission and create value for our stakeholders. The Policy, aligned with other organisational policies and the Group Sustainability Framework, comprises of four pillars.

OUR STRATEGY FOR VALUE CREATION

As a leading real estate developer, Mahindra Lifespaces is committed to transforming India's urban landscape; to delivering Joyful Homecomings to our customers; to creating decent employment opportunities; and to driving positive change in the communities around our projects. To accomplish this, we rely on our value creation model which not only leverages financial capital, but also other resources like human and natural capital, innovation, and relationship with communities, customers, peers, and other stakeholders⁴.

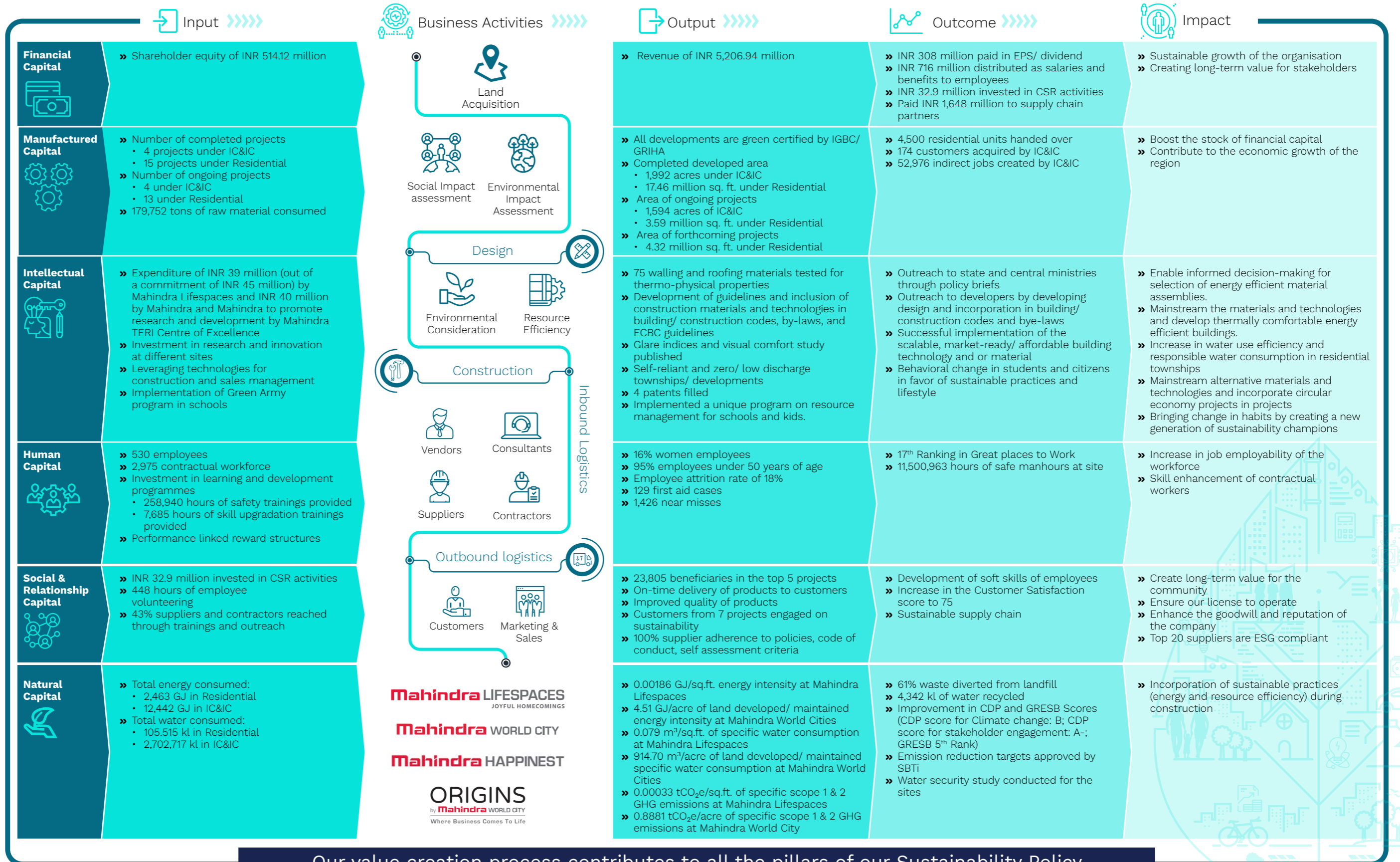
⁴ Residentials includes all operations under Lifespaces and Happinest; IC&IC includes all operations under Mahindra World cities and ORIGINS

Figure 6: Pillars of our Sustainability Policy



Our strategy for value creation

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Our value creation process contributes to all the pillars of our Sustainability Policy

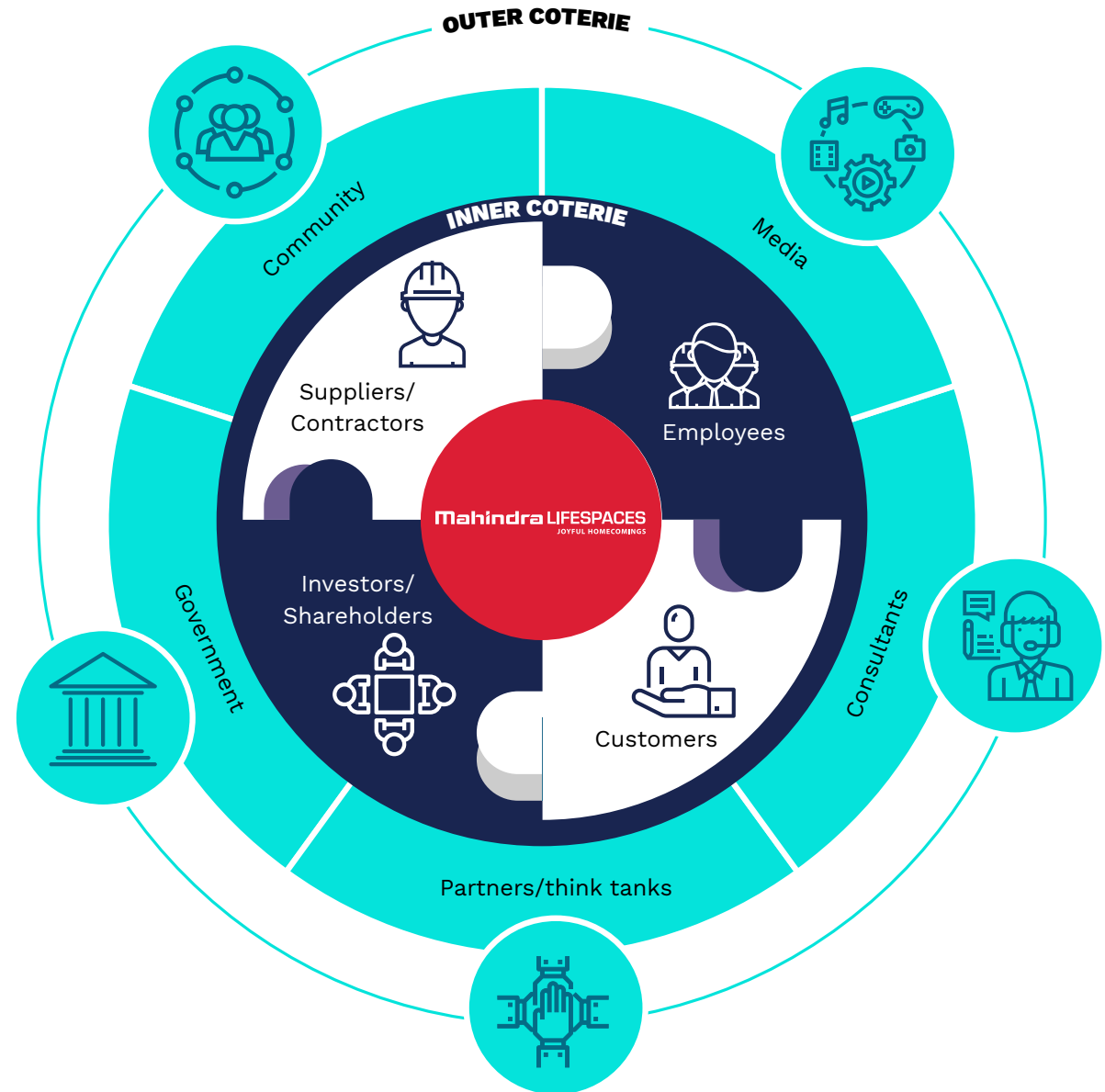
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Our stakeholder groups

CREATING VALUE FOR STAKEHOLDERS THROUGH ENGAGEMENT

Our stakeholder engagement process is used for fostering and nurturing relationships with our stakeholders, which help in strengthening strategy development and decision making. Proactive and transparent communication channels enable us to identify and address the needs, expectations, and concerns of our diverse stakeholder groups and gain valuable insight for sustainable value creation. We identify our stakeholders based on three key dimensions – importance and influence, physical proximity, and dependency factor. Identified stakeholder groups are then prioritised based on their ability to influence and be influenced by Mahindra Lifespaces. We classify our prioritised stakeholders under inner and outer coterie. The stakeholder engagement process, concerns and issues can be accessed at **Annex 1**.



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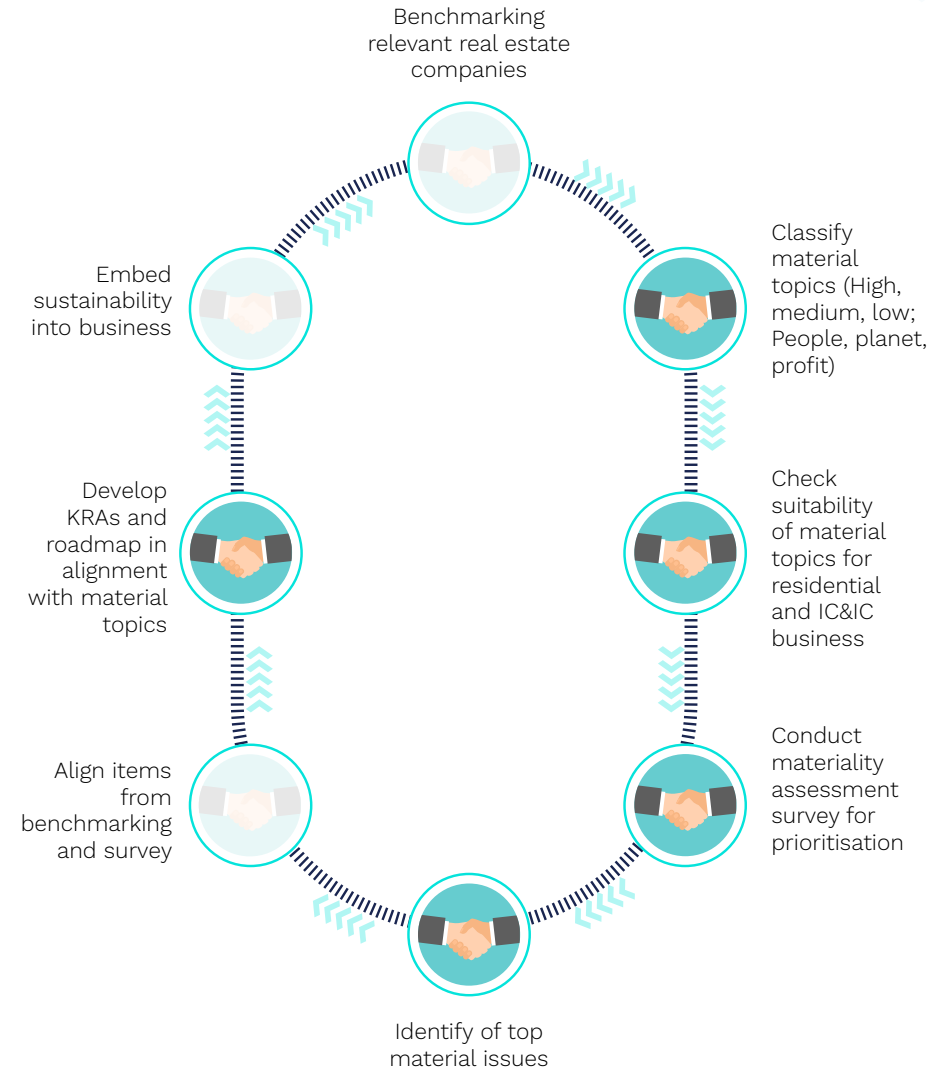
EMBEDDING SUSTAINABILITY INTO BUSINESS STRATEGY

We, at Mahindra Lifespaces, incorporate material topics that have a direct or indirect impact on our ability to create, preserve, or erode economic, environmental, and social value for ourselves, our stakeholders, the environment, and society in our strategy and decision-making processes. In order to ensure ownership, we mapped all our material issues with different departments and created KRAs for each of them. These material issues are also embedded in our Sustainability Roadmap 2020 and 2025. Progress against the roadmap and KRAs are reviewed and tracked by senior leadership on periodic basis.

We had conducted a structured materiality assessment in FY2018-19 in line with GRI standards to identify topics that have a direct or indirect impact on the organisational potential for value creation. The assessment was aligned with changing regulatory requirements, market needs, customer preferences, evolving sustainability and climate discourse, commitment to Science-based Targets initiative, and Mahindra Group commitments.



Process of materiality assessment and embedding sustainability into business



* denotes the stages where stakeholders were consulted



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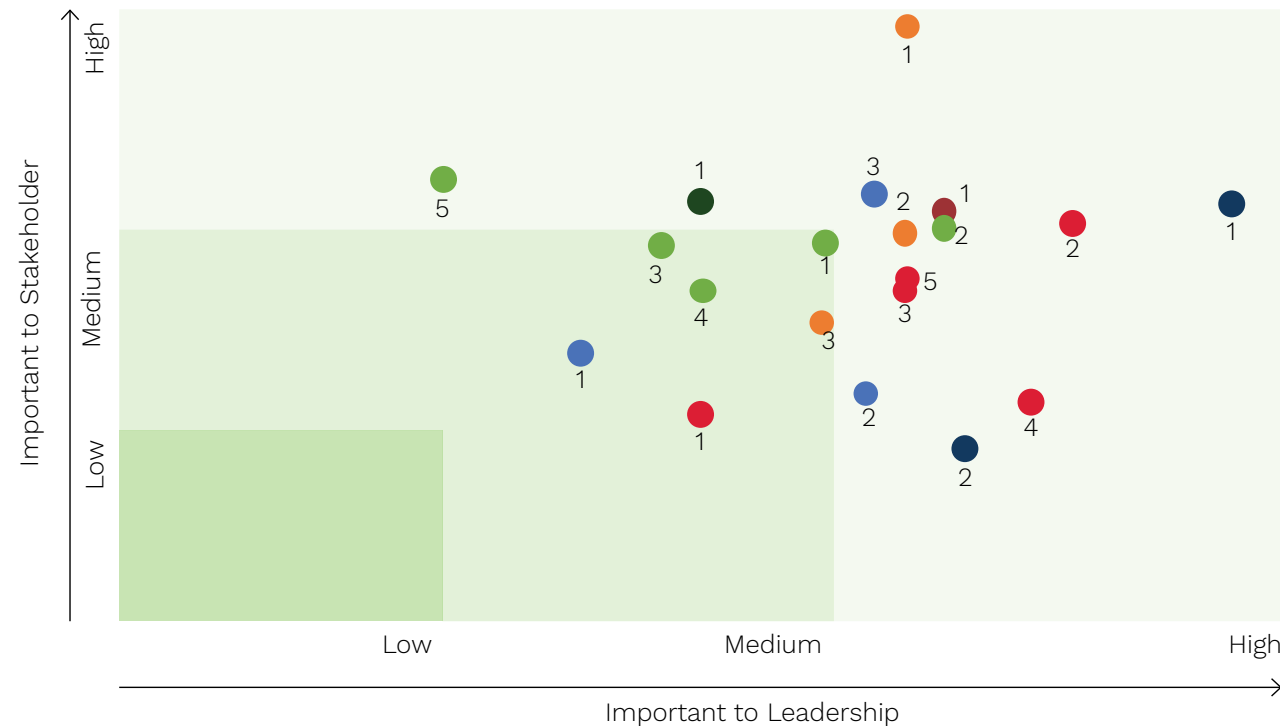
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We conducted an extensive engagement exercise with internal and external stakeholders (customers, employees, senior leadership, suppliers and contractors, consultants, media, and other partners) to seek their inputs from the sustainability perspective. These inputs were then mapped on materiality matrix based on importance to stakeholders as well as to Mahindra Lifespaces to prioritise material issues. The top issues were further validated based on peer analysis, media reviews, and meetings with senior leadership. To ensure that our initiatives are relevant

to the global sustainability agenda, the material topics were also cross-referenced with the United Nations Sustainable Development Goals (SDGs).

The exercise highlighted some new material issues, including economic performance, supply chain management, land remediation, and resettlement of displaced behaviour. The impact boundary of the material issues can be reviewed at **Annex 2**.



● **Economic Performance**
1. Economic Performance (Revenue)

● **Supply Chain Management**
1. Supply Chain Management

● **Governance & Compliance**
1. Statutory compliance
2. Socioeconomic compliance

● **Customer Well-being**
1. Customer health and safety
2. Customer satisfaction
3. Land Remediation

● **Employee Well-being**
1. Employment
2. Occupational Health and Safety
3. Training and Education
4. Non-discrimination
5. Human Rights

● **Community well-being**
1. Local Communities
2. Resettlement of displaced population
3. Anti-competitive behavior

● **Environmental Well-being**
1. Energy
2. Water
3. Emissions
4. Effluents and waste management
5. Sustainable construction (Green buildings)



SUSTAINABILITY ROADMAP

Our Roadmap 2020 is a blueprint which captures our sustainability aspirations and sets long-term goals and targets on environmental, social, and governance aspects. We regularly monitor the progress of our performance with respect to established goals and key performance indicators and take corrective actions. A snapshot of the progress we

made against the roadmap is shown in the table below, while detailed progress has been captured in the subsequent sections.

With the validity of the current roadmap ending in 2020, we developing a comprehensive roadmap from 2021 through 2025.

Material Issues	Target 2020	Status
Economic performance	<ol style="list-style-type: none"> Increase shareholder value by significantly enhancing return on capital employed while setting and upholding the highest standards of ethics & transparency with all our stakeholders Build partnerships to drive innovation in the development of sustainable habitats and ecosystems 	
Supply chain management	<ol style="list-style-type: none"> More than 50% of total building materials (by cost) to be procured within a distance of 400 km Engage with top 50 suppliers for capacity building Code of conduct disseminated to all suppliers and contractors 	
Governance and compliance	<ol style="list-style-type: none"> Zero cases non-compliance 	
Environmental well being	<ol style="list-style-type: none"> Reducing water intensity by 10% over the construction life cycle over 2019 Reducing water intensity by 10% at integrated cities and industrial clusters over 2019 Water security plan formulation for at least one integrated cities and industrial clusters' location (Mahindra World City Chennai) 	
	<ol style="list-style-type: none"> 10% energy intensity reduction over 2019 Increase renewable energy uptake to 10% at IC&IC locations Increase customer engagement through awareness programs at IC&IC location 	
	<ol style="list-style-type: none"> Reduce carbon emissions as per approved Science Based Targets 10% scope 1 and scope 2 GHG emission reduction over 2019 All major events to be carbon neutral or low carbon 	
	<ol style="list-style-type: none"> Waste inventory and management plan Zero waste to landfill (ZWL) at one location (Mahindra World City Chennai) 	
	<ol style="list-style-type: none"> Biodiversity considerations in landscape design at all locations 	

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Material Issues	Target 2020	Status	
Customer well-being	1. Ensure handholding of customers on green buildings and green practices in operations and maintenance 2. Value to customers demonstrated in 100% projects through sustainable design		
	1. Product quality (customer complaints) 2. Service quality (Timely closure of complaints) 3. On-time delivery 4. Engagement workshop for atleast 50% handover		
	1. All land acquisitions to include ESG considerations for decision making		
Employee well-being	1. Number of fatalities and reportable accidents - 0 2. LTA / LTI - 0 3. Safety Activity rate - 50 4. Safety score-card – std deviation less than 3 5. Occupational health issues – 0 6. Zero fatalities in office 7. Occupational health and safety awareness across all locations 8. Risk assessment across locations 9. OSHA training for offices		
	1. Sustainability capability development program – 100% coverage 2. Sustainability at induction – 100% coverage 3. Making Sustainability Personal– Engage 10% of employees across location		
	1. Improve diversity across locations to 18% (gender) 2. Reduce attrition to under 18%		
	Community well-being	1. 100% of our projects to have minimum of 1 community engagement programs covering - impacting identified areas and reaching target group in the vicinity of the project	
		2. Green army program in 100 schools	
		3. All projects to include resettlement considerations for decision making	

Achieved

In-progress

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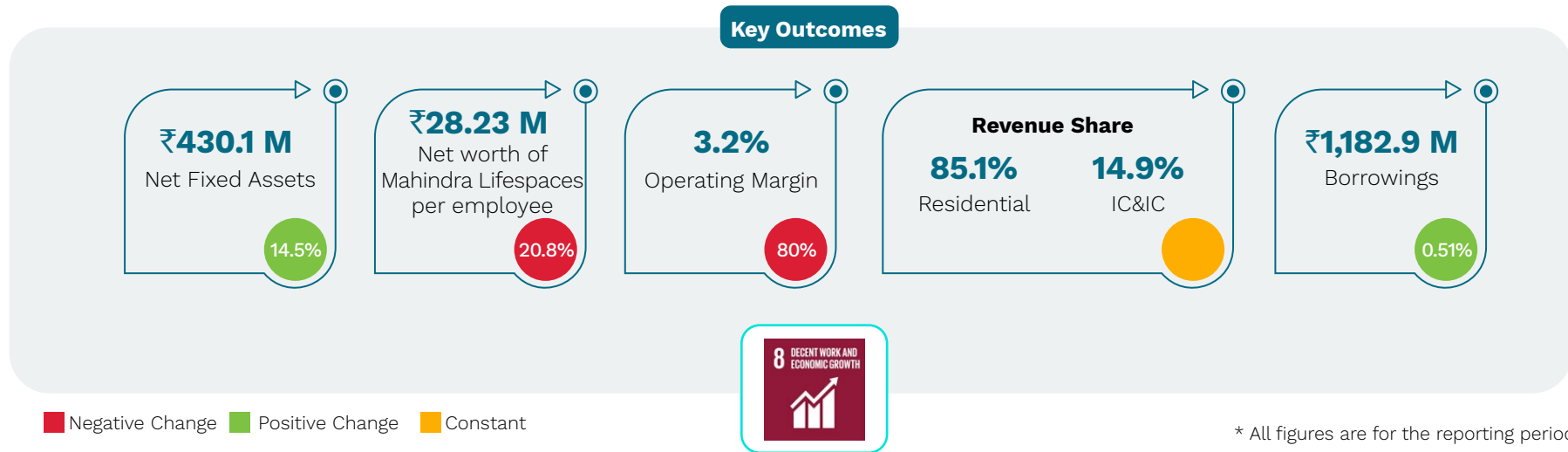
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FINANCIAL CAPITAL: OPTIMISING RETURNS FOR STAKEHOLDERS



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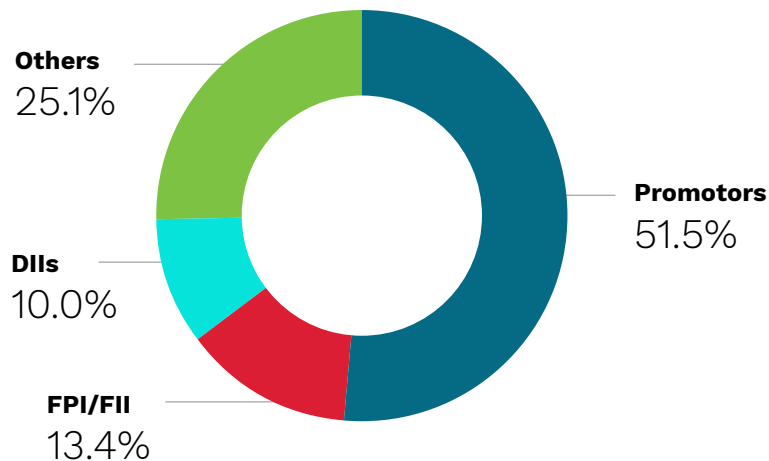
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Steady financial performance has long been considered a measure of success for any organisation. We, at Mahindra Lifespaces also acknowledge that financial capital – as a stock of value – also enables value creation across other capitals. We leverage the capital inputs, such as working capital, cash reserves, borrowings, and shareholder equity to build our products; promote innovation, research and development; enhance the productivity of our human capital; and invest in social responsibility initiatives. Our goal is to realise sustainable growth, increase shareholder value by enhancing return on capital, and create enduring value for our stakeholders.

The business model at Mahindra Lifespaces is characterised by three strengths: Firstly, our built portfolio is well-balanced between mid-premium and affordable on one hand, and integrated cities and industrial clusters on the other. Secondly, we have forged strong partnerships with investors such as Actis GP, HDFC Capital Advisors, International Finance Corporation (IFC), and Sumitomo Corporation enabling us to raise further capital inputs. Lastly, our focus on execution excellence and a stringent quality management system has allowed us to create lasting value for our customers.

Our shareholding pattern



We also strive to uphold the highest standards of ethics and transparency in our operations. We have in place internal and statutory auditors who review the implementation and efficiency of financial controls. The Audit Committee at Board level continuously monitors and reviews the internal control systems, the adequacy of internal audit function and significant internal audit findings with the management, Internal Auditors, and Statutory Auditors. We also utilise robust risk management systems to monitor and put in place a strategy to mitigate business risks. We have established a vigil mechanism by adopting a Whistle Blower Policy for stakeholders to report concerns/ grievances about illegal or unethical practices (actual or suspected), fraud or violation of our Code or Policies. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of stakeholders who use such mechanism. Interacting with our investors and shareholders on a frequent basis and providing timely and accurate information is also an essential component of our transparency and governance processes.

Despite the macro-economic slowdown, Mahindra Lifespaces delivered resilient performance in 2019-20. Our prudent financial management has kept the company relatively insulated from the economic downturn. We registered credible performance in this segment from project launches, sales, completion, and on-time delivery to customers. Considerable demand in the affordable housing segment gave us the opportunity to consolidate our presence in this segment. On the other hand, this slowdown had a significant impact on the demand for industrial land in our integrated cities and industrial clusters.

The Company and its subsidiaries sold 1,659 residential units aggregating 1.41 million sq. ft. of saleable area in FY 2019-20 compared to 1,678 units aggregating 1.69 million sq. ft. in the previous year. However, due to the



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smaller ticket-size affordable housing projects dominating the sales mix, in value terms this represents sales of INR 8,182.80 million in FY 2019-20, compared to INR 10,230 million in FY 2018-19. On a consolidated basis, the Company's focus on execution is reflected in the completion of 1.07 million square feet during the year. Handovers of units also continued at an impressive pace, with 1,222 units being handed over to homeowners during FY 2019-20, compared to 1,255 units in FY 2018-19. Overall collections on a consolidated basis, also remained robust at INR 9,304.40 million in FY 2019-20, compared to INR 9,632.60 million in FY 2018-19.

This year, our focus revolved around building operational effectiveness across functions to address our strategic priorities, investing in technology to ensure efficient operations, process improvements to sustain execution excellence, and enhancing overall customer experience. We expect this to fuel our growth in the coming years.

	FY2019-20
Economic value generated	5,206.94
Economic value distributed	
Operating costs	3,562.79
Other expenses	850
Employee wages and benefits	716.20
Payments to providers of capital	308.73
Payments to government (Taxes)	(38.24)*
Investment in Mahindra Homes Private Limited (Luminare)	2,370
Community Investments	12, 485
Economic Value Retained	(2,575.025)**

All Values In Inr Million

* Tax Credited

**Economic value retained = economic value generated – economic value distributed





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OUTLOOK

According to the International Monetary Fund (IMF), global economic growth was expected to return to 3.6% in 2020. However, the COVID-19 induced economic slowdown is expected to impact the performance of real estate sector and, hence, the Company. The lack of demand and subsequent unsold inventory is also expected to impact the operating income and cash flow of developers. We also anticipate challenges with respect to the availability of the labour force, impacting our operations.

Mahindra Lifespaces is cognizant of these challenges and is taking measures to mitigate them. For instance, we are leveraging the decreased rates of interest for housing loans to kickstart sales from various offerings of the Company. This scenario also presents us opportunities to accelerate change and reshape the real estate and construction ecosystem in India to yield economic benefits from our increasing portfolio of green building products and services. Some of the shifts that we anticipate include investments in technology and digitisation, changing customer expectations with respect to design, increased control across value chain, and enhanced sustainability integration of sustainable business practices. We are well-placed to benefit from such opportunities, and will take necessary steps to scale-up operations and grow sustainably.



“ ONE OF THE CHARACTERISTIC OF OUR BUSINESS IS THAT IT FLUCTUATES GREATLY IN TERMS OF PROFITABILITY AND BUSINESS PERIOD, FROM LAND ACQUISITION THROUGH SALE OF PROPERTY, IN ABOUT 4 YEARS. WE MONITOR THE VOLATILITY AND VARIATIONS OF THE MARKET VERY CAREFULLY WITH ACCURATE BUSINESS PROJECTIONS AS WE AIM TO REALISE PROFITS AND ACHIEVE A HIGHER LEVEL OF ROI. OUR RISK IDENTIFICATION MECHANISMS HAD ALERTED US, WELL IN ADVANCE OF THE ECONOMIC SLOWDOWN, WHICH ALLOWED US TO DEVELOP RESILIENT MITIGATION PLANS. OUR AIM IS TO STRIKE A GOOD BALANCE BETWEEN GROWTH INVESTMENTS AND VALUE CREATION FOR SHAREHOLDERS. ”

Vimal Agarwal

Chief Finance Officer



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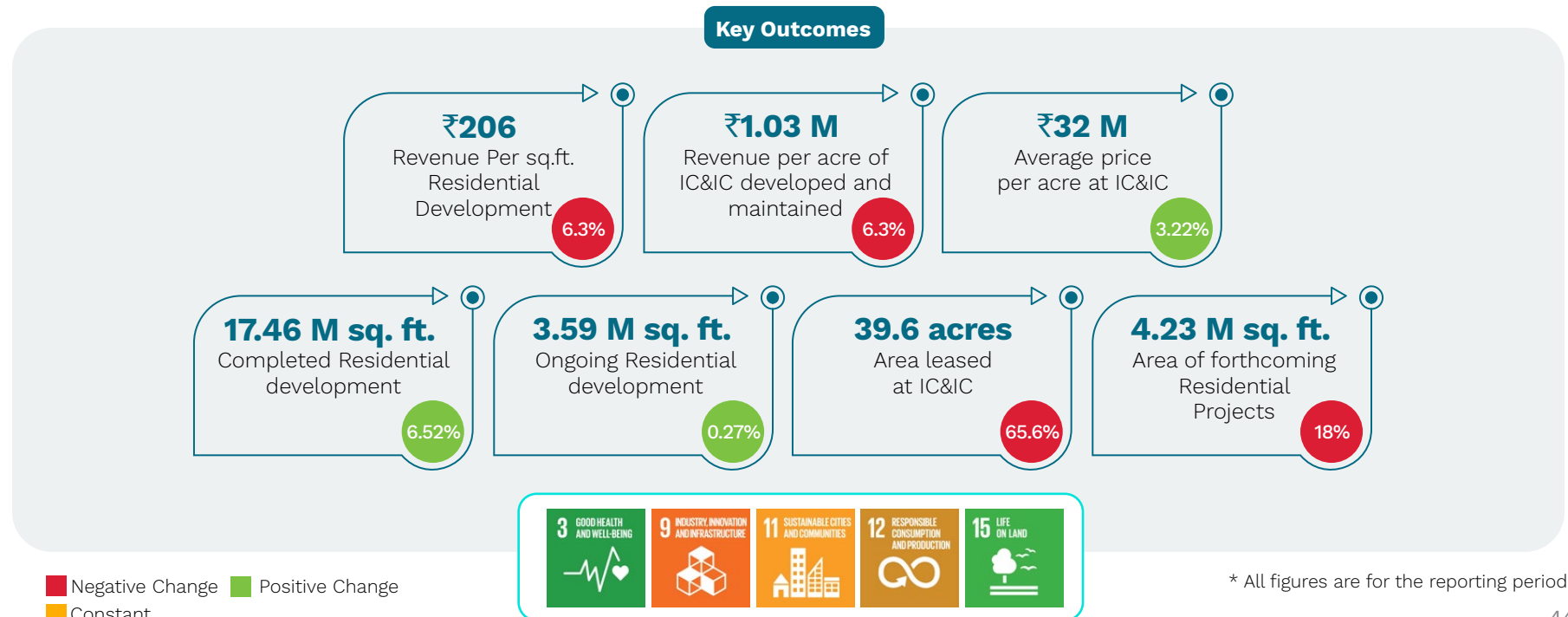
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MANUFACTURED CAPITAL: GROWING THE GREEN FOOTPRINT



* All figures are for the reporting period



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OUR PRODUCT PORTFOLIO

By 2050, 70% of the world's population is anticipated to live in cities, making it critical to achieve a sustainable habitation for all. All stakeholders – governments, businesses, academia, and civil society organisations – are taking actions to make cities more inclusive, safe, sustainable, and resilient. Mahindra Lifespaces also plays a critical role in creating such cities through its portfolio of products.

Mahindra LIFESPACES
JOYFUL HOMECOMINGS

Mahindra WORLD CITY

Mahindra HAPPINEST

ORIGINS

by **Mahindra** WORLD CITY

Where Business Comes To Life

Lifespaces is our umbrella brand for all our mid-premium multi-family apartment complexes in Mumbai, Pune, Bengaluru, Nagpur, Chennai and the National Capital Region. Happinest caters to the affordable housing segment in the country with the core promise of 'the Happiest place to grow'. This year, we launched two residential projects - Vicino, Mumbai in the mid-premium segment and Happinest Kalyan.

Built on the philosophy of 'Livelihood-Living-Life', our integrated cities and industrial clusters break down the traditional wheel and spoke model of living and commuting and promotes a mixed-use approach where

businesses and residential customers co-exist in a safe, separate, and gated community. Our World Cities at Chennai and Jaipur are emerging as a preferred destination for investors and businesses. The cities, spread over 4,500 acres, are home to more than 160 companies across sectors such as IT/ ITES, automotive and auto ancillaries, light engineering, and handicrafts. The cities have been able to provide employment to 52,976 individuals, while contributing to a cumulative export of INR 127,810 million. ORIGINS by Mahindra World City are industrial clusters which are being developed in proximity to high growth industrial corridors. Currently, we are developing two industrial clusters at Chennai and Ahmedabad.

In 2019-20, the integrated cities and industrial clusters business leased around 40 acres of land, as compared to 93 acres in 2018-19. This included two customers in ORIGINS, Chennai – Nissei Electric and USUI Susira of Japan.



Lakewoods, Chennai



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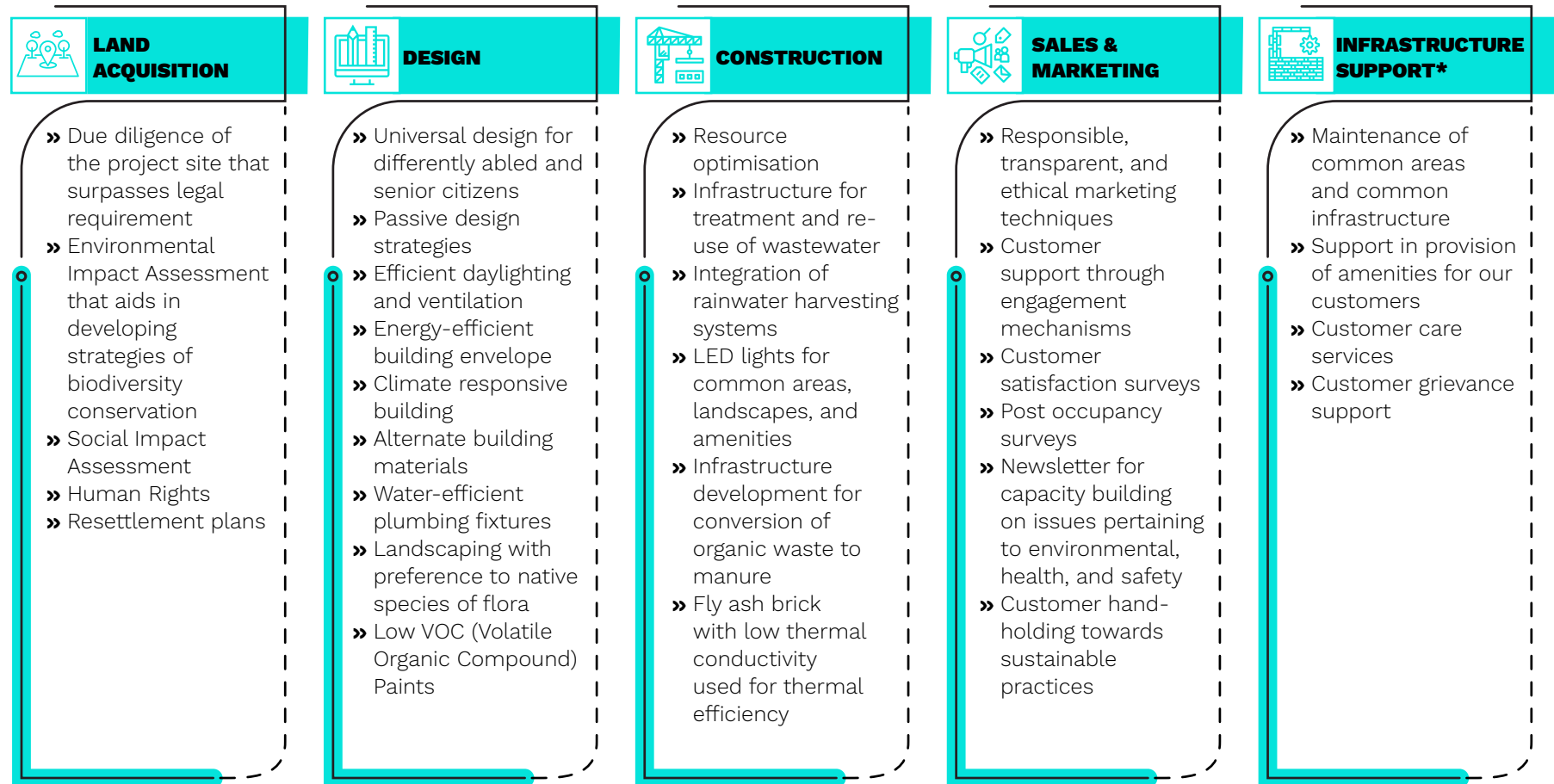
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Our approach to product design

Our approach to product design and construction leverages global best practices to ensure a green building portfolio. Going beyond the regulatory requirements, we have designed an in-depth due-diligence exercise to be undertaken before any decision on land acquisition. Cross-functional teams carry out extensive environment and social

assessments on several parameters such as natural and manmade hazards, soil contamination, water/electricity supply, water risk, proximity to landfill or open dumping, proximity to Ramsar site etc. Furthermore, our focus is on identifying greenfield lands, which may not require remediation.

Our green building approach



Quality control is not limited to any phase of project but is applicable to all our project phases

* We provide infrastructure support within project at Mahindra Lifespaces and within city at Mahindra World Cities



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The process also includes the development of plans for resettlement of nearby communities, if required. The compensation for land acquisition is provided as per requirements of Right to Fair Compensation and

Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Every attempt is made to integrate the surrounding communities within the project area.



“ WE HAVE BEEN ABLE TO ESTABLISH A BUSINESS PORTFOLIO THAT STRIKES A BALANCE BETWEEN HIGH ASSET EFFICIENCY AND PROFITABILITY BY DIVERSIFICATION IN FOUR BUSINESS VERTICALS WHICH HAVE UNIQUE RISK AND RETURN CHARACTERISTICS. THE GREEN BUILDING PORTFOLIO WHICH ENSURES DELIVERY OF RESOURCE EFFICIENCY THROUGHOUT THE LIFECYCLE OF THE BUILDING, PRESENTS THE SUCCESS OF OUR INSTITUTIONALISED SUSTAINABLE APPROACH. SIMULTANEOUSLY, WE USE INNOVATIVE TECHNOLOGIES THAT ENSURE IMPROVED STRENGTH AND USE OF RECYCLEABLE MATERIALS AND THUS HELP CONSERVE NATURAL RESOURCES.

WE STRIVE TO RAISE OUR PROSPECTS AND COMPETITIVENESS THROUGH CREATION OF VALUE FOR OUR STAKEHOLDERS AND EXPLORING NEW BUSINESS OPPORTUNITIES, CREATING A VIRTUOUS CIRCLE FOR GROWTH. THIS CAN ONLY BE ACHIEVED THROUGH GROWING TOGETHER WITH ENVIRONMENT AND SOCIETY. WE HAVE BEEN ABLE TO INTERLINK OUR ENGINEERING STRENGTH, KNOWLEDGE, AND ENTHUSIASM WITH OUR INDUSTRY-LEADING DEVELOPMENT CAPABILITIES, LEADING TO SUSTAINABLE URBAN DEVELOPMENT.”

Amar Tendulkar

Chief Design Officer

Health and well-being of our customers is at the core of our products. We assess the health and safety impacts of all our products and adequately manage them through our thoughtful design. Some of these aspects include structural stability, differently abled and senior citizens' friendly common areas such as ramps with railings, antiskid finishing materials, rest rooms, and dedicated parking spaces closer to the lobbies, use of low or zero VoC (low volatile compounds) paints, standardised balcony railings, and provisions for fire and emergency

safety. We also ensure that the products are in a habitable state before handing over the units to our customers. As a standard practice, we conduct building flush out prior to handover to remove any pollutants introduced during construction. Post-handover, we also ensure that the regulatory requirements associated with fire safety and environment are communicated to the Resident Welfare Associations. During the reporting year, there were no reported incidents related to customer health and safety leading to fines or warnings from regulatory bodies.



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Mahindra World City, Jaipur
Gold Pre-certification

ORIGINS, Ahmedabad
Gold Certification

Happinest Boisar, Mumbai
Platinum Pre-certification

Vicino, Mumbai
Gold Pre-certification

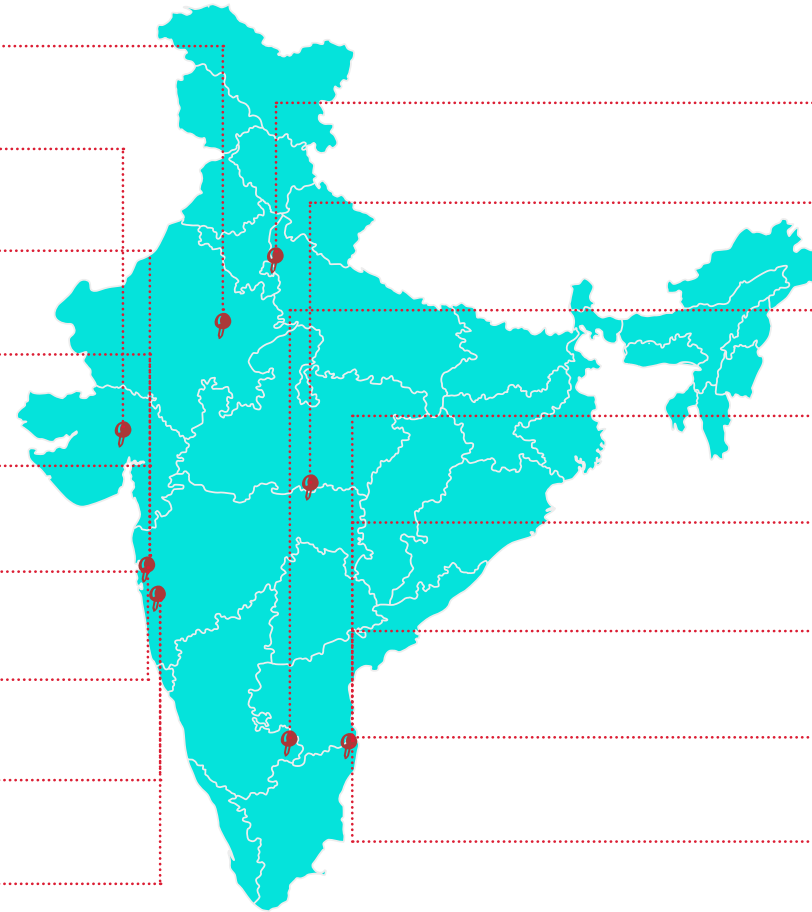
Happinest Palghar, Mumbai
Platinum Pre-certification

Roots, Mumbai
Gold Pre-certification

Happinest Kalyan, Mumbai
Platinum Pre-certification

Antheia, Pune
Gold Pre-certification

Centralis, Pune
GRIHA 4-star certified



Luminare, Gurugram
Platinum Certification

Bloomdale, Nagpur
Gold Certification

Windchimes, Bengaluru
Platinum Pre-certification

Mahindra World City, Chennai
Gold Certification

Happinest Avadi, Chennai
Platinum Certification

Lakewoods, Chennai
Platinum Pre-certification

Aqualily, Chennai
Platinum Certification

ORIGINS, Chennai
Platinum Certification

*All projects have been Certified/ Pre-certified under IGBC rating system

Our strategy, initiatives, and performance are regularly monitored by the senior management including the Board and MD & CEO at regular intervals. Based on the performance, corrective actions are taken, if required.

Being a pioneer of green homes in the country, Mahindra Lifespaces inculcate green design aspects that minimise the harmful effects on environment. We are committed to building a diversified, yet 100% green portfolio. We aspire to get platinum rating by the IGBC/ 4-star GRIHA rating for all our products.



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A UNIQUE DESIGN LANGUAGE

The design language of any company is one of its unique selling propositions. In order to leverage this, we have developed a unique design philosophy to differentiate all Mahindra products by delivering cutting-edge, premium, and high value products to our customers. We are aiming to create value for our customers and investors by incorporating the approach of QED (quality, experience, and design) and RFEM (rational, functional, emotional, and meaningful) drivers for the real estate sector. The QED approach has also enabled us to benchmark ourselves with our peers, thereby enhancing the customer satisfaction. Our design language also incorporates customer expectations. We are also in the process of identifying elements and services that will be a part of our design

philosophy for which customers will be willing to pay a premium.

In addition, we have also created a Design-Product Standardisation Catalogue that will be applicable across products and customer segments. The catalogue would lay down the specifications and checklists with respect to material/ type/ size/ rate etc. for various design elements. Apart from standardisation of design elements, the catalogue will also help in optimising costs and driving process improvements across different functions. It lays out standard operating procedures for budget setting, appointment of consultants, and alignment of design team and other internal stakeholders with our project teams.



“ REAL ESTATE DEVELOPMENT IS A STRONGLY LOCALISED BUSINESS, CLOSELY RELATED TO THE LIVING AND WORKING STYLES THAT STEM FROM THE LOCAL CULTURE, BUSINESS CUSTOMS, AND HISTORY. ACCORDINGLY, WE HAVE ADOPTED THE APPROACH TO OFFER GREEN CERTIFIED PRODUCT PORTFOLIO, MAKING US ONE OF THE FIRST ORGANISATIONS IN THE COUNTRY TO HAVE A 100% GREEN PORTFOLIO. OUR OFFERINGS ARE DEVELOPED WITH A GOAL OF REDUCING OVERALL ENVIRONMENTAL FOOTPRINT. TECHNOLOGIES RANGING FROM PROVISION OF OPTIMAL LIGHTING SOLUTIONS TO ANALYSIS OF OUR DIGITAL FOOTPRINT ARE LEVERAGED THROUGHOUT THE LIFECYCLE OF THE PROJECT TO OPTIMISE EFFICIENT USE RESOURCES. ”

Deepak Suvarna

Chief Project Officer



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WHY GREEN BUILDINGS MATTER – BUSINESS CASE



INITIATIVE

Green buildings have been associated with the word 'incremental costs'. This incremental cost to the developer may come due to use of alternative materials, adoption of renewable energy, green certifications, etc. At the same time, green incentives are also being awarded to developers by several states. For example, Haryana and Pune Municipal Corporation offer additional floor space index (FSI)/ floor area ratio (FAR) for buildings certified green by IGBC/ GRIHA. All products of Mahindra Lifespaces are certified green.



INTERVENTION

Three of our projects received the highest rating levels of Green Certification under IGBC and GRIHA rating system. For these products, we also received incentives from the state government/ urban local bodies:

- » Luminare Gurgaon (IGBC Platinum) - 16% additional green FSI; equivalent to additional area of 33,585 sq. ft.
- » Centralis, Pune (GRIHA 4 Star) - 40% rebate in premium
- » Tathwade, Pune (GRIHA 4 Star) - 40% rebate in premium

We assessed the impact of these projects on our revenue as well as the value created for customers



IMPACT

The additional FSI in Luminare increased our revenue by INR 800 million. While our overall project cost increased in Tathwade, the rebate in premium translated to an incentive of upto INR 32 million and a net profit of INR 20.8 million. Additionally, the green certification allows us to position ourselves as innovators in the industry, while establishing trust with customers and investors. Furthermore, our customers are eligible to receive a rebate of upto 8% in property tax which translates to INR 800 to INR 1,000 per dwelling unit.

We also calculated and compared the total cost of ownership for conventional and green apartment costing INR 5.5 million. Due to reduced maintenance costs, and savings in energy and water bills, the total cost of ownership reduced to INR 7.1 million from INR 7.6 million.



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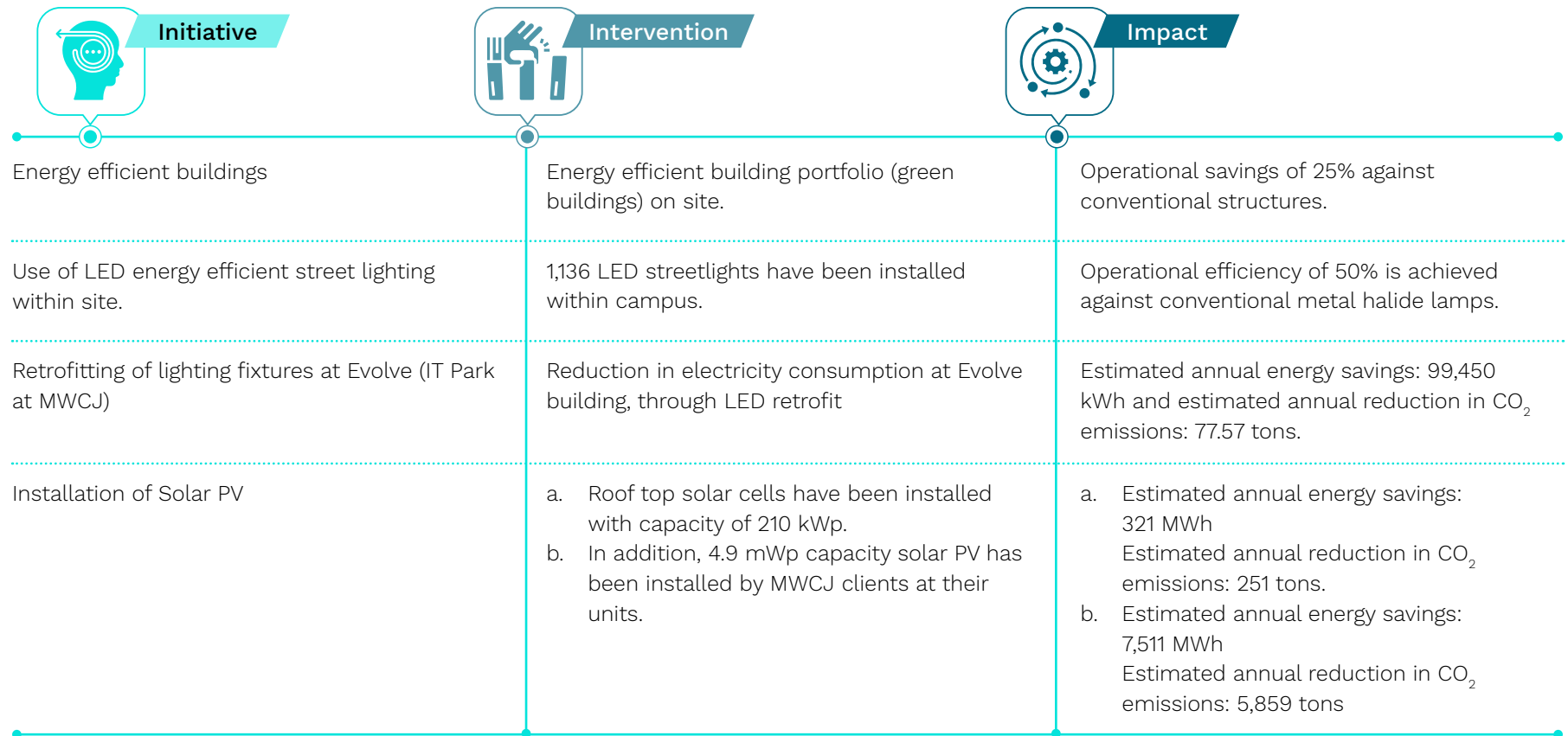
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Mahindra World City, Jaipur – Leading the way in climate action

Mahindra World City Jaipur is Asia’s first and world’s largest project to receive Climate Positive Development Stage 2 certification from C40 Cities Climate Leadership Group. The Stage 2 Climate Positive recognition is given to those cities which have successfully created detailed plans

to reduce carbon emissions from energy, waste, and transportation; and expand the impact to the surrounding community in order to achieve a Climate Positive outcome. Some of the initiatives being taken by Mahindra World City, Jaipur is mentioned below.





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Initiative	Intervention	Impact
Conserving water resource	Sewage treatment plants (STPs) of varying capacity have been installed and utilised throughout the project site. Rainwater harvesting infrastructure has been installed to conserve water resource.	Sewage treatment plants of 6 MLD capacity have been installed with average 320 KLD of sewage being treated at the site. Over 70 ml of water rainwater has been harvested in reporting period
Recycling garden waste	Garden waste is recycled and used to generate manure through vermicomposting.	1.5 tons of manure generated and utilised for 2 lakh plants.
Urban green cover	~10,000 trees have been planted inside MWCJ Campus.	Estimated annual reduction in CO ₂ emissions: 36 tons.



Mahindra World City, Jaipur



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“ AT MAHINDRA WORLD CITIES, SUSTAINABILITY IS A KEY VALUE PROPOSITION DELIVERED FOR ALL STAKEHOLDERS INCLUDING INDUSTRIES, EMPLOYEES, PROFESSIONALS, RESIDENTS, AMONGST OTHERS.

THIS RESPONSIBLE ECONOMIC DEVELOPMENT APPROACH IS EMBEDDED IN OUR INTEGRATED 3 LS (LIVELIHOOD-LIVING-LIFE) ETHOS. WE FOLLOW GLOBAL BENCHMARKING STANDARDS COMBINING WITH BEST IN CLASS LOCAL EXECUTION.

THE C40 CARBON POSITIVE DEVELOPMENT PROGRAM REFLECTS OUR COMMITMENT TO DRIVE LASTING BEHAVIOURAL AND INSTITUTIONAL CHANGES FOR A SUSTAINABLE FUTURE. WE FOLLOW A 360-DEGREE IMPACT APPROACH INCLUDING ENERGY EFFICIENCY, RENEWABLE ENERGY, GREEN COVER, RECYCLING WASTE AND SUSTAINABLE TRANSPORTATION, AMONGST OTHERS. WE LOOK FORWARD TO ACCELERATE, SCALE, AND EVOLVE OUR INITIATIVES FOR OUR CLIMATE COMMITMENTS INCLUDING SBT, CARBON NEUTRALITY AND C40 COMMITMENTS LEADING TO POSITIVE GLOBAL CLIMATE CHANGE. ”

Sanjay Srivastava

Business Head, MWC Jaipur (till Aug 2020)

DELIVERING HIGH PRODUCT QUALITY

Delivering high quality products and services is critical for enhanced customer satisfaction, and building sustainable and scalable operations. Mahindra Lifespaces is steadfast in its commitment to improve quality of the products and deliver them first time rights. Reducing rework reduces our operational costs and environmental footprint, while delivering higher EBITDA margins.

Guided by the Quality Policy, our quality management system is based on Plan-Do-Check-Act (PDCA) approach. In 2013, we achieved certification for Integrated Management System (IMS) and upgraded to ISO 9001:2015 quality management system in 2016-17. We have also developed Standard Operating Procedures (SOP) for all service functions and construction activities. The technical SOPs are shared with all contractors during their onboarding process. At the site level dedicated Quality Managers oversee operations and address all quality concerns.

Quality control is a dynamic process, which evolves over time to integrate rising consumer expectations. We regularly interact with our customers to seek feedback and identify areas of improvement. In 2018, our customer satisfaction score was low because of some defects in end product and lapses in performance of customer services. In response, we formed a cross-functional team to review and upgrade customer experience across all stages of their journey – purchase, waiting, possession, and post-possession. Special focus was on improving the quality of final products, enhancing the experience at various customer touchpoints and invigorating the quality culture. Technical training was increased threefold in 2019. At the same time, we revised our technical work procedures and inspection plans. We also celebrated the World Quality Month in November across all our project sites leading to improved awareness of quality requirements. In addition, we conducted technical quality audits at all residential projects by an independent agency. As a result, the total number of defects have reduced by more than 70% at the time of handover.



“ SINCE OUR INCEPTION, WE HAVE EARNED THE TRUST OF CUSTOMERS AND SOCIETY FOR DELIVERING QUALITY. OUR COMMITMENT TO QUALITY HAS STAYED UNHINDERED, DESPITE UNDERGOING REFINEMENT OVER THE YEARS. OUR DYNAMIC APPROACH TO QUALITY ASSURANCE IN OUR PROCESSES HAS EVOLVED OVER TIME TO ADAPT TO THE CHANGING EXPECTATION AND NEEDS OF THE CONSUMERS, WHILE ENSURING PROJECT EFFICIENCIES. INITIATIVES AND DIGITAL TOOLS SUCH AS PROJECT LIFECYCLE MANAGEMENT HAS BEEN DEVELOPED AND IMPLEMENTED TO REALISE GAINS IN THE FORM OF INCREASED EFFICIENCIES AND COST REDUCTIONS FOLLOWING THE FIRST-TIME RIGHT APPROACH. ADDITIONALLY, OUR ENDEAVOUR FOR CONSTANT PROCESS INNOVATION AND IMPROVED ENVIRONMENTAL PERFORMANCE HAS MEANT THAT WE IDENTIFY AND UTILISE ALTERNATE MATERIALS WITHOUT ANY COMPROMISE ON QUALITY AT THE TIME OF DELIVERY. ”

Omkar Bendre

Head Quality



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Figure 12: Initiatives to improve quality of our products



Alternate Materials for increased durability

We substituted autoclaved aerated concrete (AAC) blocks used for construction of kitchen with solid blocks. The substitution, in addition to providing stability and durability, have reduced the number of chemical fasteners used at the site by 30%.



Elimination of bore packing

Based on the feedback received from our customers, we updated our plumbing practices at our new projects. The new practice of using PVC puddle flange of toilet sunken plumbing sleeve has contributed to higher operational efficiency at sites. The solution has led to the enhancement of quality, while reducing snags, time taken, cost and supervision during the construction phase.



Adhesion Substitute

In order to reduce the material use at sites, we piloted a project to substitute traditional adhesives used for tile laying with pre-mixed adhesives. This has allowed us to reduce the quantum of materials used during tile laying process. It also enhances the quality of product, while eliminating dampness issues. Furthermore, the cost of constructed reduced due to decreased drying time.



Quality Module

We developed a quality module for in-process checking using electronic medium ensuring correct sequencing of activities at site.

Outlook on manufactured capital

In our Sustainability 2.0 journey, we would like to move towards net-zero energy homes. In order to achieve this, we will focus on exploring sustainable design, material, and construction methods, reinforcing the

emphasis on sustainable real estate development demonstrated by our 100% green certified portfolio. We will also continue to deliver high quality buildings through a stringent assurance process.

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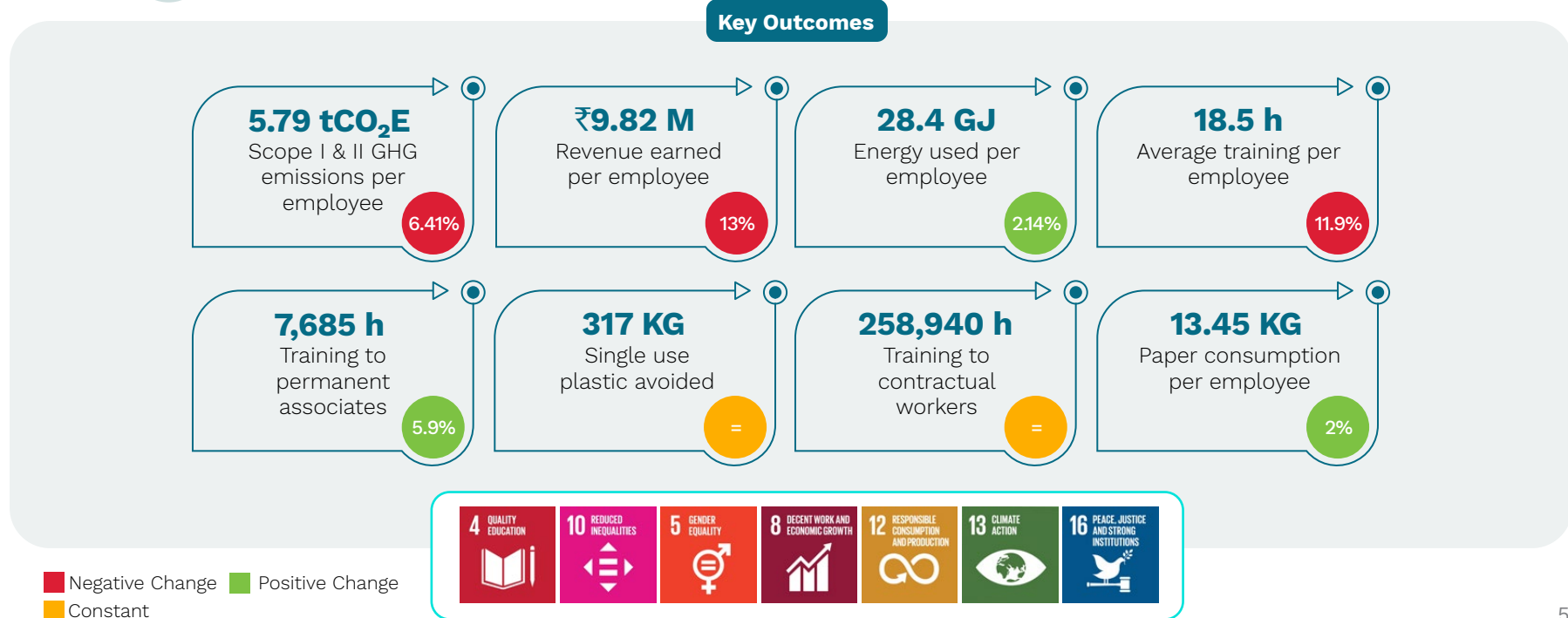
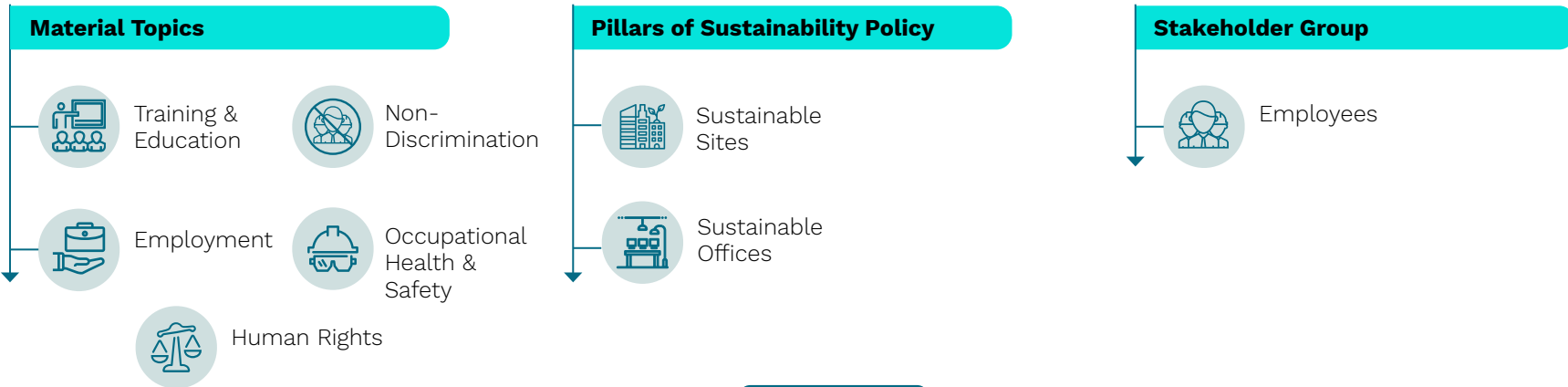
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HUMAN CAPITAL: DEVELOPING LEADERS FOR TOMORROW



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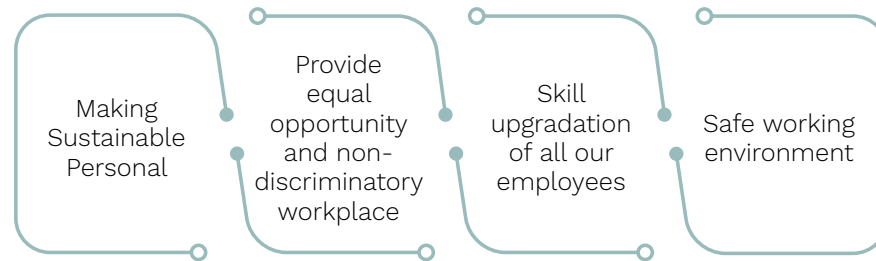
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A primary objective of our sustainability journey is to inspire our people to make business sustainability real and achievable through day-to-day activities. We encourage them to apply entrepreneurial spirit to address sustainability challenges, and become champions for lasting and positive change. We want our workforce to collaborate and grow both in their personal and professional journeys. Towards this end, we strive to create a safe, nurturing, and inspiring workplace environment for all our employees. We aim to provide full, productive, and equal employment opportunities, for all women and men without any discrimination.

FOCUS AREAS



MAKING SUSTAINABILITY PERSONAL

‘Making Sustainability Personal’ (MSP) is our initiative to achieve sustainable growth through employee participation and engagement. We encourage our employees to make sustainability a part of their personal endeavours, and in the process build a culture that has positive impact for the business, employees, customers, and the communities we all live in.

Launched in 2018, MSP currently focuses on four key areas of reducing paper consumption, reducing plastic consumption, energy efficiency, and waste segregation. Similar to other initiatives at Mahindra Lifespaces, MSP is an interactive and dynamic process. We seek ideas from our employees on incorporating sustainability considerations in operations. We also identify and recognise employees who make smart lifestyle choices and implement initiatives that leads to conservation of essential resources.

Figure 13: Four step approach for Making Sustainability Personal





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Making Sustainable Personal - Highlights of the year

Our endeavour has been not only to make sustainability personal but to unmask the complexity from the topic and make it attainable by everyone. This year we aimed at moving from awareness to participation and correlation to work.

Initiative	Intervention	Impact
Reducing Paper consumption	With an aim to reduce paper consumption in our offices by 10% and create awareness, we introduced access-controlled printing, document management system (DMS software) and a system-based approval for drawings and various documents. We are working on digitisation of claim and bill management which will gradually reduce the use of paper.	Absolute paper consumption increased by 6% during the year, primarily due to inclusion of 5 new sites in the reporting boundary. The company used 7.13 tons of paper during the year. Consequently, emissions from use of paper also increased from 63.85 tCO ₂ e to 67.58 tCO ₂ e.
Reducing energy consumption	We encourage employees to leverage technology and digital communication channels responsibly. This year we launched 'One less mail' under which we urged our employees to consider the environmental implications of sending/ forwarding unnecessary e-mails.	We estimate by sending one less mail every day, we have the potential to save upto 4,331 t CO ₂ e, - equivalent to planting 64,969 saplings.
Reducing plastic use	We have over the years, introduced multiple interventions to reduce the usage of single use plastic at our office and sites. Interventions such as replacing plastic spoons with steel spoons, elimination of plastic bottles, Flex free banners, eco-friendly folders and removal of single use plastics have been adopted across our offices. We have also formalised 'Single-use plastic ban policy' within the organisation.	We reduce our plastic consumption by 371 kg, which translated into estimated 3 tCO ₂ e of emission avoidance.



Initiative

Sustainable event



Intervention

This year TEAM DAY was organised with sustainable event guidelines. Local cuisine, earthen pots for water, outdoor team bonding and games, bus transportation, healthy snacks, and tree plantation were some of the highlights of the day. This was done across locations eliminating the need for travelling to a central location for team bonding.



Impact

Impact of saving – avoided emissions of 0.1 ton/day per person



Plastic-free Workspaces

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PROMOTING DECENT EMPLOYMENT

Our people form the core of our operations and we invest in our employees' welfare and happiness to drive performance excellence. Our aim is to attract, groom, and retain the best and brightest talent in the sector. We aspire to achieve this by creating a nurturing and appreciative work environment, where all employees have the opportunity to grow and excel in the long-term. We also encourage open and transparent communication across the organisation on a regular basis for an improved employee experience.

In our aspiration of becoming the employer of choice, we acknowledge our responsibility to respect human rights in all aspects of our operations. Our approach guided by the United Nations Global Compact Principles on Human Rights and national regulations is applicable to

the entire workforce. We do not hire any individual under the legal age and ensure that no child/ forced labor is used on any of the sites or by the contractors. We have zero tolerance for sexual harassment at workplace and have put in place formal procedures in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for mediating any cases of sexual harassment at workplace. During the reporting period, we did not receive any complaints related to child labour, forced labour, and sexual harassment.

Our strategy, initiatives, and performance are regularly monitored by the senior management including the Board and MD & CEO at regular intervals. Based on the performance, corrective actions are taken, if required.

Human Resources Policy
Associate development, grievance redressal mechanism, and associate counselling

Wellness Policy
Learning and Development programs, preventive health examinations, and wellness activities

Working Hours Policy
Flexible working hours for effective work-life balance and efficient work execution

Maternity, Paternity and Adoption Policy
26 weeks of fully-paid maternity leave and ten days' paternity leave.



Employee Relations Policy
Equal opportunity and diversity

Health and Safety Policy
Assurance of stringent OHS standards

Policy on Prevention of Sexual Harassment
Zero tolerance approach towards any act of sexual harassment

Work-Life Integration Policy
Work from home alternative, concierge services, sabbaticals, and work-life counselling facilities



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Benefits

All full-time employees of Mahindra Lifespaces and its subsidiaries are offered a wide range of benefits which include, life insurance, pension, provident fund, and sabbatical for higher education. With the intent to create a balanced work-life culture, our employees can also avail flexible working hours, remote working, and parental leaves. During the reporting period, a total of 7 females and 22 males took parental leave, out of

which 5 female and 21 male employees returned to work during the reporting period, recording a return to work rate of 89%. Further, we saw a retention rate of 100% as the 5 female and 13 male employees that took parental leave in the previous reporting period are still employed with us 12 months later.

Benefits provided to our employees

Applicable Benefits	Senior Management	Middle Management	Junior Management	Contractual/ Part-time (Fixed Term Contractors)
Life insurance	✓	✓	✓	-
Health care	✓	✓	✓	-
Disability and invalidity coverage	✓	✓	✓	-
Parental leave	✓	✓	✓	-
Retirement provision	✓	✓	✓	-
Stock ownership	✓	✓	-	-

We also ensure that our senior employees receive support for a smooth transition to a retired life. As part of the superannuation process, we provide them consultation on health and financial management through our partnering agencies. In some cases, they are also engaged as advisor based on their expertise and interest.





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Skilling for future

We facilitate skill upgradation and knowledge development of our employees in addition to providing challenging career opportunities that match their individual aspirations. Our structured approach aims to raise our employees' learning and development capacity, yielding a capable and more agile workforce. Our business heads in collaboration with Human Resource department, analyse the training needs of employees and formulate an annual learning and development calendar. 'My Real Learning' portal is utilised to deliver programs, track attendance, share observations with the Business Heads, and seek feedback from participants for continual improvement.

During the year, we also conducted focused training workshops for our customer relationship managers as well as facilities managers with the objective of developing a deeper understanding of service excellence, conflict management, and customer satisfaction. We are also in the process of digitising our standard operating procedures, which enables faster learning for employees, ensures consistency, and reduces our carbon footprint.

In order to drive upskilling and upgradation, we identified Champions of Change who deliver extensive learning programs across the organisation. Self-development and high value learning programs were also promoted. During the reporting period, the average training hours have reduced from 21 hours to 18.5 hours.

Key training programs conducted by Mahindra Lifespaces

Organisation Wide

RISE
Reflective
Conversations
Mahindra Leadership
Competency
Prevention of Sexual
Harrasment
Code of Conduct



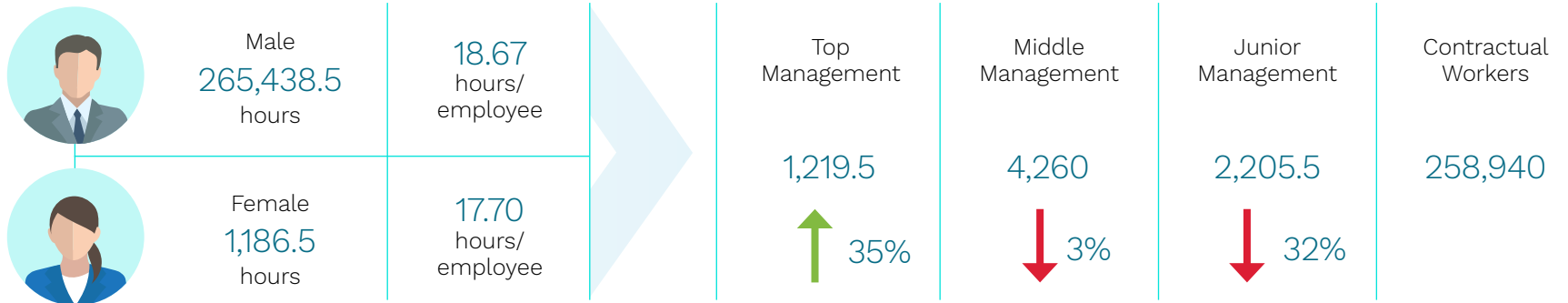
Functional

Sales Capability B
uilding
Project Management/
Execution
SMARTT
CRM Capability Building
Gyaanshala - Sales
Onboarding



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Training hours

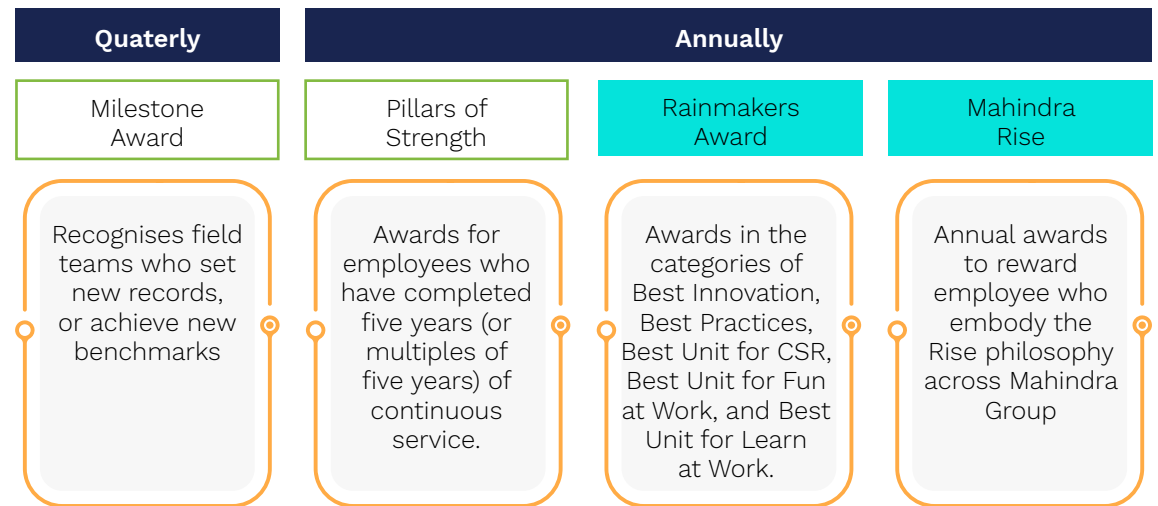


Creating a culture of recognition

At Mahindra Lifespaces, the performance culture is designed in such a way that all employees understand the company’s mission and goals and align their performance to achieve them. The individuals and teams are appropriately empowered and rewarded according to their contributions to the organisation’s goals. Our rewards mechanism establishes KPI and KRAs at the start of the financial year, which are used to reward the employees’ performance. Additionally, we have reward mechanisms for recognising the efforts of an employee that contribute to the organisation’s goals.

Our online portal named ‘Pinnacle’ manages our reward and recognition program and make it more effective. Through Pinnacle, we have replaced ‘Here and Now’ – physical appreciation/incentive cards with easier to redeem digital version

Our rewards and recognition mechanism



■ Monetary awards



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Engaging our people

Our employee engagement program helps us identify employee concerns and provides an opportunity for reflective and productive conversations. This year, we celebrated team day across locations – designed for our employees to experience and understand our credo, encourage teamwork, and communication. Through Mahindra Group Employee Engagement Survey – MCARES, we solicit feedback on our efforts to build an inclusive, diverse, and decent workplace. It also helped us in benchmarking our practices with other Group companies. For the reporting period, Mahindra Lifespaces achieved a MCARES score of 4.17/5.

DIVERSE AND INCLUSIVE WORKFORCE

We hire individuals from a wide variety of backgrounds with diverse characteristics, beliefs, and talents. Our recruitment strategy focuses on ensuring the right fit for the company, and includes referrals, campus placements, internal job postings, and direct applications. Our recruitment process is followed up closely by an onboarding procedure, ensuring that all new employees can function easily and efficiently within the organisation. It is our aspiration to build on diversity and embrace the uniqueness of each and every employee who is part of our ecosystem. We continuously strive to increase women participation across all functions, and this year we have been able to maintain our gender diversity ratio of 16% against our target of 18%. In the reporting period, 20% of the new employees hired were women, and there were no complaints on discriminatory employment.

Our Diversity and Inclusion Committee, through the three-year diversity and inclusion roadmap, guides us to improve the diversity within organisation. Through the roadmap, we implement a three-pronged agenda of reviewing data, taking accountability, and creating awareness. In order to raise awareness, we share a dashboard to all senior leadership showcasing where we stand and where we want to be and mailers to all employees and articles in 360 daily newsletters. We are sensitise our new joiners during onboarding sessions.

Our diversity and inclusion roadmap

Review data

- » Regular review of diversity statistics
- » Identify areas of improvement
- » Monitor progress and share actions
- » Move beyond numbers and share experiences

Take accountability

- » Communicate benefits of diversity and inclusion
- » Critically review our own work from a diverse user perspective identifying where one may build inclusion

Raise awareness

- » Ensure all employees are aware of how unconscious bias can impact the workplace
- » Consider visible ways to celebrate diversity in our work environment

As part of the agenda, we ensure that there is no difference in the remunerations of male and female employees. During the reporting year, we also monitored employee experiences through MCARES. We were given a score of 4.23 to 4.50 on diversity at workplace and 4.19 to 4.25 on inclusion. Attrition rate of 18% was recorded for the reporting period, which is less than the industry standard.



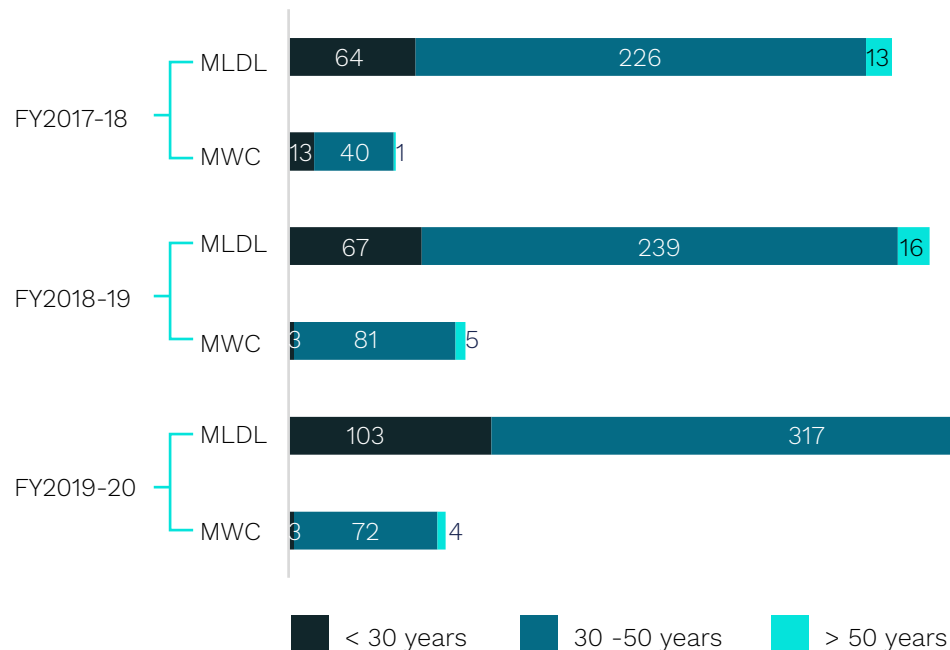
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Diversity and inclusion as a driver for business growth

Mahindra Lifespaces considers workplace diversity and inclusion as a key driver of business performance and sustainable growth. In line with this thinking, we formed more than 10 ‘Crack Teams’ with diverse working groups, gender, and generational cohorts. These teams are working towards achieving business excellence across functions by drawing on varied backgrounds and experiences. These teams are identifying new business opportunities/solutions whilst thinking creatively and avoiding biased decision-making. Crack Teams have increasingly become a means for us to practice inclusion and harness their potential.

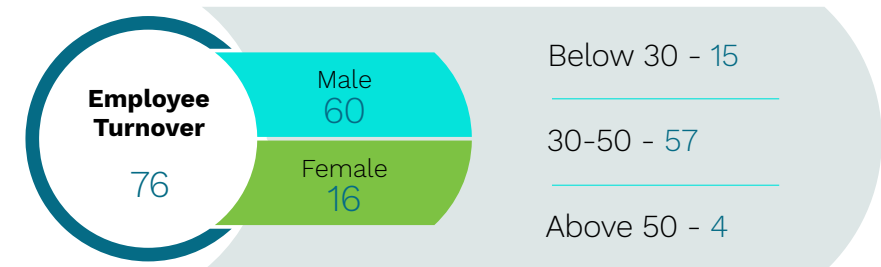
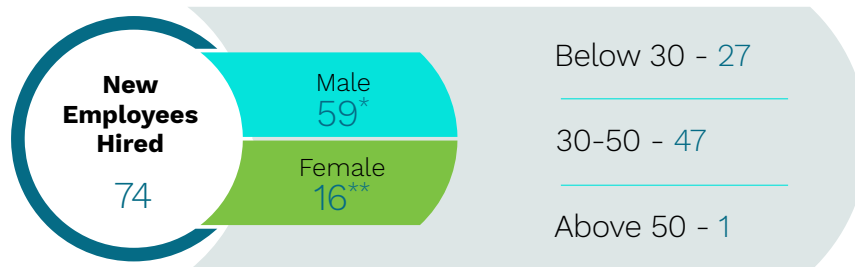
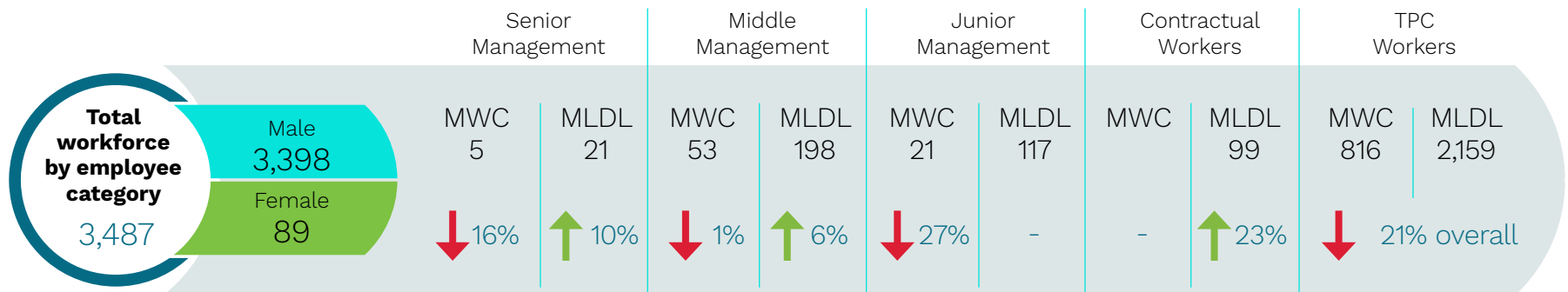
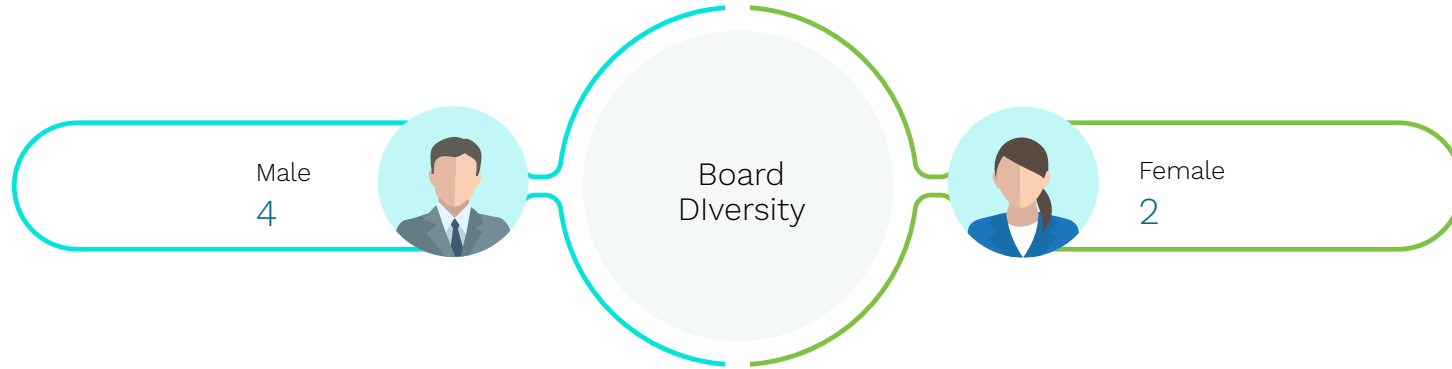
Due to the suggestion of our Crack Teams, we significantly improved our turnaround time in launching new projects. During the launch of Roots in Kandivali, we appointed contractors in 2 days, while our sales offices was completed in 30 days as opposed to a timeline of 45-60 days. We also sold 50% of our inventory within 30 days.

Our workforce snapshot





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*(10.3% of permanent workforce and FTC)

** (2.91% of permanent workforce and FTC)

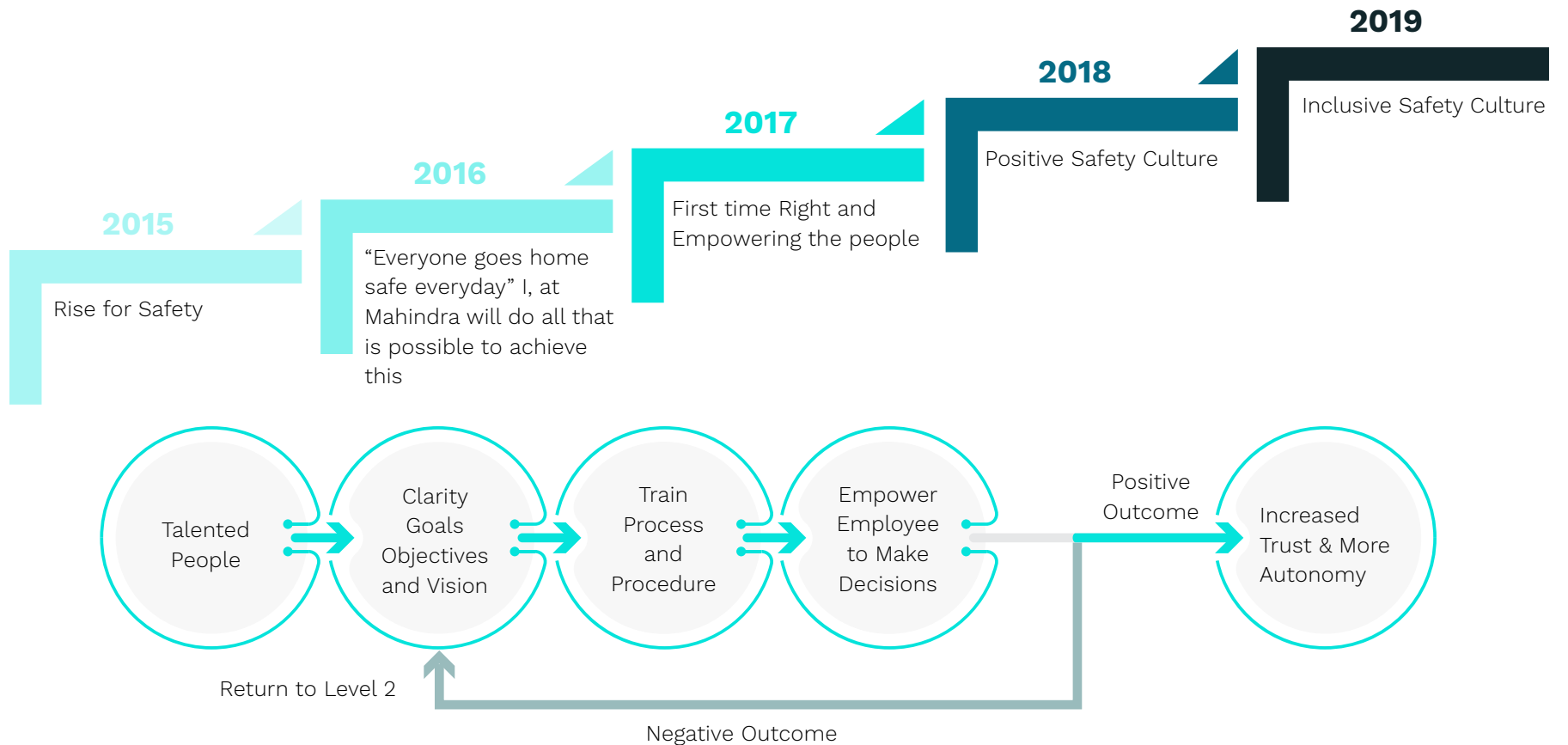


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FOSTERING A CULTURE OF SAFETY

Mahindra Lifespaces as an organisation is centred on its people and is uncompromising in terms of safety of workforce. Our leadership is actively involved and demonstrates an uncompromised approach in safety-related management. The shared safety vision of the Company encourages the workforce to enthusiastically participate in ensuring safe and secure working conditions for all, including the labour force at sites.

In India, construction industry is marked by its volatility and high turnover of the workforce. For a dynamic workforce constituting of both unskilled or semi-skilled manpower, constant awareness is the single most important aspect that relates to the workforce in restricting the accidents. Awareness, coupled with strong robust systems has reshaped Mahindra Lifespaces from an organisation with a reactive culture, to embracing the concept of an “Inclusive safety culture”.



Furthermore, our transition to ISO 45001: 2018 occupational health and safety management system is complementary to our OHS risk management strategies.



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WORKFORCE AND
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UPMOST IMPORTANCE
FOR MAHINDRA
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ESTABLISHED DESIGN
AND CONSTRUCTION

STANDARDS AND QUALITY MANUALS TO
ENSURE SAFETY AND SECURITY IN DESIGN
AND CONSTRUCTION. WE DRIVE SAFETY
THROUGH STRUCTURED INITIATIVES
AND TRAININGS THAT ENSURE THE
PRESERVATION OF OUR CORE VALUES.
INITIATIVES SUCH AS AN EMERGENCY
RESPONSE TEAM HAVE EMERGED FROM
THE SITES, WHICH AIM AT ENHANCING SITE
LEVEL COORDINATION AND RESOURCE
MANAGEMENT AT THE TIME OF ANY
INCIDENT. ”

Gopakumar

Head - Health & Safety

Our structured OHS management enables us to identify and mitigate risk at a preliminary stage, while deploying early warning systems to ensure a safe workplace. Our adept engineers, supported by the workforce, conduct project evaluations to identify operational risks, unsafe acts and concerns at the site level. The identified risks are represented through SMAART (Safe Method and Risk Reduction Technique) card, which contains safety related information for the anticipated risk at the site. As part of SMAART, interproject trainings are also leveraged to utilize the expertise of safety specialists across the projects. Additionally, we utilise monitoring tools such as Daily Work Management (DWM), for conducting periodic inspections, and incident analysis to be shared with the head office.

The safety culture of the organisation is supported by trainings and capacity building of our workforce. The trainings are aimed at enabling the workforce to perceive, report, and act on any unsafe and hazardous working conditions. We carry out customised training programs on risk mitigation, technical skill improvement as well as statutory requirements on Environment, Health and Safety. The reporting period saw an average of 5.8 hours of safety training to workers at site level, with a total of 2,44,009 hours in training.



Safety training



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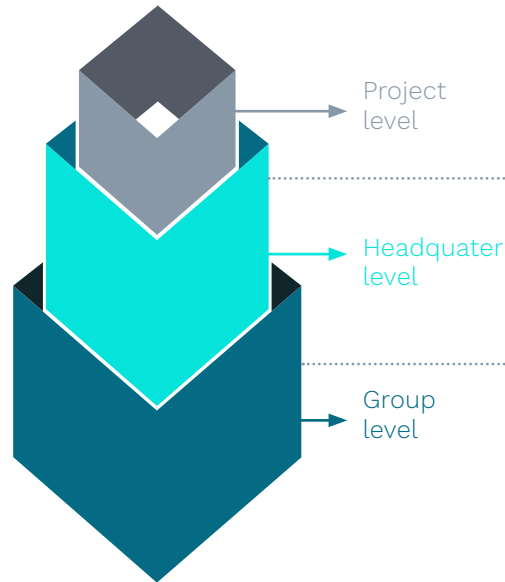
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Institutionalised safety management system



» In order to understand the safety and welfare related issues, contractors conduct weekly meetings with the workers.

» The staff of Mahindra Lifespaces conducts weekly meetings with the contractor to assess their performance and identify ways of improvement

» The safety team at project sites meet weekly to assess current status and identify unsafe acts

» Functional Head at Mahindra Lifespaces communicates with the safety managers of all projects quarterly to monitor and discuss the current safety standards, ways of improvement, new initiatives, good practices, legal updates etc. An Yearly Conclave is also conducted

» Central Safety Council constituting of all Functional Heads convenes once in two months for knowledge sharing, ensuring statutory and regulatory compliance, and setting targets.

» Group Central Safety Council meets quarterly to share good practices, conduct benchmarkings and set targets.

We conduct in-depth analysis of any incidents that may occur at our sites, with learnings being communicated throughout sites using existing mechanisms for sharing information. This is done as an effort to ensuring that similar incidents do not repeat. The overall outcome of the efforts are zero reportable accidents, drop in first aid cases, and suitable awareness among operatives at all levels paving the way for good safety culture in the organisation.

In our pursuit to provide a safe and dignified workplace, we also work to build awareness of human rights among employees. We provide one-hour training on human rights to our employees as part of their induction process. All 74 of the new hires in (14.39% of the permanent and FTC workforce) reporting period have gone through this training. We conduct preventive health examinations annually, especially for employees in the vulnerable age group. This year, we have not recorded any case of work-related ill health or fatalities. The KRA's of our staff were revised to include the implementation of safety measures relevant

to their functional areas. This change facilitated workplace safety among the various teams and supported them to work effortlessly towards improving the safety culture. Subsequently the project teams showed better involvement, participation, visibility and awareness at all levels. With workforce and contractor staff turnover figures topping the charts in construction industry, the constant efforts to stay connected with the workforce have paid off with enhanced near-miss reporting and reduced FAC and better understanding and changes intended by the organisation. The initiatives involving training have resulted in emphasis on an inclusive safety culture.

We reported zero fatalities and reportable work-related injuries, while accumulating 67,304,924 hours of safe man hours till date. The work-related injuries have been calculated based on 1,000,000 hours worked. The increase in near misses showcases the effectiveness of our initiatives and the development of our workforce.



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EMERGENCY RESPONSE TEAM



INITIATIVE

At Mahindra World City Jaipur, we witnessed some instances of chemical fires. During the analysis of the incident, the need for a structured Emergency Response Team (ERT) was established. The site ERT seeks for a better coordination amongst response team members with clear cut defined responsibilities, crowd control management, augmentation of resources, and availability of proper equipment during emergency situations.



INTERVENTION

Emergency Response Team formation was revisited with clear cut defined responsibilities, and identification and engagement of necessary stakeholders in an emergency. Structured roles and responsibilities have been defined, and fire-fighting equipment has been upgraded to cater for chemical/gas fire with procurement of appropriate PPEs. First aid training was provided to 25 employees through Indian Red Cross Society.



IMPACT

The intervention has allowed the team to effectively coordinate amongst emergency team members resulting in improved emergency preparedness and effective response. The clarity on roles and responsibility for each team member through mock drill training have allowed for effective coordination with stakeholders. The trust amongst customers on the team's emergency response ability has also improved our customer satisfaction score.





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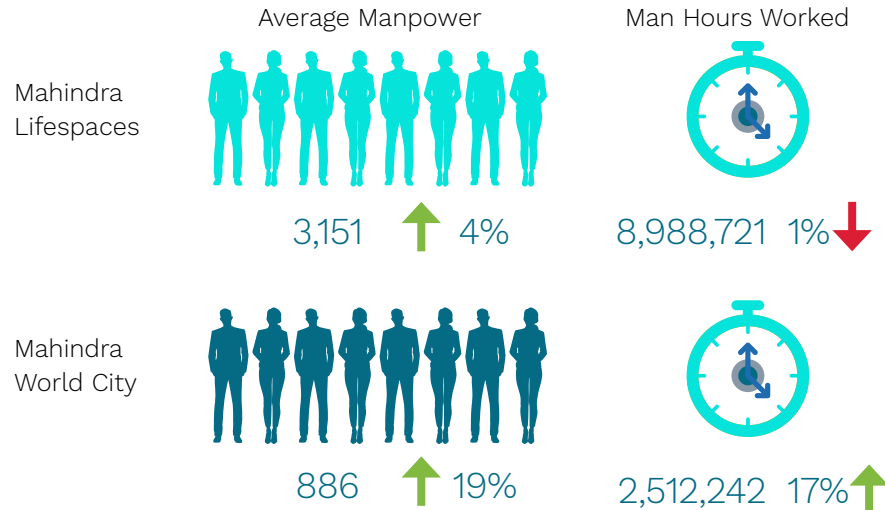
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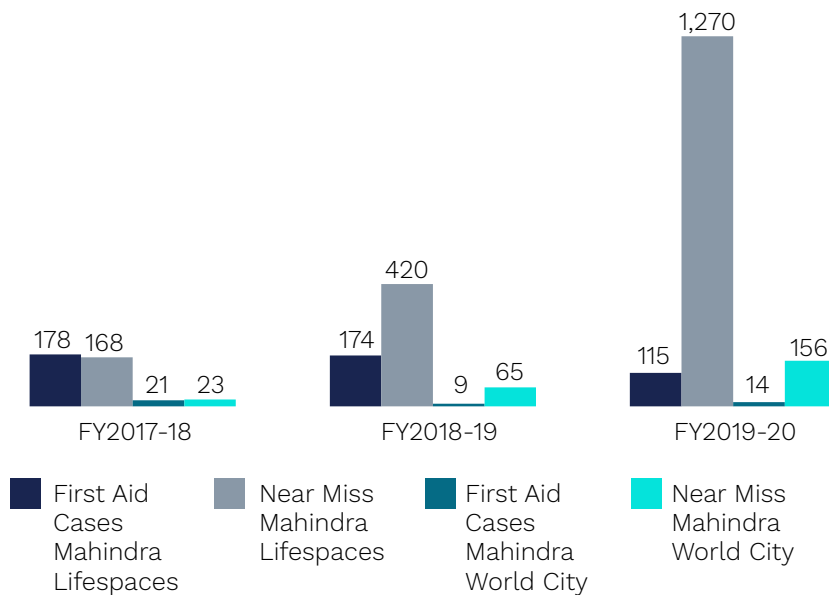
Safety snapshot



Outlook on human capital

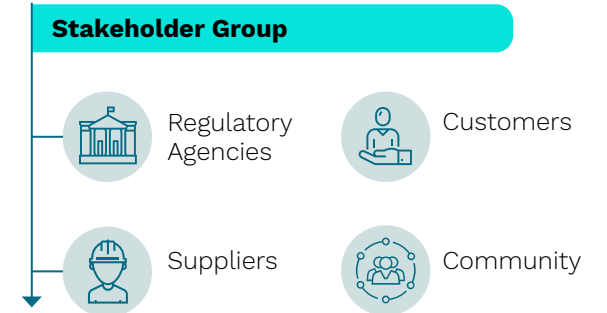
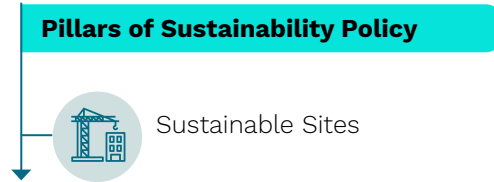
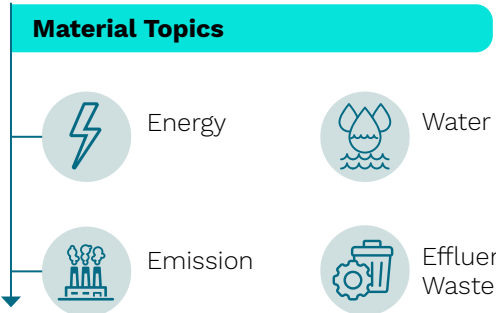
The pandemic and the consequent economic shutdown have created uncertainties across the business including human resource management. Globally, leading property developers have adopted digital transformation to refine employment strategies and talent management. Issues such as labour shortage and delayed resumption of work would require real estate developers to explore flexible and temporary employment strategies based on the company's business development and operational needs. While traditional employment relations are changing, we would actively pursue digital talent development to enable personnel competency and enhance effectiveness.

The pandemic has also altered the consumer preference, requirement, and priorities. In order to grasp the changes, it is essential for our teams to upskill, upgrade and uplift their respective competencies, and contribute to workforce productivity during crisis periods. Mahindra Lifespaces sees an opportunity to develop robust human resource operational models to improve organisational output.

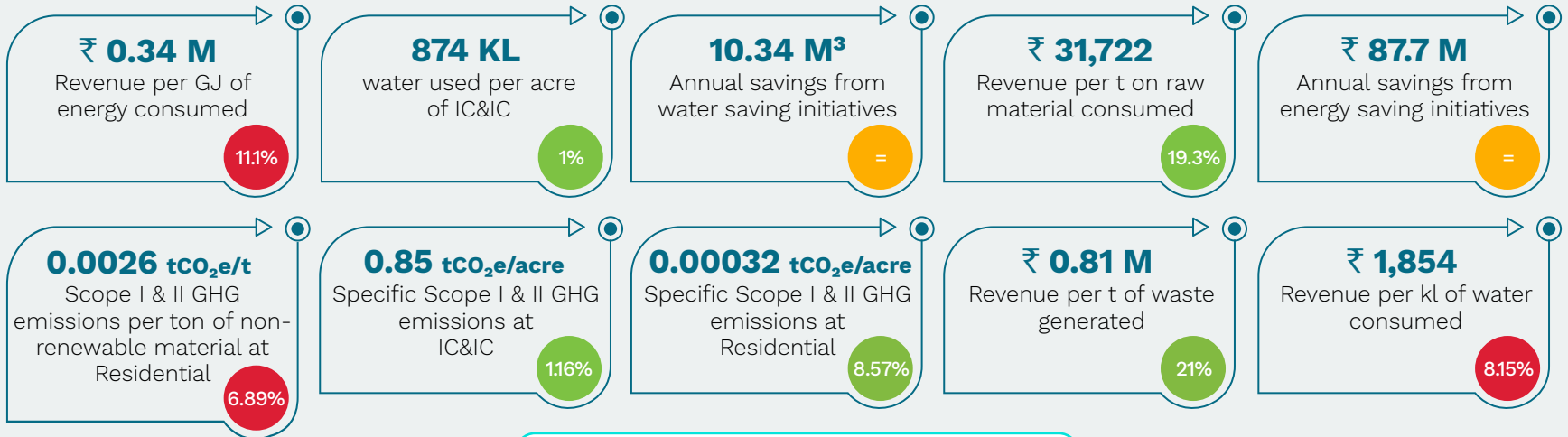




NATURAL CAPITAL: TOWARDS OPERATIONAL EXCELLENCE



Key Outcomes



■ Negative Change
 ■ Positive Change
 ■ Constant

* All figures are for the reporting period

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Accompanying rapid urbanisation, the building and construction sector has shown an increase in energy use (36%) and energy-related CO₂ emissions (38%)⁵, making it one of the major contributors of climate change. Mahindra Lifespaces acknowledges this fact and recognises its duty to operate in an ethical and ecologically sound manner. Our goal is to achieve sustainable management and efficient use of natural resources. We materialise this goal through our commitment to maximise energy and water efficiency, while reducing carbon emissions, air pollution, and waste generation. Our Sustainability and EHS Policy demonstrates our responsibility to minimise our environmental impact and ensure that all developmental activities are in full compliance with relevant statutory and regulatory requirements. Our SoPs guide us in this endeavour and help achieve the highest possible green certifications for our projects.

Our diverse business verticals allow us to have different levels of involvement in the projects. Our role in residential projects is limited to construction and handover of the property, while at integrated cities and industrial clusters we manage the entire infrastructure and operations at the city level. As a result, the scale of consumption and pattern of the business verticals is considerably distinct, and hence have been reported separately.

Given the nature of interventions by multitude of stakeholders during the life cycle of a realty project, we at MLDL have closely explored the scope for integrated thinking and the extent to which our natural capital performance could generate value for all relevant parties. With this aim in mind, we are trying to monitor our expenditure on environmental initiatives as well as metrics that explore how the natural capital performance has a bearing on the financial output of the company. For this we have started monitoring YoY trends of revenue generated per unit of resources consumed – revenue/GJ of energy consumed, raw material consumed, water consumed and revenue/waste generated. During the reporting period, we incurred an expenditure of INR 28.821 million for the implementation of our initiatives. In addition, we were able to generate savings on environmental parameters related to the consumption of resources (energy and water) as well as management of waste.

⁵ 2019 Global Status Report for building and construction sector

We leverage an Integrated Management System to evaluate and improve our environmental performance. The performance on these parameters is assessed periodically by the MD & CEO during the project review meetings. Overall, the integrity of the systems is assured by the sustainability team through periodic internal audits. As a responsible business, MLDL has directed its focus on integration of the performance of the various capitals individually and in synergy to inform our how the Company's strategy, governance, resources, performance and outlook of the external environment contribute to creating value in the short-, medium- and long-term.



FOSTERING A CULTURE OF SUSTAINABILITY



INITIATIVE

Our project sites collect data on environment, social and governance performance for various public disclosures of Mahindra Lifespaces. However, a systematic process to assess the maturity of sites in terms of timeliness, accuracy, effectiveness, and comprehensiveness of the overall sustainability processes (such as data collection and reporting, initiatives, and compliance tracking) was missing. A Site Sustainability Maturity Model was developed with the purpose of 'setting up uniform processes across all sites pertaining to environment management systems and Sustainability'.



INTERVENTION

This maturity model aimed to assess the effectiveness of existing processes, initiatives, and the awareness levels of personnel at sites. Based on the self-assessment results and analysis by the Corporate Sustainability function, sites can identify opportunities for improvements and establish realistic targets. A scorecard was also developed to identify, benchmark, and reward best locations.

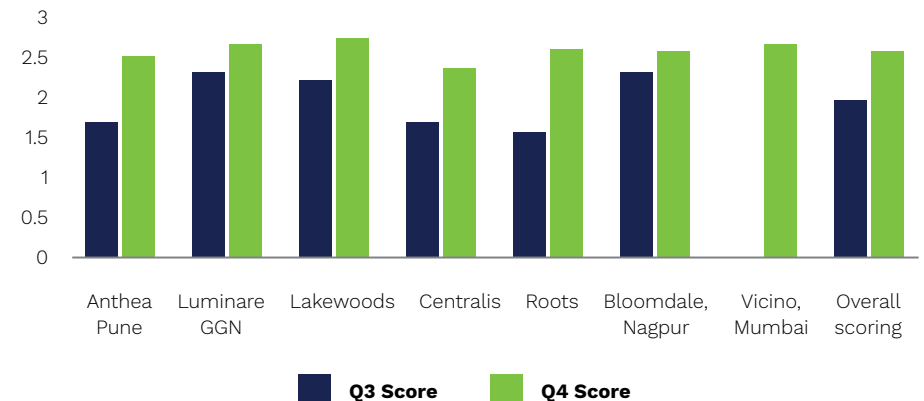
Currently, we have introduced a base version of the model with the objective of establishing uniform processes across all sites. The model will be further refined based on global benchmarks (CDP/GRESB)



IMPACT

Due to the model, we have been able to build a culture of sustainability across locations. Sites have a better awareness of sustainability mission and vision and have improved their data collection process. Compliance tracking has also become more stringent within the organisation and has contributed to avoiding non-compliance related penalties. Innovative ideas to optimise the use of energy, water, material, etc. were identified and communicated to all sites. As a result, our energy productivity and water productivity increased by 34% and 82% respectively. We also witnessed better performance during external audits.

Trends in Total Sustainability Score





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OUR CLIMATE STRATEGY

Climate change is one of the biggest challenges facing our world. International conventions and agencies are focusing on collaborations and climate action for arresting the global warming to lower than 1.5°C. This vision requires drastic action from governments, businesses, citizens, academia, and civil society among other relevant stakeholders. It becomes additionally challenging when integrated with the growth prospects that the realty sector envisions.

At Mahindra Lifespaces, we acknowledge the climate-related challenges and risks and actively implement initiatives and frameworks that can facilitate our efforts in reducing our environmental impact. Global frameworks on climate disclosures such as CDP, TCFD, GRESB, SDG and Science Based Targets (SBT), are leveraged to identify climate-related and ESG risks for the organisation, in addition to prioritisation of initiatives that have helped us work towards achieving our commitments. Through our transparent approach in publishing our climate-related

disclosures, we have been able to achieve a CDP score for Climate Change (B) and stakeholder engagement (A-), while our GRESB disclosure has achieved 5th rank in Asia.

The first step in our climate action strategy is to quantify and report greenhouse gas (GHG) emissions due to operations. We monitor, measure, and mitigate GHG emissions from our project sites across all three scopes. In the design phase, emissions are managed through passive architecture, energy efficiency initiatives, and adoption of renewable energy. In the construction phase, energy efficiency, efficient material management, and waste management initiatives are used to mitigate emissions. During reporting period 2018-19, we revised our methodology for estimating and reporting GHG emissions from the organisation. Consequently, the base year for emission reduction targets has also been revised to 2018-19. The Scope 1 and 2 emissions intensity at residential developments has reduced by 8.57% as compared to last year.

Greenhouse gas emissions

Scope	Unit	Residential		IC&IC	
		2018-19	2019-20	2018-19	2019-20
Absolute GHG emissions					
Scope 1 ⁶	tCO ₂ e	47	58	239	339
Scope 2 ⁷	tCO ₂ e	315	370	2,440	2,305
Scope 3 ⁸	tCO ₂ e	623,856	314,324	221,434	274,419
GHG Emissions intensity					
Scope 1 & Scope 2	tCO ₂ e/sq.ft, tCO ₂ e/ acre	0.00035	0.00032	0.86	0.85

We have used relevant emission factors from Central Electricity Authority, diesel fuel specification IS 1460:1995, and 2006 IPCC Guidelines for National Greenhouse Gas Inventories for calculations.

⁶ Emissions from fuel used in the DG set

⁷ Emissions from purchased electricity

⁸ Other indirect GHG emissions like purchased goods and services, upstream transportation, waste generation, business travel, leased assets, and use of sold products



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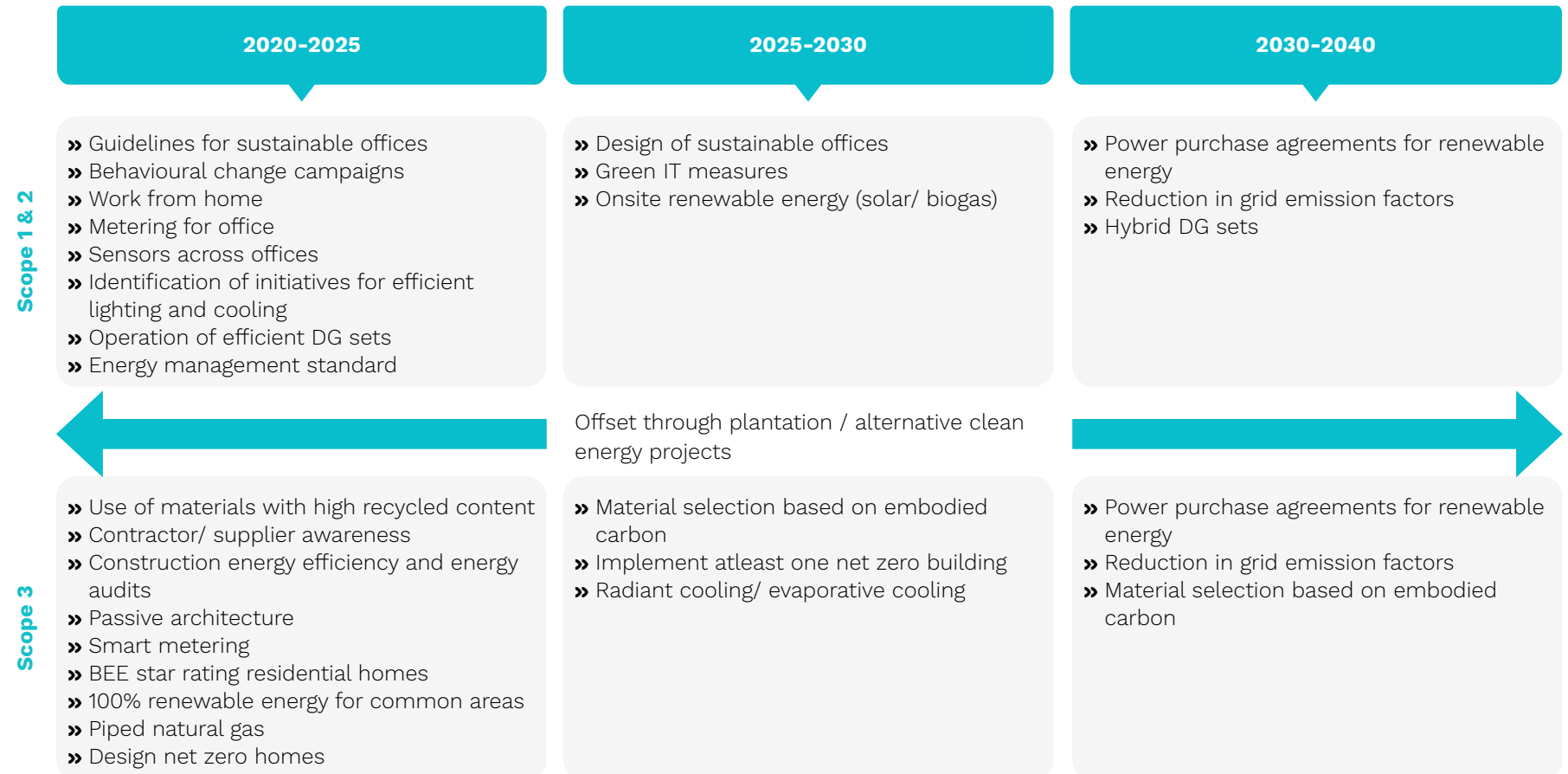
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We are committed to become carbon neutral by 2040. In order to achieve this, we are implementing a time-bound action plan to reduce the emissions across our value chain. Our plan to reduce Scope 1 and 2 emissions from residential developments revolve primarily around achieving reduction in energy consumption through efficient lighting and cooling systems and use of renewable energy. On the other hand, we aim to reduce emissions across our supply chain by reducing business travel, achieving zero waste to landfill for sites and offices, use of materials with

high recycled content and low embodied carbon, encouraging adopting of energy efficiency initiatives by suppliers and contractors, use of passive architecture, and renewable energy adoption. We are in the process of developing our action plan for integrated cities and industrial clusters. It will broadly focus on enhancing energy efficiency during operation and maintenance, increasing adoption of renewable energy, and offsetting emissions.

Carbon neutrality action plan for residential developments





OUR SCIENCE BASED TARGETS

The Science Based Targets Initiative (SBTi) is a joint initiative of CDP, the UN Global Compact, the World Resources Institute, and WWF. It intends to encourage businesses to take ambitious climate actions by mobilising them to set GHG reduction targets in line with the decarbonisation required to limit warming to less than 1.5°/2°C. Till date, 1040 companies

are taking action and 498 companies have approved science-based targets. We, at Mahindra Lifespaces have committed to reducing our emissions, through our targets that were approved in November 2019. Our science-based targets in line with 1.5°C pathway, makes us the first and only Indian real estate company to get targets approved.

Our science-based targets

Company	Target Statement	Quantified Emissions Target
Mahindra Lifespace Developers Limited	<ul style="list-style-type: none"> » To reduce 63% of absolute scope 1 and 2 GHG emissions by 2033 from 2018 as base year » To reduce 20% of absolute scope 3 GHG emissions by 2033 from 2018 as base year 	<ul style="list-style-type: none"> » Scope 1 & 2 emissions: 133.9 tCO₂e, by 2033 » Scope 3 emissions: 499,085 tCO₂e by 2033
Mahindra World City Developers Limited	<ul style="list-style-type: none"> » To reduce 63% of absolute scope 1 and scope 2 GHG emissions by 2031 from 2016 as base year 	<ul style="list-style-type: none"> » Scope 1 & 2 emission: 889.9 tCO₂e by 2031
Mahindra World City (Jaipur) Limited	<ul style="list-style-type: none"> » To reduce 63% of absolute scope 1 and scope 2 GHG emissions by 2033 from 2018 as base year » To reduce 20% of absolute scope 3 GHG emissions by 2033 from 2018 as base year 	<ul style="list-style-type: none"> » Scope 1 & 2 emissions: 348.5 tCO₂e, by 2033 » Scope 3 emissions: 10,724 tCO₂e by 2033

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ENERGY

Energy use constitutes a large portion of our operational expenditure, while impacting our emissions footprint. We place great emphasis on optimising our energy use throughout the life cycle. Our energy efficiency initiatives also act as a medium for us to pass on the benefits of energy and cost savings to our customers. Additionally, we strive increase the share of renewable energy in the energy mix.

Our direct and indirect energy consumption consists primarily of high-speed diesel and purchased electricity respectively. As we expand our product footprint, our absolute emissions continue to grow due to our energy requirements. However, we saw a reduction in energy intensity for energy consumed within the organisation both for our residential and IC&IC verticals in 2019-20. This was made possible due to our persistent focus on responsible energy consumption.

Energy consumption within the organisation

Parameter	Unit	Residential		IC&IC	
		2018-19	2019-20	2018-19	2019-20
Direct energy consumption	GJ	636	762	1,519	2,549
Indirect energy consumption	GJ	1,386	1,628	10,710	10,117
Total energy consumption	GJ	2,022	2,388	12,229	12,666
Specific energy consumption	GJ/unit of area	0.00198 GJ/sq.ft	0.00186 GJ/sq.ft	4.143 GJ/acre	4.09 GJ/acre
Denominator area	Sq. ft./ acre	1,019,199 sq. ft.	1,319,454 sq. ft.	2,951.70 acres	3,091 acres

The energy consumption by third-party contractors has been excluded for calculating our own absolute and specific energy consumption.

Energy consumption outside the organisation

Parameter	Residential		IC&IC	
	2018-19	2019-20	2018-19	2019-20
Upstream				
Purchased Goods and Services	11,661	9,557	NA	NA
Downstream				
Purchased Electricity by Customers	2,319,861	1,004,009	925,282	1,175,002
Fuel Consumption (Energy, Heat, Steam) by Customers	711,901	3,40,103	Data not available	Data not available
Downstream Leased Assets	NA	NA	24,295	24,957

*All units in GJ



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SMART SOLUTIONS FOR ENERGY CONSERVATION



INITIATIVE

In order to achieve the commitment laid down in C40 climate positive roadmap of **Mahindra World City, Jaipur**, we have been seeking alternative solutions to reduce energy consumption and the associated emissions. We realised that considerable amount of electricity was being used for powering of street lighting systems, which focused on uniform illumination, irrespective of frequency of vehicles. Therefore, we designed intensity-based streetlight operations



INTERVENTION

The smart solution was based on wireless network connectivity in street lighting and allowed the teams to remotely control and monitor luminosity and energy consumption. The mechanism also provided the team real time monitoring that records data/ trend for analysis and future innovation.



IMPACT

The integration of the system has led to improving the reliability and intensity of the lighting solutions. This has resulted in reduction of 46% in energy consumption in streetlights as compared to previous reporting cycle. Additionally, there has been a reduction of 28.3 tCO₂e with a saving of INR 730,000 in common area energy consumption.

ALTERNATE TECHNOLOGY FOR PROCESS IMPROVEMENT



INITIATIVE

The pumps at **Evolve, Mahindra World City, Jaipur** were prone to frequent breakdown and had a high cost of repair or replacement. Hence, alternate and newer technologies in pump construction and design were explored. As an alternative to conventional cutter sewage pump, six vortex pumps were installed in the sewage systems



INTERVENTION

The multi-usability of the pump allows a flexible application in both sewer as well as storm water. The construction and design of the pump eliminates the pump's cutter section and mechanical wear and tear, allowing for a reliable solution. It can also handle larger particles upto 40 mm. The systems have been retrofitted to accommodate the new pumping solution.



IMPACT

The new process has minimised the breakdown time. Additionally, the new system reduced energy consumption by 40%. This has also contributed to a cost reduction of INR 200,000 in energy cost and INR 40,000 in capital cost.



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WATER

Water is a critical resource which used throughout the lifecycle of the real estate development such as preparation of mortar, mixing of cement concrete and for curing work etc. Even during the occupancy stage, regular availability of good quality water is an essential requirement of our customers. The water quality and availability in rapidly urbanising India is already taking a toll on the water resources. This makes it imperative for us to use water judiciously.

Currently, we use under 0.08 m³ of water per sq. ft. of residential area developed, which has reduced by more than 40% from the last year. On the other hand, we use 874 m³ of water per acre for the development and maintenance of industrial parks, a decrease of 1% from FY2018-19.

Classification of our sites based on water stress

Safe	<ul style="list-style-type: none"> » Nagpur » Mumbai » Pune
Critical	<ul style="list-style-type: none"> » Chennai » Gurgaon
Over-exploited	<ul style="list-style-type: none"> » Bengaluru » Jaipur

Our water demand is met primarily using ground water, exposing us to risk of reduced water availability. Our water sustainability strategy for future-readiness has guided us to develop mitigation measures based on best available practices. We have classified our sites based on water stress into safe, critical, and over-exploited. The classification allows us to create customised mitigations plans, while ensuring water conservation at every stage of our project. Conservation strategies are embedded from the design stage, to measuring, and monitoring consumption during construction and occupancy, in addition to ground water recharge in majority of the sites.





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The development, monitoring, and evaluation of our strategy is done through two cross-functional teams (CFT) at Mahindra World Cities and Mahindra Lifespaces. The teams evaluate current approaches, site-specific challenges, and different business scenarios to identify the potential impact on business arising from water risk. The solutions are identified, carefully analysed for impact, investment and time duration and rolled out in a planned and scientific manner. The teams utilise proven tools such as hydrogeological studies, to determine appropriate locations for developing optimal water recharge locations.

In 2019-20, there was a reduction in water intensity for both our residential and IC&IC projects. We have started exploring other water

source to reduce our reliance on ground water which reflects in reduced usage of groundwater in our operations. We also saw a substantial increase in use of treated water.

Total water consumption in our residential projects reduced by nearly 25% during the year compared to previous year which is a promising trend for our water initiatives. For 2019-20, we expanded our water reporting boundary for IC&IC projects which now included ORIGINS as well. This led to an increase in absolute water consumption but the YoY water intensity has still declined.

Table 7: Water withdrawal by source

Water Source	Unit	Residential			IC&IC		
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20*
Bottled Water	m ³	4,497	226	406	30	26	29
Ground Water	m ³	37,102	38,759	26,155	1,120,780	1,251,002	1,061,979
Municipality water	m ³	19,113	88,983	54,587	427,273	488,532	513,175
Surface Water	m ³	0	0	0	0	0	0
Tanker Water	m ³	51,719	10,333	19,004	156,556	30,203	35,828
Treated Water	m ³	0	1,952	4,342	775,853	837,670	1,091,706
Total Water Consumption	m ³	112,432	140,253	104,515	2,480,492	2,607,433	2,702,717
Water use intensity	m ³ / area	0.150	0.138	0.079	889.71	882.65	874

*FY2019-20 includes the new project of ORIGINS



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All our residential projects have an onsite Sewage Treatment Plant (STP) and Tertiary Treatment Plant of varying capacities, which are used for treatment of domestic wastewater. The treated water is reused for the purpose of landscaping, flushing and cooling, within the project sites, in effect making our projects Zero Liquid Discharge sites. At our integrated cities and industrial clusters, wastewater from our customers is treated at an onsite STP, as mandated by the Central Pollution Control Board. Our industrial customers are obliged to install and operate an in-house STP, as mandated by the local regulations. The sludge produced from STPs are disposed as per the local regulations. This year, we recycled and reused 1,091,706 kl of water at our integrated cities and industrial clusters, registering an increase of 28.76% from last year.



ALTERNATE PROCESS FOR GROUNDWATER RECHARGE



INITIATIVE

Every project site is complemented by a lengthy mix of paved roads, serving the dual purpose of guiding road traffic, as well as effective drainage of rainwater. The team at **Vicino, Mumbai** observed an opportunity to use an alternate process for laying pavers without the use of plain cement concrete (PCC) bed.



INTERVENTION

Pavers have been used on compacted earth and without PCC bed allowing rainwater to percolate and recharge groundwater, rather than running off to drain. Reducing the runoff into drain shall also reduce the load on city storm water drainage system.



IMPACT

Along with rejuvenating the ground water, paver roads also help in reducing cost for pathway repairs. It is more efficient to maintain paver road than replacing or repairing concrete pathways. Additionally, paver roads provide better safety for vehicles in terms of anti-skidding.



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BIODIVERSITY

Biodiversity is an essential element of our sites. Similar to technical and financial, environment due diligence is done as part of business development to ensure proper selection of land for our projects. During the design and use phase, we aim to incorporate local species and preserve existing plantations at sites. In certain cases, where preservation may not be possible, we transplant trees to a suitable location, where there is no danger being cut down. At our project at Bloomdale, we have successfully transplanted over 10 full-grown trees within the project sites. We also strive to restore the area around our developments so that our urban areas flourish.

URBAN FOREST 2.0



INITIATIVE

To stimulate environment friendly developments and creating a serene environment, **Mahindra World City, Chennai**, undertook plantation of native species on a large scale. The Miyawaki method of plantation, that involves planting different types of trees close together in a small area has led to the creation of an ‘Urban Forest’.



INTERVENTION

Under the initiative, more than 400,000 saplings of native species have been planted across 150 acres of land. The urban forest initiative held in partnership with our partners communitREE, created long term sustainable urban forests to restore the tree cover and facilitate enhanced biodiversity of native species.



IMPACT

The green forest cover acts as an excellent filter for urban pollutants and fine particulates. It not only improves the air quality but also significantly reduces temperature by 2-4° C, which in turn reduces the cost of operating artificial climate control systems. It acts as a noise and dust barrier and creates small habitat for birds and animals, increasing urban biodiversity. The urban forest within the city would contribute to the development of a carbon-neutral ecosystem, while aiding the replenishment of ground water.



Mahindra World City Chennai





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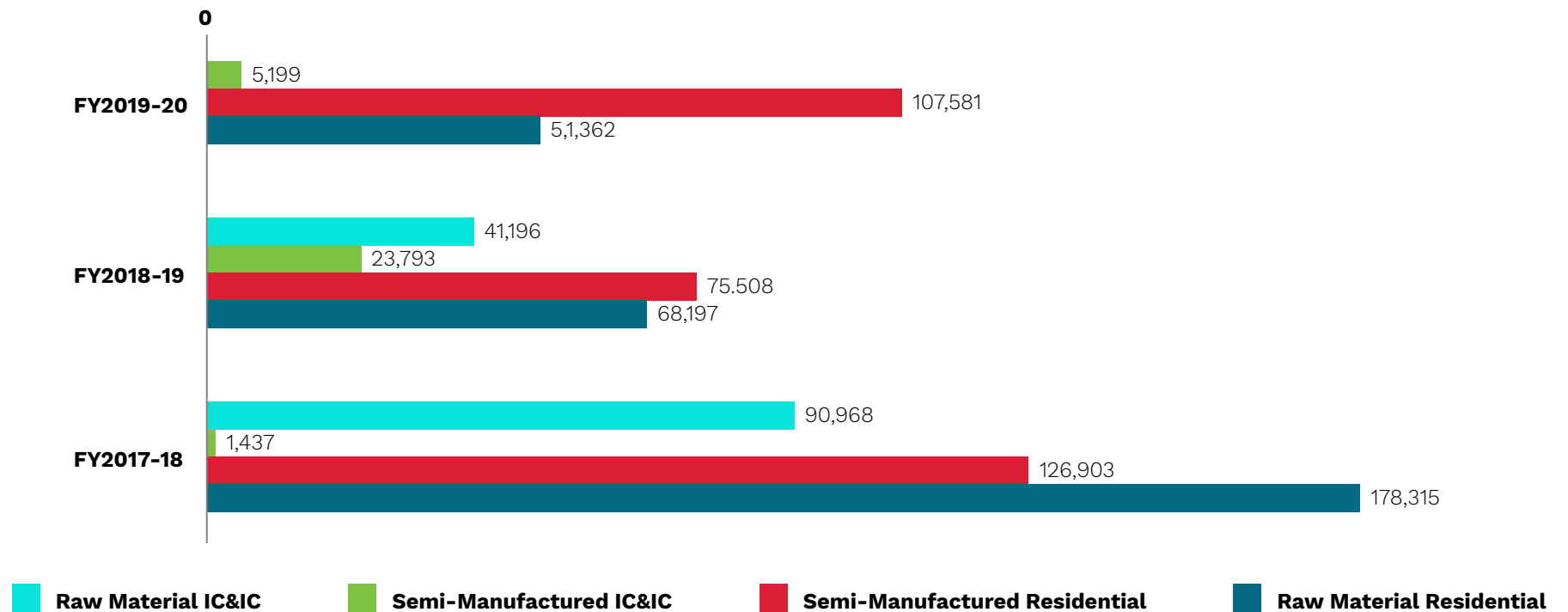
SUPPORTING A CIRCULAR ECONOMY

The Indian real estate sector accounts for 20% of annual raw material consumption in the country. Aspirations for secure, safe, and sustained employment opportunities has seen an increase in demand for housing solutions in cities. The desire to own a property is exerting pressure on limited stock on natural resources, making resource efficiency the need of the hour for the economic, social, and environmental sustainability.

We are cognisant of the need to integrate optimal material use and waste management into our construction activities. In this pursuit, we have

initiated integrating principles of circularity in our operations. We have started utilising our patented ‘Fly ash brick with low thermal conductivity’, in our projects. The initiative has allowed us to incorporate recycled waste as an input in our raw materials to the extent of 35%. However, our primary focus remains at avoiding wastage and reuse of materials through proper handling, and skill workmanship⁹.

Material consumption (in tons)



⁹ The material consumption does not include Semi-manufactured materials such as pipes, paint measured in cum as well as CP/ sanitary, Kitchen Sink, Windows, Wooden Door Frames / Shutters measured in number. We haven't captured the data for material consumption in ORIGINS this year.



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At Mahindra Lifespaces, we manage waste produced during construction, by eliminating and minimising waste, reusing, recycling, and safe disposal at designated sites. We also manage the domestic waste generated by our customers. This gives us the opportunity to adopt best practices

such as converting biodegradable waste generated into biofuels and compost and inculcate behaviours related to sustainable waste management among our customers.



Design Stage

Innovative techniques to reduce, reuse and recycle waste are incorporated right at the design stage in each project



Construction Stage

At least 75% of our construction waste is diverted from landfills. Under our construction waste management plan, we track all recyclable waste and ensure it is collected and segregated at a demarcated location.



Occupancy Stage

All our buildings are equipped with colour coded bins - red, green and blue to collect recyclable waste such as inorganic waste/hazardous waste, bio-degradable waste/organic waste and paper/plastic/cardboard waste respectively. All the treated biodegradable waste is converted into manure and is used for landscaping.

Total waste generated

Waste Type	Residential			IC&IC		
	2017-18	2018-19	2019-20	2017-18	2018-19	2019-20
Hazardous Waste	2	1	0	0	0	0
Non-Hazardous Waste	1,743	5,777	2,967	2,014	2,437	3,402

*All units in tons



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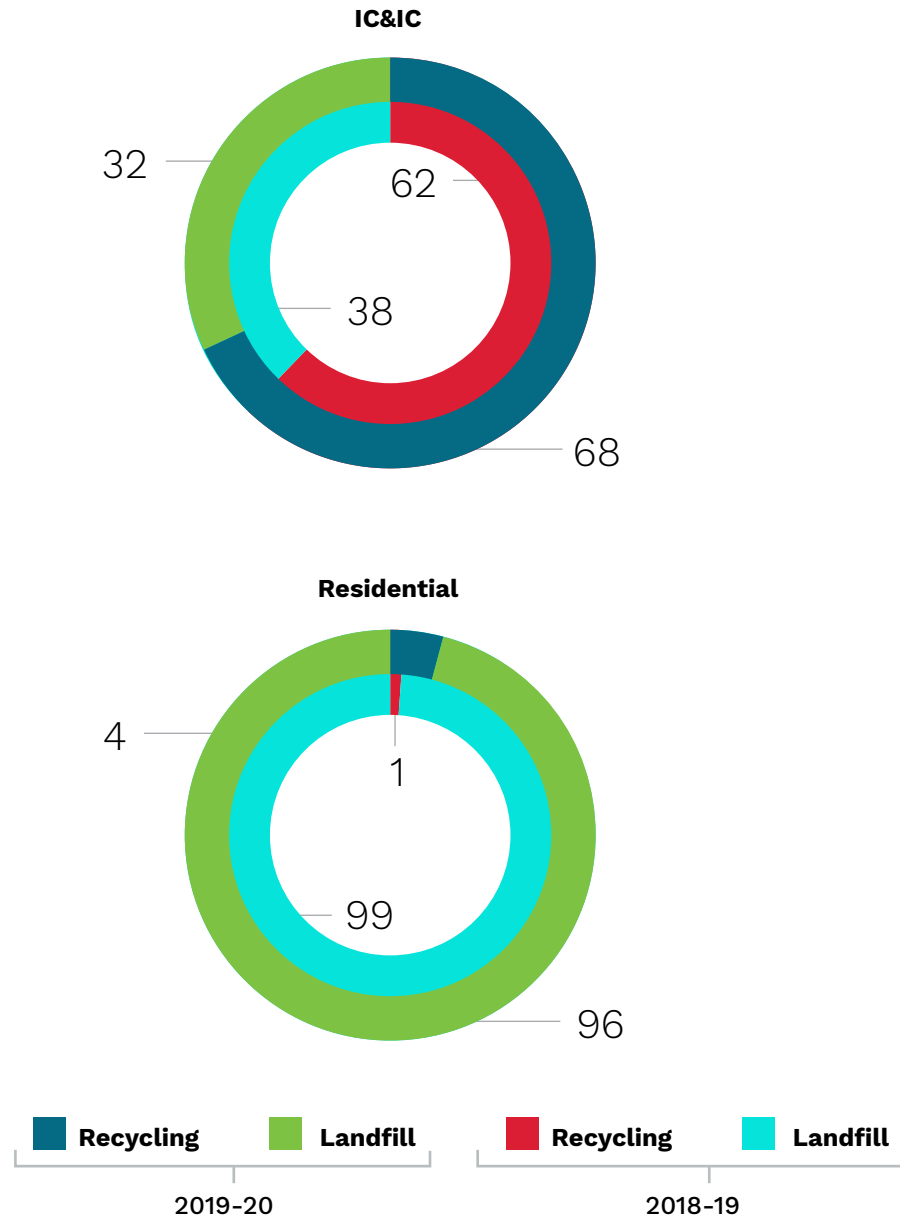
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Proportion of waste by disposal (in %)



RESPONSIBLE E-WASTE DISPOSAL



INITIATIVE

Mahindra Lifespaces, prior to being classified as a bulk consumer, as per the E-Waste (Management) Rules, 2016, had undertaken the task for responsible disposal of the e-waste. The Company has tied up with Eco eMarket, which handles and recycles the e-waste generated at Mahindra Lifespaces.



INTERVENTION

In the reporting period, approximately, 344 kg of e-waste was generated and collected from the locations at Pune, Mumbai and Chakala. The waste led to the recycling of the components including 99% metals, 80% glass and 99% plastic. 1% mercury and lead components were disposed-off in a controlled landfill and as per the MOEF/ Chemical and Fertiliser policy.



IMPACT

The recycling of the e-waste has allowed the company to avoid 879.34 kgCO₂e emissions, 12,057.3 l of water and 424.8 l energy equivalent of fuel through recycling of waste. The recycling has also allowed the Company to avoid 5,904.5 m³ of landfill.



INCORPORATING CIRCULARITY IN CONSTRUCTION

Our idea of circularity in construction is based on the business model of using materials for as long as possible, while reducing waste through reuse, recycling, and upcycling.

Initiative	Intervention	Impact
Recycling scrap for secondary reinforcement	We have reduced the quantum of raw material required for secondary reinforcement by 50%. The raw material required during construction has been substituted with scrap material.	By minimising the raw material requirement, the initiative has reduced the environmental impact, while leading to a saving of INR 5,000 per ton of steel reused.
Minimising new aluminium panels through refurbished product	The formwork required during the construction activity has made way for the use of refurbished aluminium at the project sites	Recycling activity has led to reduced environmental impact by reducing wood consumption, river sand, and other natural resources. The initiative has led to a saving of INR 0.66 crore and 150 tCO ₂ e in emissions.
GI wire mesh for concrete road	The reinforcement required during laying of concrete for constructing roads relies on large quantities of steel. The reinforcement has been replaced with GI wire mesh to maintain a tighter aggregate interlock at Happinest Palghar.	The new design method reduces the input quantity and cost.
Book matching for flooring at stone yards	The Italian flooring at Luminare require cutting stones at remote location. In order to improve the book matching practice, the team shares a sketch of each unit with the stone cutting yard for customised cutting and numbering. This process allows for improved traceability and workmanship.	The practice of book matching in the stone cutting yard itself ensures better quality of workmanship in stone flooring activity, while reducing rework and snag time at the time of handover.

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Initiative



Intervention



Impact

Substituting AAC blocks

The AAC blocks that have been used in the kitchen walls of the projects have been replaced with solid blocks at Vicino. This has been done in an attempt to increase durability and reduce the material use.

The increased stability of the solid blocks has led to the reduction of chemical fasteners by 30%, while decreasing the maintenance for customers.

Pre-casting infrastructure elements

ORIGINS, Ahmedabad presented a unique challenge in the form of topography, location and limited timelines for work completion throughout the year. The challenge was overcome using prefabricated infrastructure that allowed off-site manufacturing.

The solution reduced the execution time by 50%, in conjunction to the materials required for conventional construction. The prefabricated structures have been used without any compromise to the quality of the end product.



Aquality, Chennai

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VALUE FROM WASTE



INITIATIVE

We have been undertaking efforts to optimise our waste generated at Mahindra World City, Chennai. We realised that the biodegradable waste could be used in a bio-digester for the production of bio-gas at a large scale.



INTERVENTION

A biodigester of 10 tons was installed at the site for production of biogas. The quantum of the biogas allows the Company to run 2 CNG generators and produce 5,000 kWh of electricity per month, tractors, and 2 local shuttle buses. The plant operates with an annual cost of INR 9,930,651, while consuming an average of 5,000 kgs of biodegradable waste.



IMPACT

The management of waste, as opposed to disposal, allows the company to incur a saving of INR 365,000 per annum. The monetary savings are supplemented by an estimated 115 tCO₂e of emissions avoidance through recycling of biodegradable waste. The management of waste has also allowed the company to avoid an additional 19.62 tCO₂e, through the use of bio-gas instead of diesel.



Biodigester at MWC, Chennai

MINIMISING AIR POLLUTION

Air pollution - both ambient (outdoor) and household (indoor) are considered the biggest environmental risks affecting health. During the construction process, dust and other air emissions such as PM_{2.5}, PM₁₀, SOx, and NOx, originates from various onsite activities such as excavation, drilling, material transportation, loading and unloading, concrete and mortar making, cutting and filling, and the movement of equipment. If

left unmanaged, these can have adverse impact on the health of onsite workers and the quality of life of people living in cities.

Inspite of our best efforts, the PM₁₀ limit at our Luminare and Bloomdale projects was recorded as more than the NAAQS permissible limit. During the year, maximum values recorded as 196 and 130 µg/m³ as against the



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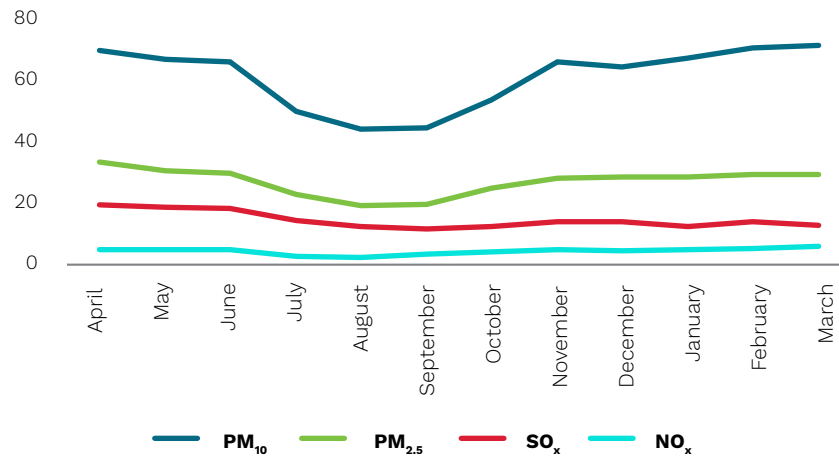
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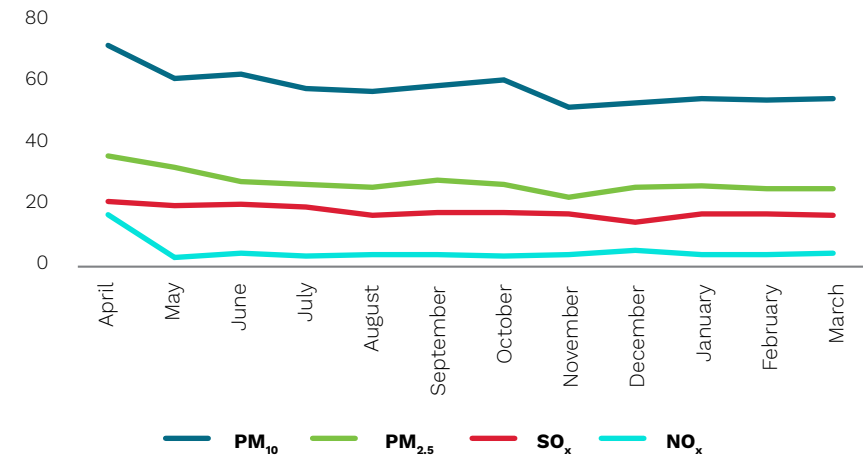
limit of 100 µg/m³ for Luminare and Bloomdale respectively. This was due to the ready-mix concrete (RMC) plant in the near vicinity of the project site. At our projects Antheia and Lakewoods the air quality was within the permissible limit. We are currently in the process of strengthening our data management systems to monitor and report the air quality data from Centralis, Roots, Vicino, Vivante and Windchime projects from next year onwards.

Our performance at MWC Chennai and MWC Jaipur was considerably good where the data trends over 3 years indicate a satisfactory AQI and a decreasing trend. Going beyond the compliance requirement, at MWC Jaipur we have installed an online monitoring station which indicates daily value of ambient air quality criteria pollutants.

Air Quality - MWC Jaipur



Air Quality - MWC Chennai



* NAAQS permissible limits(annual): PM₁₀ - 60; PM_{2.5} - 40; SO_x - 50; NO_x - 40. All units are in µg/m³

We have taken several measures to monitor and improve our ambient air quality both during the construction phase and the occupancy phase:

During construction

- » Regular monitoring of air, water, noise
- » Dust suppression measures
- » Water sprinkling on loose soil
- » Covering of construction materials
- » Wheel washing facility at the entrance
- » Earth slope protection using green net

During occupancy

- » Maintain ambient air quality
- » Use of landscaping to purify and improve air quality and circulation
- » Use of low VoC paints to reduce indoor air pollution
- » Selection of outdoor plants that help reduce air pollution



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AIR POLLUTION MITIGATION AT LUMINARE



INITIATIVE

Building construction is responsible for the release of gases and dust, causing air pollution in the vicinity of the project sites. As a real estate developer, we are aware of this challenge and have been taking measures to mitigate this. At our Luminare site, this is further compounded due to a RMC plant in the vicinity of the project.



INTERVENTION

Some of the measures adopted by our project team during construction include dust suppression initiatives, sprinkling of water on loose soil, covering of construction materials, and earth slope protection using green net.



IMPACT

Due to these measures, the ambient air quality (concentration of NO_x and SO_x) are under the permissible limit.

Measures to reduce air pollution at Luminare





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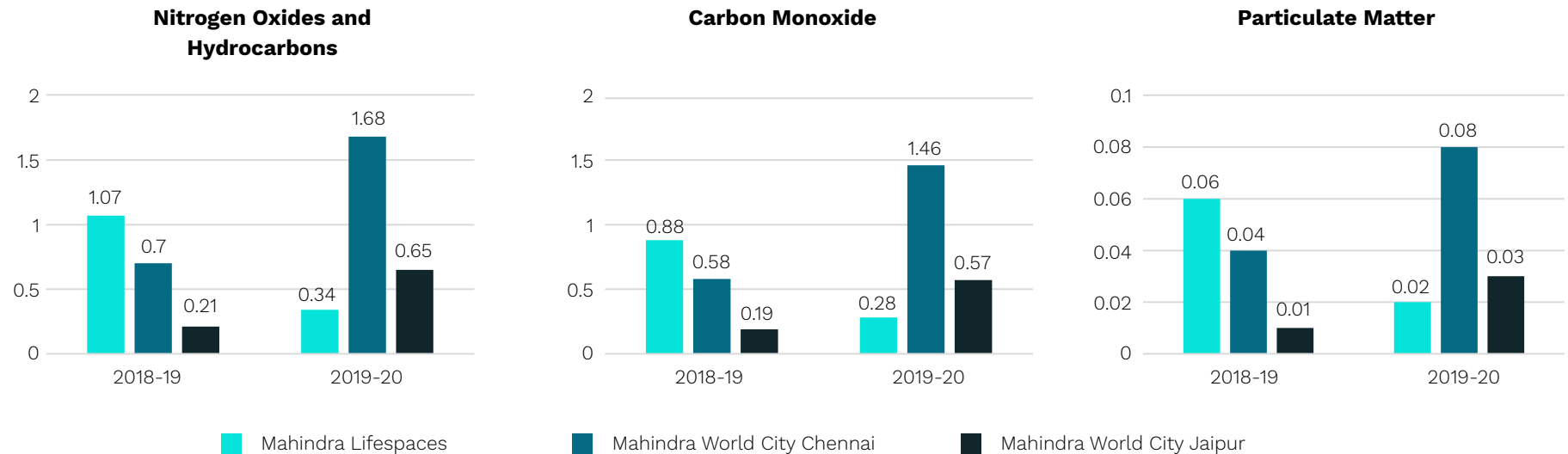
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In 2019-20, our residential business experienced a decrease in point source emissions as the projects procure electricity from the grid. However, our site at Jaipur and Chennai, saw an increase in direct air emissions. The primary reason for this is the increase in the running hours of the DG sets. The DG sets are used as backup for operating STPs

installed in the integrated cities. There was a considerable increase in the operation of STP DG sets which can be attributed to the large volume of rainwater ingress in the sewage lines. Additionally, the unavailability of electricity from grid had also triggered excess use of DG sets.

Emissions at our site



All units in t/kw-hr

Outlook on natural capital

Given the considerably high resource consumption by real estate development, Mahindra Lifespaces has identified the urgent need to optimise the environmental footprint from its building and construction activities. To that end, our company has prioritised and promoted targeted initiatives on climate adaptation, water and energy efficiency, and improved waste management (e.g., zero waste to landfill to be extended across our built portfolio) relevant throughout the lifecycle of the project.

Mahindra Lifespaces is aware of the aforementioned challenges and will continue to take dynamic measures for mitigation. We will continue to strengthen our policies and practices and provide support to our stakeholders for adoption of sustainable practices. Our commitment to environmental frameworks such as SBT and C40, will help us to achieve our carbon neutrality goal. Additionally, we would continue to leverage CDP and TCFD disclosures and GRESB recommendations for an uncompromised approach to promoting climate-resilience as central to our sustainable real estate development.



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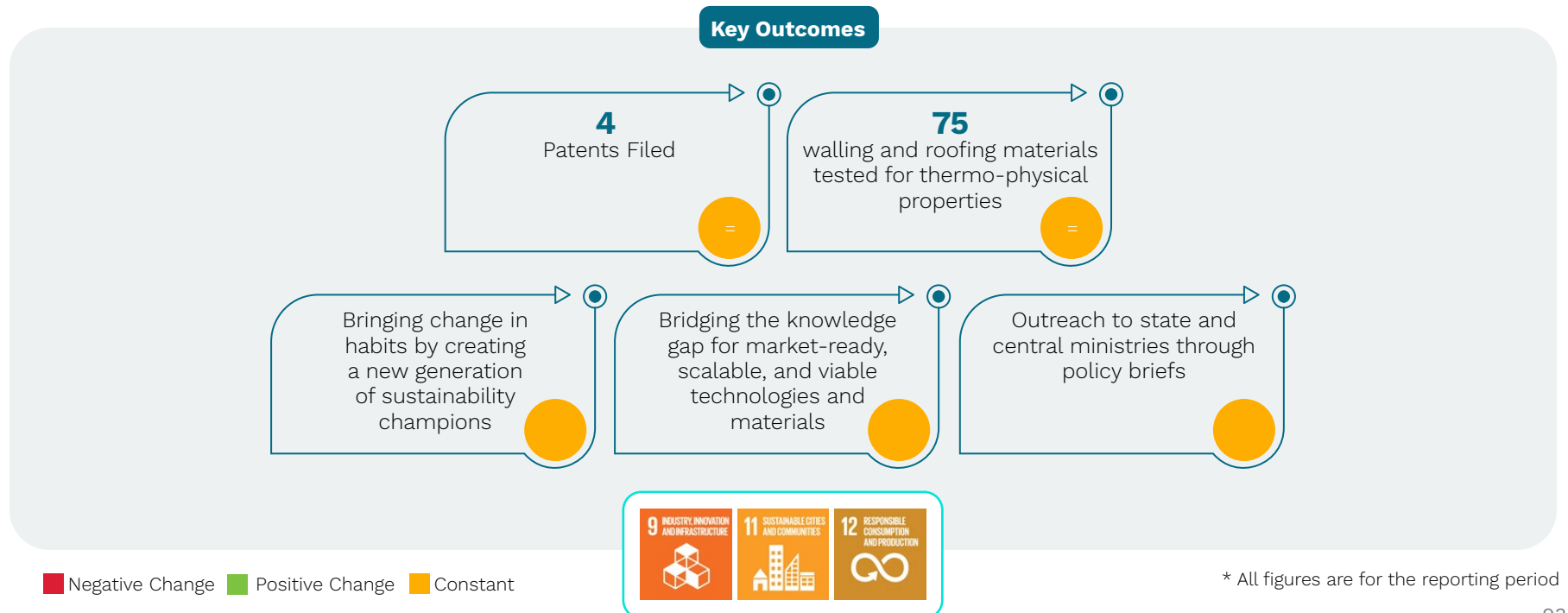
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INTELLECTUAL CAPITAL: LEVERAGING DIGITAL TECHNOLOGY AND DESIGN SOLUTIONS



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At Mahindra Lifespaces, we constantly look to create innovative solutions and ideas that can transform the existing business landscape, create new value propositions, and set industry benchmark. As part of developing intellectual capital for the company and sector in general, we continued to invest in research and capability development and collaborate with technology partners to enhance our performance.

LEVERAGING DIGITAL TECHNOLOGY FOR SEAMLESS CONSTRUCTION, SALES, AND HANDOVER EXPERIENCE

A strong brand can help create stronger ties with customers, help build and maintain relationships, and attract new customers. With this in mind, we focused on utilising digital channels for enhancing brand visibility, customer engagement, and acquisition in FY2019-20. We leverage these platforms to generate actionable leads and understand customer behaviour. During the reporting year, we introduced an innovative media outreach initiative called ‘Mahindra Life-slices’, where interesting research insights on home ownership were periodically shared with press and media. Our two social media campaigns on Joyful Homecomings had a total reach of 38.7 million and generated 104 million impressions, an increase of 61 million from last year.

Businesses have been investing in technology or digitisation tools to increase productivity. While real estate sector has been slower in embracing technology, it is redefining the processes of designing, construction, buying, and selling houses. Such tools are changing the landscape of the real estate sector and helping to meet the expectations of the customers. COVID-19 crisis is set to accelerate the adoption and integration of technology in this sector.

During the reporting period, we implemented several initiatives to digitise our sales and facilities management as well as construction management. These initiatives have helped us to automate our transactions, manage operations remotely, and offer seamless experience to our customers. In addition, they have also strengthened our analytics and collaboration capabilities by generating real-time reports and dashboards which can be used for decision-making.

Sales and facilities management: Our integrated sales and service technology platform has evolved with the needs of the customers. This

year, automated feedback systems were introduced at key milestones. We also developed a booking platform for new project launches which automates the entire process of recording a sale – customer interest, application, confirmation, payment, and allocation of inventory. Handover documentation was also fully digitised through a customised application. This was successfully utilised for the launch of Happinest Kalyan.

We also developed a mobile application under the label ‘HappiEdge’ to engage with our channel partners and deploy our industry-first loyalty program. It provides product details, lead management tools, as well as information on their pay-outs and rewards. It also offers different learning modules for our channel partners. Currently, more than 700 partners are active on the platform. The app was helpful in generating leads and sales during Happinest Kalyan launch, where channel partners delivered 72% of the business. We are planning to extend it to cover other products in the future.

Construction management: We also automated our tendering process for contractors, which we utilised to assess and award contracts. We are also in the process of deploying Project Lifecycle Management tool in Happinest projects to digitally monitor our entire construction value chain – initiation, planning, executing, controlling, and closure. This tool eliminates the use of multiple applications such as Microsoft Projects for planning, Microsoft excel for budgeting and reporting, SAP for expense monitoring, and Microsoft Outlook for project management. It will not only help us to optimise construction schedules and monitor costs vis-à-vis construction progress, it will also enable us to link quality and safety parameters to work completion and contractor payments.



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DRIVING INNOVATION IN OUR PROJECTS

We recognise that continuous research and innovation are drivers for long-term sustainable growth. Development of alternate materials are central to our strategy of bringing customer delight, while having a positive impact on the environment. This is reflected in the innovative projects that are implemented at our project sites. Some examples of such projects include development of frames from composite materials, light-weight balcony railings with fibre cement panels, concrete plastic roads, and low thermal conductivity envelope. We have also applied for patents for these innovations.

Door and window frames with composite materials: The door and window frames used during construction is normally made of wood, concrete, fiberglass, aluminium, or vinyl. In recent times, unplasticised polyvinyl chloride (uPVC) is also being used for this purpose. However, these are costly and require substantial maintenance in terms of frequent painting and polishing. Therefore, our team developed door and window frames which are cost-efficient, easy to maintain, light-weight, have suitable Add of bending strength to compressive strength after ratio, and don't deteriorate under unfavourable weather conditions. This composite frame was made of cellular light-weight concrete (CLC) and fibre reinforced polymer (FRP) and steam cured.

Balcony railings with fibre cement panels: Many civil constructions require conventional railings like RCC parapet walls, glass, wooden, concrete, or steel railings. These conventional railings require a longer time to be made. They are also heavy and have high costs of manufacture and installation. We developed light-weight balcony railings fitted with fibre cement panels. These railings comprise of prefabricated steel frame of predefined shape and size and at least one fibre cement panel fitted in the said steel frame. These railings can be pre-fabricated at the site itself, are easily assembled and fixed, are light-weight, and speeds up the construction process.

Low thermal conductivity envelope: The conventional building envelopes normally consist of red clay bricks, precast solid cement concrete blocks,

or precast hollow concrete blocks made of a mixture of cement, fine gravel, and sand. These envelopes are quite heavy and require costly materials to be used for making cement-concrete solid or hollow blocks. Further, due to the higher weight of the supporting/ reinforcing structures, the envelopes are required to be made heavy and thus become expensive. For the manufacturing of red clay bricks, fertile top soil is used. In addition, these blocks are not thermally efficient. To tackle these challenges, we developed a light-weight building envelope which doesn't require any mortar or cement and sand plaster to be applied externally. A nano admixture containing carbon nanotubes is added to CLC. The walls constructed by these improved building blocks are then coated with weather and thermal resistant nano putty and nano paint, which converts the entire building-envelope composition into a weather resistant building-envelope with better heat insulation than the conventional brick and concrete walls.

Concrete plastic roads: This innovation uses plastic waste to make concrete roads, reducing the consumption of stone aggregate. Such roads have substantially higher water resistance than conventional asphalt or bitumen-based roads, abrasion resistance, and more durable.

THOUGHT LEADERSHIP FOR INDUSTRY AND COMMUNITIES

We have curated several thought leadership initiatives and platforms to promote the sustainability agenda within the industry and shape policies to promote proliferation of green buildings in the country. Some of these initiatives include the Mahindra TERI Centre of Excellence, Sustainable Housing Leadership Consortium, and the Green Army program. We also regularly partner and collaborate with engage with many industry bodies and associations to promote research and development and sharing of best practices.



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Membership of industry bodies and associations

**CONFEDERATION OF INDIAN
INDUSTRY (CII)**

**FEDERATION OF INDIAN
CHAMBERS OF COMMERCE AND
INDUSTRY (FICCI)**

**REAL ESTATE DEVELOPERS'
ASSOCIATION OF INDIA (CREDAI)**

**INDIAN GREEN BUILDING
COUNCIL (IGBC)**

**THE ENERGY AND RESOURCES
INSTITUTE (TERI)**

**WORLD BUSINESS COUNCIL FOR
SUSTAINABLE DEVELOPMENT
(WBCSD)**

**INDIA BUSINESS AND
BIODIVERSITY INITIATIVE**

WORLD RESOURCES INSTITUTE

**C40 CITIES, CLIMATE POSITIVE
DEVELOPMENT PROGRAM**

Mahindra TERI Centre of Excellence

With buildings contributing significantly to energy consumption and emissions of greenhouse gases, the need for research and innovations to reduce carbon footprint is evident. Investment in research and innovation are fundamental to creating sustainable and resilient infrastructure and improving the quality of built environment. Mahindra Lifespaces drives innovation in this area through the Mahindra TERI Centre of Excellence (CoE). CoE was launched in 2018 with a vision 'to build a greener urban future by developing innovative energy efficient solutions tailored to Indian climates.' It focuses on development and dissemination of market-ready, scalable, and viable building materials and technologies. Key components of CoE research framework are: building materials, building envelope studies, visual comfort studies and sustainable water use.

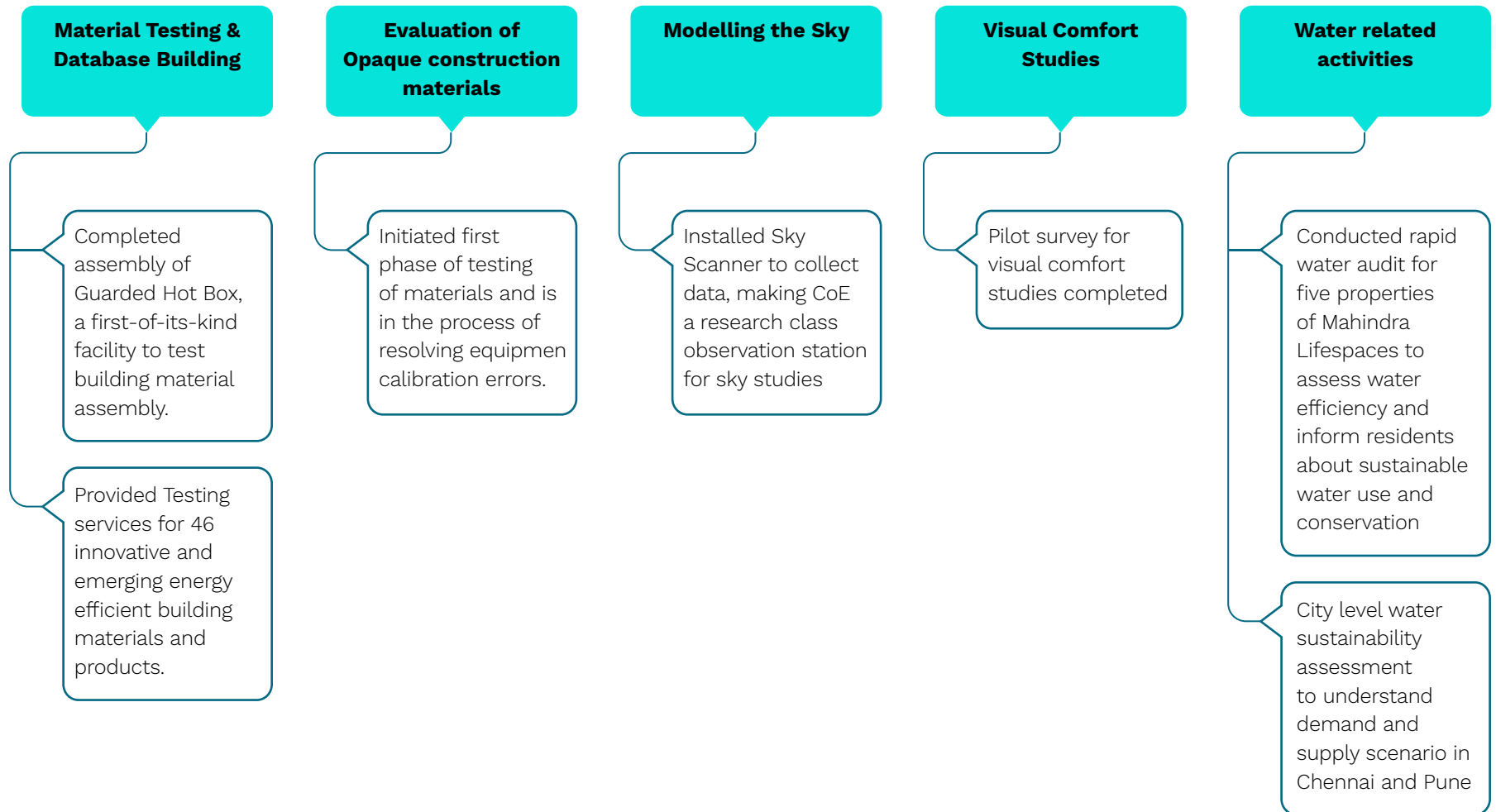
During the reporting period, the CoE installed PV panels with a capacity of 23,000 kWh annual generation enabling the facility to become a **net zero energy R&D facility** in India. It also received NABL accreditation in accordance with the international standard ISO/IEC 17025:2017.



Mahindra TERI Centre of Excellence



Progress of COE's Research Activities



The Green Army

The Green Army program is a school outreach initiative that aims to educate school children on the aspects of sustainable lifestyle and create one million caring citizens. Introduced in 2014, the program strives to inculcate sustainable habits into the day-to-day lives of children and build change agents who spread the message of sustainability.

During the reporting period, we expanded the geographical reach to Chennai and Bengaluru and reached out to 91 schools, 18,000 children, and 72,000 citizens. Overall, we achieved a significant milestone of reaching over 300 schools, 60,000 kids and 1,20,000 citizens in Mumbai Metropolitan Region, Pune, Nagpur, Chennai, Delhi, Ahmedabad, Bengaluru.



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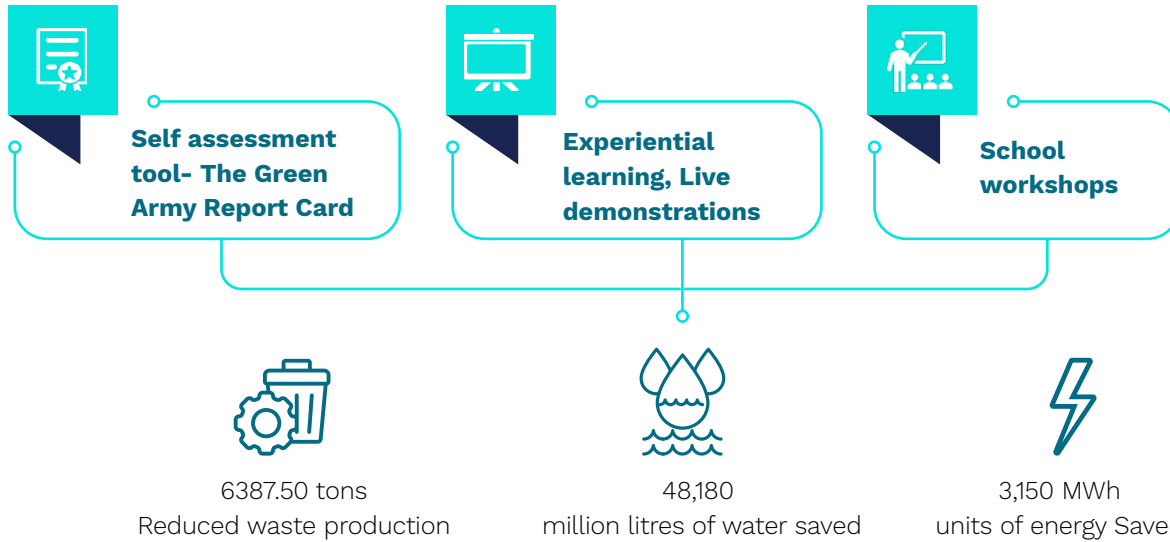
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Impact of Green Army



Green army

Sustainable Housing Leadership Consortium

We are one of the founding members of the Sustainable Housing Leadership Consortium (SHLC), a voluntary and private sector led consortium to make strides towards the United Nations Sustainable Development Goal 11 – Creating Sustainable Cities and Communities.

SHLC's Goals



100% of Consortium's housing portfolio to become sustainable by 2020 through green certification(s)



20% reduction in incremental variable costs for construction



20% of India's new multi-family housing developments to be sustainable by 2022

In order to incentivise green portfolio, SHLC has supported development of the State Green/Affordable Housing Policy in Maharashtra and Karnataka. It also engaged with the Central Government for fast tracking environmental clearance process and taxation advocacy for green buildings. It also supports the transition by identifying scalable, market-ready technologies. Since its inception, SHLC has developed a comprehensive list of technologies and evaluated smart meters for water and energy. In addition, it has also run several campaigns to create awareness on the benefits of green buildings.



2 locations have adopted smart water meter solutions



Incremental cost of going green - **1-3%**



100% green portfolio

Achievements of SHLC

Outlook on intellectual capital

In its pathway to recovery, we strongly believe in the need for an integrated model for real estate development based on our alignment and openness to disruptive and emerging technological developments. As the company's organisational systems may see the immediate benefits of adopting digital transformation, we hope to mobilise digitalisation and technological solutions for our supply chain to add collective value and build long-term resilience to business disruptions.

The scope and avenues for innovation and design is well embedded into Mahindra Lifespaces' business model through its Centre of Excellence facility, which steer headed the design and development of green building materials – that when scaled up would benefit the wider construction industry. In addition, we will continue to promote ideation and implementation of innovative projects at our project sites. Mahindra Lifespaces would strive to highlight the business case for sustainable and green building - much needed to impact sustainable urbanisation in India.



SHLC's Goals

Bloomdale, Nagpur

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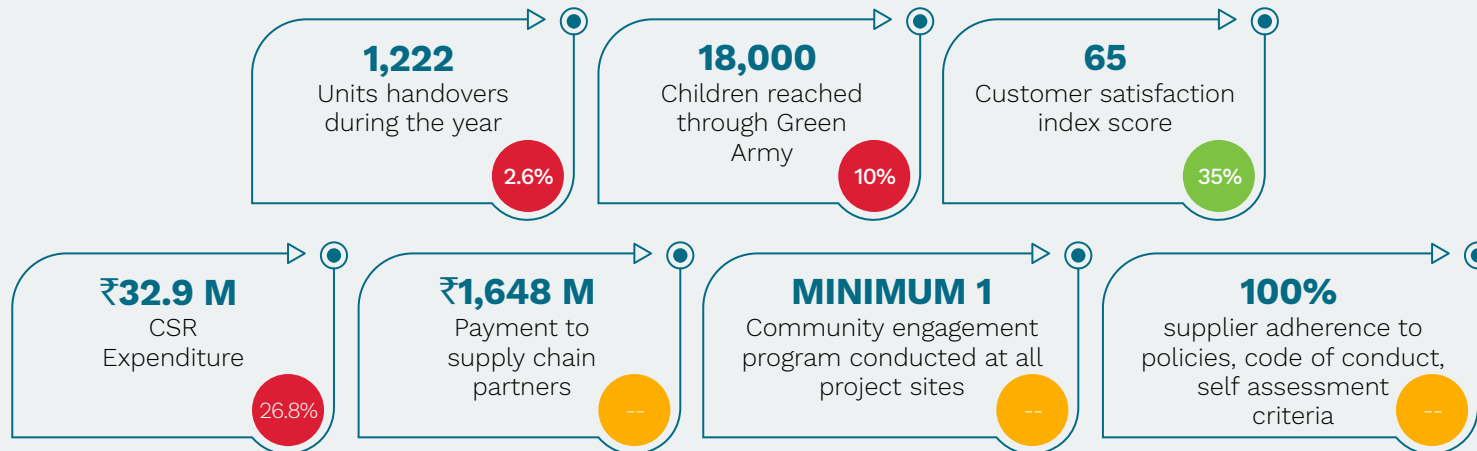
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SOCIAL AND RELATIONSHIP CAPITAL: FORGING STRONGER BONDS



Key Outcomes



■ Negative Change ■ Positive Change
■ Constant



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JOYFUL HOMECOMINGS – CREATING LASTING VALUE FOR OUR CUSTOMERS

The growth of any real estate developer is linked to its manufactured assets and the value it creates for its customers. At Mahindra Lifespaces, we are committed to making the journey of our customers joyful during the entire homebuying lifecycle – from pre-purchase to post-possession. Our focus is on providing relevant, factual and credible information to aid the customers’ decision-making, enable on-time and hassle-free delivery of thoughtfully designed homes, and ensure smooth post-handover services. Detailed information about various developments, features, precertification/ certification labels by IGBC/ GRIHA are available at our website as well as project brochures. We also work to demystify sustainability for our customers through a mix of communication materials and campaigns. Our marketing tools are in alignment with RERA Act, 2016 and Mahindra Group brand guidelines.

During the reporting year, we ensured 100% compliance with regulations and/or voluntary codes on product and service information, and marketing communications.

We have also invested significantly in latest technology to enhance customer convenience, support our functions and bolster our ability to handle scale. We also encourage collaboration between different functions and undertake need-based customer research to identify and design the right product which is reflective of our customers’ needs. This helps us in differentiating our product, giving us a competitive edge over our peers. Our customer-driven approach reflects in our value proposition of Joyful Homecomings.



Happinest Palghar

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DESIGNING THE RIGHT PRODUCT



INITIATIVE

Happinest Kalyan, launched late last year, had initially designed 1 BHK flats with an area of 365 sq. ft. with 1 bathroom. However, other developers in the region were providing 2 bathrooms as per customer needs but while doing so, the home size went beyond 420 sq. ft., making it expensive for the target audience. In this scenario, our design and marketing functions came together to redesign the product as per the customer needs.



INTERVENTION

In order to develop the right product, we conducted a consumer study to identify the preferred home layouts. Based on our study and benchmarking of competition, we identified that our consumers considered 365 sq. ft. as the 'right' size more from a budget perspective. However, they required 2 bathrooms. The marketing function worked with the design team to redesign the layout in an efficient manner by reducing non-usable areas, and managed to provide 1 bathroom + 1 powder toilet in 365 sq. ft., which made the typology completely differentiated and affordable for the target audience.



IMPACT

This design change was received well by the customers. This typology became one of the highest selling typologies of Happinest Kalyan with over 85% homes sold in first few months of the launch. In a way, this typology enabled customer retention in the lower budget segment and allowed them to have their dream home in their budget. For Happinest Kalyan it contributed to ~50% of the 1 BHK revenue generated which would have been lost in absence of a compromised product.

Our strategy and initiatives are reviewed by the senior management and decisions on any corrective actions are implemented in a timely manner. We also conduct cross-functional engagement exercises with the objective of improving service quality. Through these exercises, departments provide feedback to their peers and identify areas of improvement.



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Engaging with customers for sustainability

As a pioneer of green homes, we embed the message of sustainability in all our marketing and outreach initiatives. We carried out two successful campaigns on sustainability during the reporting period. Through our campaign on 'Shower Ki Sacchhai', we inspired people to bring about a behavioural change and take initiatives to conserve water in their day-to-day life. The success of the initiative can be gauged by the fact that we got more than 200 enquiries on application of water harvesting techniques. The campaign on #IAmGreenArmy encouraged people to join our sustainability movement. These campaigns generated 86 million impressions and reached 14.1 million people. We are also revamping our websites to highlight our focus on sustainability and the benefit of green homes to prospective customers. We believe that by showcasing sustainability as a differentiator could lead to more conversions.

We constantly analyse our digital footprint and the performance of each post by comparing different metrics like engagement rate, audience retention, etc. A score was given to each parameter, after which an

average score was deduced. The exercise helped us understand consumer behaviour on our web pages and social media platforms as well as the kind of content that interests our stakeholders. Going forward, such analytics would help in building more engaging and objective driven web pages, contributing to converting more leads, and towards increasing sales.

With our increased reliance on digital platforms, we manage critical information about our customers which may be required at various points in time. Along with greater data, comes our responsibility for proper management of said data. To protect the privacy of our customers and their associated information, we have developed a Privacy Policy. Individually identifiable information is not wilfully disclosed to any third party without permission. In 2019, there were no substantiated complaints concerning breaches of customer privacy, theft, leak, and loss of customer data or critical information.

Visual iconography of Happinest Kalyan

Our affordable housing brand, Mahindra Happinest was given a complete makeover to make it more relevant to the target customer segment. We created a brand identity which was fresh, unique, memorable, and easily identifiable. In a first-of-its-kind initiative in the industry, we developed dynamic logos for projects highlighting the multiple product features and amenities which play an important role in customer considerations. This visual iconography is currently being used in all our communication materials. The initiative has been helpful in enhancing brand recognition, highlighting features transparently and building trust among customers.





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CUSTOMER EXPERIENCE CENTRE



INITIATIVE

In a competitive market, where every developer tries to offer best-in-class features and amenities in projects, it becomes critical for us to use innovative methods to enhance brand recall visibility. In order to make a customer's visit to our project site more impactful and memorable, the team at Happinest Kalyan developed an Experience Centre. We introduced 'Phygital' (Physical + Digital) touchpoints at strategic locations for an engaging and immersive experience.



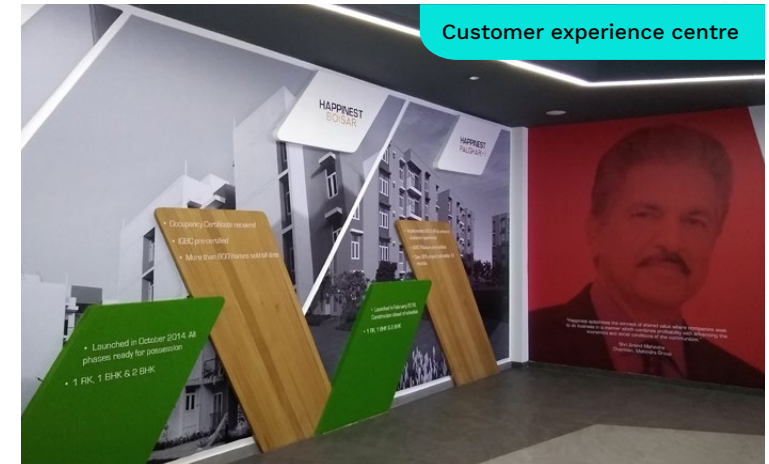
INTERVENTION

Before conceptualising the experience centre, we mapped the five stages of customer journey - awareness, engagement, consideration, purchase and advocacy. Based on these five stages, we strategically divided the available floor space into seven zones considering inflow of customers, holding capacity, traffic, and minimum waiting time. These zones included reception and celebration area; waiting lounge, wish wall and children engagement zone; credibility zone and innovation wall; audio visual room; product zone; show apartment; and sales closure zone. These zones were designed in accordance with the AIDA principle (attention, interest, desire, and action) to disseminate information and engage with our customers in a targeted manner.



IMPACT

By providing the prospective customer with every possible information in a transparent and structured manner, we facilitate customers to take decisions more quickly. This eventually reduces the decision-making time by customers and helps enhance performance of Sales function. And very importantly, the Experience Centre's technology/hardware can be re-used in other projects, reducing the cost and environmental impact.



Customer experience centre

Understanding customer expectations

In order to understand, gauge, and deliver on the expectations of our customers, we engage with them at various stages and intervals. We conduct customer satisfaction surveys for all projects to understand the satisfaction levels and capture sentiments.

Our Customer Satisfaction Survey (CSS) score has improved across all parameters and stages of ownership. The survey, with 1,455 respondents, indicates significant improvements in our customer engagement with enhanced customer experiences. The simplified application and documentation process, in addition to differentiated site visit experiences, accessibility of sales personnel, and speedy resolutions to queries have emerged as benchmarks for customer engagement.

Our customers continued to use 'Customer Assist' – a single contact number to address any queries spanning the post-booking stage and until post handovers that helps us log and track all queries. It now receives over 95% of customer queries and service requests, paving the way for effective tracking through customised MIS and reports, and reducing turnaround time.



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OUR NEW AND IMPROVED CUSTOMER SATISFACTION SURVEY



INITIATIVE

Customer Satisfaction Survey is a tool that has been utilised to measure quality of interactions between our customers at different stages of the customer lifecycle. The tool has proved instrumental in improving several processes/ customer experiences at various touchpoints over the years. As the exercise is mostly conducted annually, the survey would reflect inputs only at the end of the year. In a bid to improve the process and bring in the ability to course-correct during the year, we updated the methodology to conduct this exercise at every quarter.



INTERVENTION

Traditionally, the CSS was conducted during the end of the financial year (January to March). In addition to conducting this exercise every quarter, the new methodology also aims to capture the feedback of customers at a more apt moment when they are experiencing a particular phase in their homebuying journey – purchase, waiting, possession, or post-possession.



IMPACT

The process change has allowed us to capture more accurate inputs from customers at each phase. These inputs will help us in taking timely corrective actions during the evaluation year. It also improves our ability to reach out to a larger customer base.



“ UTILISING A LARGE LISTS OF INDUSTRY-FIRSTS, SUCH AS ICONOGRAPHY AS A BRAND LANGUAGE, DYNAMIC LOGO IN COMMUNICATION MIX, AND ENHANCED CUSTOMER EXPERIENCE CENTRE, WE HAVE BEEN ABLE TO REINFORCE OUR REACH AND BRAND RECOLLECTION AMONG OUR CUSTOMERS. OUR HAPPINEST KALYAN PROJECT GOT HUGE RESPONSE FROM CUSTOMERS, WITH SALE OF 1,000 UNITS WITHIN A RECORD TIME OF 12 DAYS. OUR COMMUNICATION STRATEGY BROUGHT FORWARD OUR BRAND ESSENCE AND CONVEYED THE MESSAGE OF LIVE, SMILE, AND PROSPER. ”

Mr. Amit Pal,

Chief Project Officer, Happinest

CASCADING SUSTAINABLE PRACTICES THROUGH SUPPLY CHAIN ENGAGEMENT

The supply chain of Mahindra Lifespaces consists of vendors, suppliers, contractors, and consultants, primarily based in India. Our comprehensive supply chain sustainability program revolves around building the capacities of our partners, periodic engagement, and monitoring. Sustainability in our supply chain is driven by our Green Supply Chain Management Policy (GSCM), which ensures minimal environmental impact of products and services provided to us, and acts as a tool for managing our social and relationship capital. We also strive



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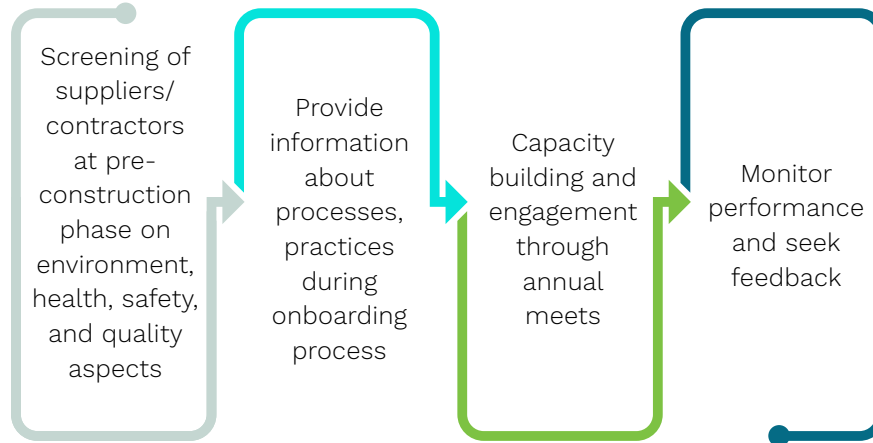
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to reduce the embodied energy of our products by procuring 50% of the total building materials (by cost) from local suppliers within 400 km radius of the projects. This definition has been developed on the basis of requirements of IGBC/GRIHA for green certification.

Our supply chain sustainability program



At the pre-construction phase of the project, we assess and screen all our suppliers on various parameters in the areas of such as environment, quality, safety, and human rights practices. A clause on adherence to these parameters, especially human rights is mentioned in the contracts with all suppliers. Periodic audits of the suppliers are also conducted by the staff to ensure compliance with the contract.

During the reporting year, we also published a detailed Code of Conduct for suppliers and contractors spelling out their environmental and social responsibility. Compliance with these requirements are a necessity for conducting business with Mahindra Lifespaces. It has defined three levels of standards (Minimum, qualifying, and leadership standards) for the suppliers/contractors and at minimum, expect them to adhere to minimum standards. We have also introduced a self-assessment tool to enable suppliers/contractors to improve their performance on environmental, social, and governance parameters. The Code of Conduct is dynamic and evolving and will be reviewed on a regular basis.

We regularly engage with our supply chain partners to build their capacities and seek feedback to strengthen systems and processes. We work with our vendors to ensure minimal impact of any events organised by us. We also build the capacities of our consultants on the design features for our products in line with the requirements for green certification and evolving customer requirements. We organised the Suppliers and Contractors Meet at the beginning of 2020 on the theme of ‘future-proofing’, where we shared the vision of sustainability with around 40% of our supplier/contractor base.





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technology and design
solutions

▶ Social and Relationship
Capital: Forging
stronger bonds

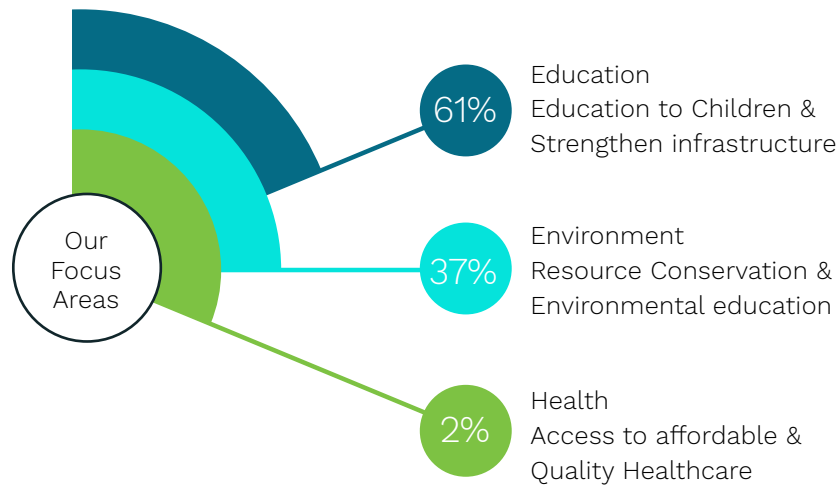
▶ Onward march –
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CREATING SUSTAINABLE COMMUNITIES

We, at Mahindra Lifespaces, understand that our social license to operate is determined by our sustained efforts to address the key social challenges in the region and the relationships we enjoy with our community. We leverage our corporate social responsibility (CSR) initiatives to not only with the communities around our project sites, but also promote sustainability amongst the industry and future generations.

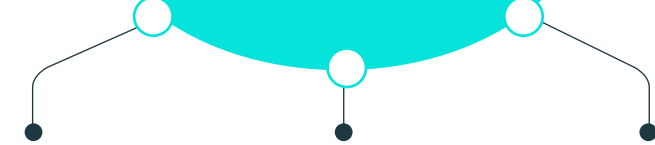
Our CSR strategy balances the needs and aspirations of our communities, the global sustainable development agenda, and the national priorities. In accordance with The Companies Act, 2013, we dedicate 2% of the average net profits of the three preceding years towards our CSR programs. Our CSR efforts can be split in three broad areas, where we along with our subsidiaries and JV companies contributed INR 32.9 million.

Spread of our activities through focus areas



Our approach to CSR is guided by our CSR Policy, which outlines the framework for the implementation of our initiatives. It also defines a transparent structure to guide the development and implementation of our interventions. Our CSR initiatives are driven by the sector CSR council, comprising of senior leadership, with support of sector CSR secretariat and unit level CSR committee. The initiatives are developed and monitored by the unit CSR committee, with periodic reviews by the sector CSR council. We also take the feedback of the community on our projects. They are welcome provide their suggestions in-person or through the drop box kept at project offices.

Our CSR Implementation Structure



Sector CSR Council

- » Development of sector specific CSR policy & Strategy
- » Presentation of sector's strategy, budget & policy to the Board
- » Periodic review of CSR

Sector CSR Secretariat

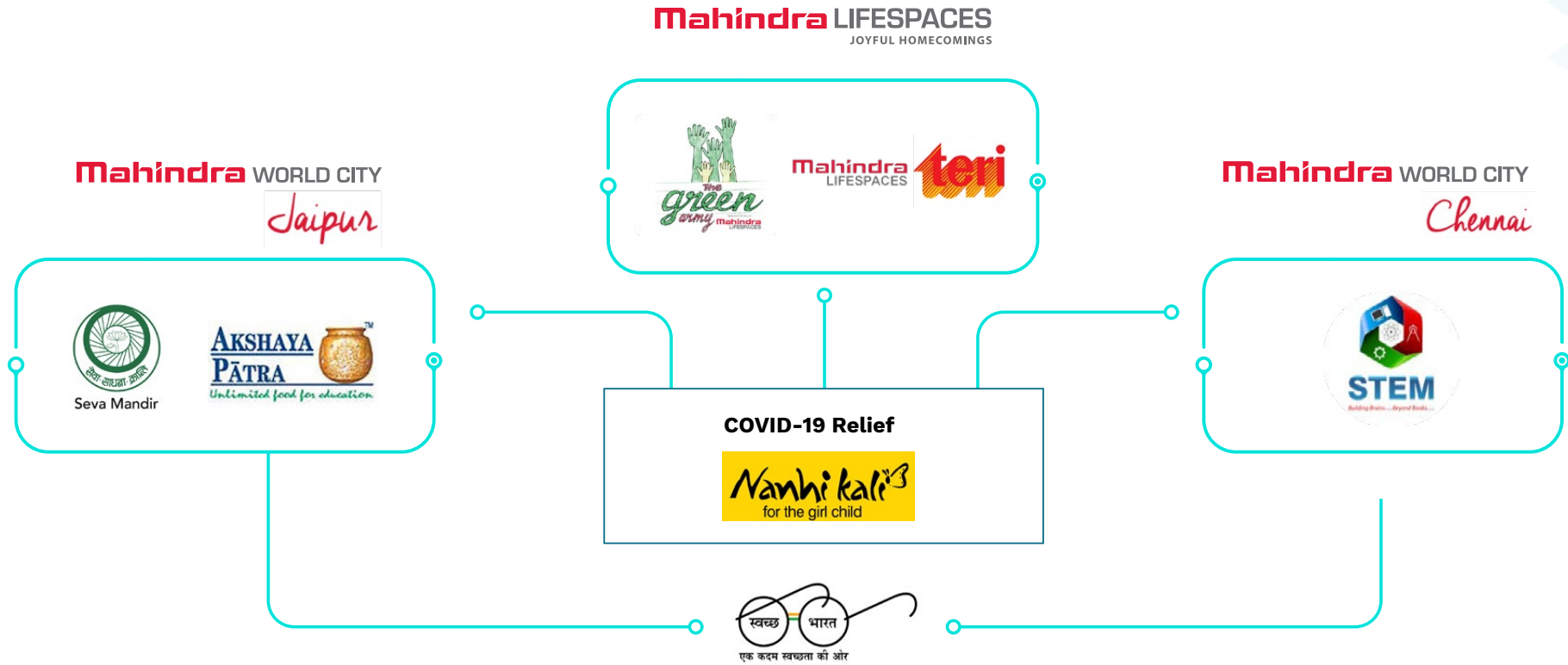
- » Conducting CSR needs assessment
- » Generation of standard CSR templates
- » Consolidation & sharing of CSR reports with Council
- » Evaluation of implementing partners and external agencies
- » Planning & execution of sector level CSR initiatives

Unit CSR Committee

- » Planning, monitoring & execution of CSR initiatives at the unit level
- » Regular coordination and sharing of reports with Sector CSR Secretariat



Snapshot of our key CSR initiatives



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- ▶ Financial Capital : Optimising returns for stakeholders
- ▶ Manufactured Capital: Growing the green footprint
- ▶ Human Capital: Developing leaders for tomorrow
- ▶ Natural Capital: Towards operational excellence
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Additional Support

Mumbai Mobile Creches	Support to Self-Help Groups	Vocational Skill Development	Support to ENT research Society	Tree plantation	Health & Menstrual Hygiene Camps



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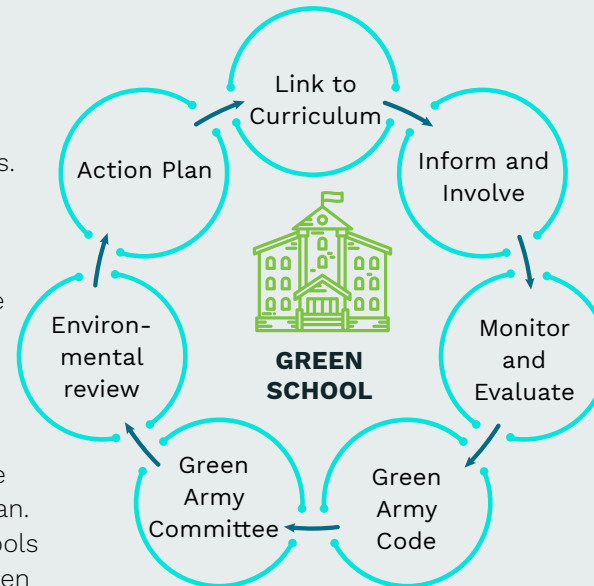
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Environment

Through our initiatives in this area, we intend to spread awareness about sustainability, contribute to carbon sequestration, and promote research and development for developing a greener urban future.

The Green Army

This year, in addition to the green army engagement, we also kick-started the Mahindra Green School program in 2 schools to reach out to all age groups and drive positive change within the school premises. Aligned to the SDGs, this program moves beyond merely sensitising students and encourages them to implement solutions to optimise resource use and make the school green. In such schools, we mobilise students from Class IV and above to constitute a green army committee. This committee will review the environmental performance of the school on the ten defined areas including biodiversity, energy, waste, water, transport, etc. Based on the review, the committee will develop and implement an action plan. It is envisaged to benchmark and rank different schools participating in this program and award the Best Green School Award.



Hariyali

Till date, more than 1.3 crores trees have been planted in urban areas and reclaimed forest lands under Project Hariyali. In the reporting period, Mahindra Lifespaces planted 5,000 saplings in Government approved forest area and villages around Mahindra World City, Jaipur. MWC has created urban forest with over 300,000 million trees in the time span of 2 years.





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Swachh Bharat

We constructed toilets in Rural areas at government schools and public places and created awareness about keeping the surroundings clean. In addition, we also conducted sessions on avoiding Single-use plastic. Total of 41 toilets have been constructed and 15 cleanliness drives were held in Rural Areas around Mahindra World City, Jaipur.

Waste management Training by MWC, Chennai

We trained 40 volunteers in Kunnavaikkam village on different aspects solid waste management including wet and dry waste, biodegradable and non-biodegradable waste, and recycling techniques among others. These volunteers were further requested to sensitise other village residents and contribute to the Swachh Bharat Abhiyan. Dustbins were also provided to 220 households for segregation of biodegradable and non-biodegradable waste.



Installation of LED tubelights

MWC Jaipur is Asia's first and world's largest project to be C40 Stage -2 certified for achieving Carbon Neutral roadmap. Under this initiative, MWCJ extended this step for sustainable development for our neighboring communities and has installed efficient lighting for energy savings and reducing the carbon footprint. We have undertaken the project for LED tube lights installation in adjoining villages in a total of 5,800 rural homes across 18 villages and installed 8 LED Street Lights with poles at five village chowks.





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Education

Every child has a right to learn. Access to quality education is a key determinant of an individual's future trajectory and gives a chance to achieve a brighter future. Through our initiatives, we ensure access to affordable and quality education and skill development to the communities around our project sites.

Nanhi Kali

Nanhi Kali, a flagship project of the K.C. Mahindra Education Trust and Naandi Foundation, supports education of girls under the age of 15 years. The project provides academic support; materials like books, shoes, uniforms, and stationery; and social support through counselling of parents and community. During the reporting period, we supported 2,302 Nanhi Kalis, out of which 1,236 Nanhi kalis were enrolled in primary classes (1 to 5) and 1,066 Nanhi kalis in secondary classes (6 to 10). At the Group level, Nanhi Kali has been able to provide support to over 350,000 girls.

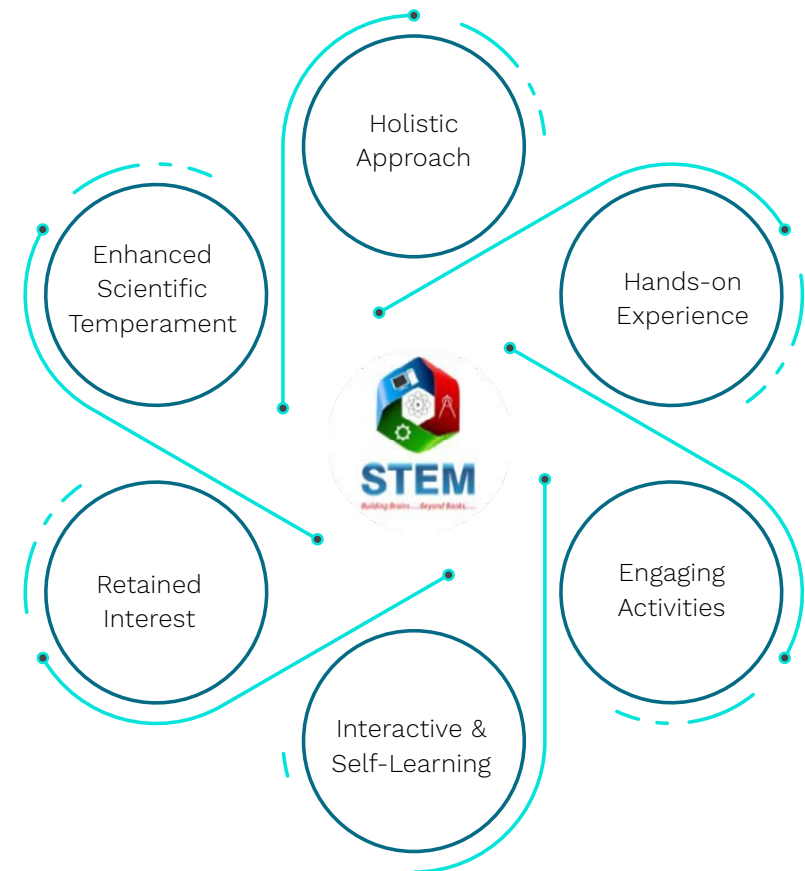
We also organised the seventh edition of the Mahindra World City Marathon in association with Nanhi Kali. This year, more than 8,000 people including 2,000 Nanhi Kalis participated in the marathon. Part of the proceeds from the event were donated for the project implementation.

In addition to supporting Nanhi Kalis, we also provided INR 2.5 million to Seva Mandir for providing education to under privileged children.

STEM education

We are in the process of establishing a Mini Science Centre to impart the concepts of Science, Technology, Engineering, and Mathematics in an interactive manner to 300 children at the Government High School Karunilam, Kattankalathur. We believe that STEM education will promote essential traits like problem-solving, creativity, and innovation and enhance the capacity of the educators to teach these subjects in an interesting manner.

Our Approach to STEM Education





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Mid-day meals

In the reporting period, we reinforced our support to the Akshay Patra Foundation which provides mid-day meals to government schools in the vicinity of Mahindra World City, Jaipur. We provided meals to 605 children across 5 schools.

Initiatives for enhancing livelihoods

Creating remunerative livelihood opportunities for the youth through vocational and skill development trainings is the need of the hour. With this in mind, Mahindra Lifespaces has been providing skill development trainings to imbibe the less privileged sections of the society with skills and the ability to meet their basic necessities. Since inception, we have trained more than 2,000 candidates. In 2019-20, we trained 250 people.

We have also been facilitating the establishment of Self Help Groups (SHGs) to provide access to education and skill development. Till date, we have formed 105 SHGs with 1,418 women. In the reporting period, 10 SHGs were established with 175 women.



Waste management training

Health

Our health initiatives focus on providing access to quality and affordable healthcare to vulnerable communities, especially in rural areas. Additionally, we also strive to induce behavioural changes among women through sensitisation sessions on personal hygiene and safety.

Personal hygiene and safety

We organised a series of camps on health and menstrual hygiene around Mahindra World, City Jaipur for 85 women workers from housekeeping, landscaping and labor camp. The camps also included two government colleges and two government schools for Girls at Mahapura Village.

During the survey prior to the session, it was discovered that 95% of the women relied on cloth during their menstrual days. The team of three people including a female doctor and two assistants were invited from Delhi to train the women and introduce alternatives to commercial non-biodegradable sanitary pads by switching to biodegradable sanitary napkins and menstrual cups. We also distributed these alternatives to the participants.



Health camps



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Our volunteering commitment

Employees are integral to our CSR strategy. We encourage our employees to give back to the community through volunteering. We believe that investment in volunteering programs will not only strengthen our relationship with the community, it will also help in personal growth development of our employees and boost their morale. These volunteers, known as Esops volunteers, contribute their time, skills, and energy to a cause they are passionate about. In 2019-20, 40 employees volunteered, bringing the total number of hours to 448.

Outlook on social and relationship capital

As life and livelihoods change with the gradual shift to the “new normal”, homes and living spaces will also be redesigned to cater to the demands for amenities and services by customers; their focus on sustainability and indoor health, wellness, and hygiene; enabled by transformative digitisation processes. We will continue to engage with customers to understand and incorporate these new demands in forthcoming projects. To enhance marketability of such innovative products, we will continue investing in technologies to build our in-house capabilities on sales and service management. Furthermore, we plan to introduce enhanced customer experience through virtual walkthroughs, online assisted buying and e-KYC for enabling 100% digital property launches in the future.

We will continue to leverage our core competencies to drive a positive change throughout the value chain and create shared value for our stakeholders. We have committed to invest INR 26.6 million towards our social responsibility programs in 2020-21. We will continue to implement programs in our existing focus areas (environment, education, and health).





ONWARD MARCH –

FROM THE CHANGE ENABLING TEAM

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The tail end of FY 20 saw the onset of the COVID pandemic. The fact that a faraway virus could land at our doors and catch countries, businesses, and citizens off-guard and put the entire world economy to halt is unnerving. We are living in an increasingly volatile and uncertain world. Many of the future impacts on business will arise from forces that are beyond control. Survival therefore requires leadership through bold commitments, risk adaptation and mitigation, and resilience through scenario planning.

Sustainability at Mahindra is not a mere value-added opportunity, rather it is a trait that is embedded at the core of every individual in the organisation. Every action and initiative is a reflection of our mission, thereby creating makes our business robust and resilient.

In FY2018-19, we launched our sustainability 2.0 journey where listed out the 4 areas of action:

- » Alignment of strategy to SDGs for creating shared value.
- » Reinforcing our commitment to national and global regulations/agenda

- » Adoption of ambitious science-based targets for carbon – across the value chain
- » Zero waste to landfill goal for our sites

In FY2019-20, our sustainability 2.0 journey was strengthened by the introduction of Site Maturity assessment. It assesses process and initiatives and enables engagement, ownership at site level. This year report introduces the focus on creating shared value and reinforces our impact on SDGs.

Mahindra Lifespaces' sustainability leadership is reinforced in our public commitments and thought leadership initiatives. The foundation for our aspiration of net zero homes have been laid this year with the acceptance of our Science Based Targets. We actively participate in global forums for advocating need of action for climate change. We contributed to the World Business Council for Sustainable Development's framework for alignment of global built environment stakeholders to meet the commitments under the Paris Agreement. The framework simplifies the task of champions to drive action internally and externally in the built sector through a common carbon language. We launched our supplier code of conduct and self-assessment of supplier sustainability will help us in creating a ripple effect across the value chain.

We actively worked on water risk assessment for our businesses and strengthened our water security strategy through risk assessment, reduction in demand, conservation, and rainwater harvesting. FY2019-20 was also saw us successfully move away from single use plastic.



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Deeper engagement internal and external stakeholders enabled us to impact their lives positively. Making sustainability personal which focussed on what individuals can do has touched the chord of our associates, bringing in ideas, suggestions and initiatives that help the organisation embrace sustainability in all functions and aspects of business. Through our Green Army program, we touched the lives of children in our residential housing societies for adopting habits that make the earth a better place.

The road ahead in light of post COVID economic recovery is arduous. However green recovery is key to sustainable development and the real estate sector will set the tone for low carbon recovery for the country. As customers have become aware of the wonders of nature during the

Sunita Purushottam

Head of Sustainability

Janhavi Parab

DGM - Sustainability

lockdown, we anticipate rise in demand for healthier close to nature urbanescapes that offer local conveniences, walkability, increased water sensitivity and waste management.

Our journey for the next decade will be guided by :

- » Our 5 years roadmap (2021-2025)
- » Our carbon neutrality action plan
- » Our waste and water security action plan
- » Nature positive development plan

Our work is cut out and we will actively leverage technology to hasten our journey. In all this we will need deep collaboration with all our stakeholders to help us become a beacon in the real estate sector. Your views and suggestions are important to us and we welcome your feedback.

Anirban Kundu

Assistant Manager - Sustainability

ANNEXURE

Working closely with our partners of progress

Inner Coterie	How we engage with them	Concern & Issues
Customers	<ul style="list-style-type: none"> » Newsletter and Brochures » Customer satisfaction surveys » Resident assist: Guidance document for our customer » Meetings and events 	<ul style="list-style-type: none"> » Product quality and safety » Adequate information on products » Green building certifications » Timely delivery » Maintenance of privacy/ confidentiality » Fair and competitive pricing
Employees	<ul style="list-style-type: none"> » MSP Mondays » Annual 'MSpire' leadership conclave » Communication meets, Employee engagement activities » 'Pinnacle' an engagement medium used throughout the year » Monthly mailers informing special offers, Mahindra Group newsletter » Annual surveys of 'MCARES' » Various trainings held throughout the year 	<ul style="list-style-type: none"> » Nurturing work environment » Career growth prospects » Personal development » Diversity and equal opportunity » Health and well-being
Suppliers/ Contractors	<ul style="list-style-type: none"> » Annual Suppliers and Contractors' meet 	<ul style="list-style-type: none"> » Inclusion of local suppliers/ contractors » Timely payment » Regular capacity building
Investors/ Shareholders	<ul style="list-style-type: none"> » Quarterly held presentations and earing calls » Investor conference and meetings with analysts 	<ul style="list-style-type: none"> » Sustainable growth of business » Timely receipts of financial disclosures » Timely receipts of dividends and shares » Sound corporate governance mechanisms



Outer Coterie	How we engage with them	Concern & Issues
Community	» CSR initiatives at all locations	<ul style="list-style-type: none"> » Assess local communities' needs » Strengthen livelihood opportunities » Access to affordable and quality healthcare
Consultants	» Project design and execution at frequent intervals	» Capacity building on requirements of green building certifications
Partners/ Thinktanks	» Meetings and conferences held at frequent interval	» Advocacy and collaboration
Government	<ul style="list-style-type: none"> » Conferences organized by CII, FICCI, and other bodies » Policy advocacy initiatives with Sustainable Housing Leadership Consortium 	<ul style="list-style-type: none"> » Statutory compliance » Transparency in disclosures » Tax revenues » Sound corporate governance mechanisms » Environmental impacts of operations
Media	» Press conference, round tables, road shows, press releases throughout the year	» Transparent and accurate disclosures

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Impact boundary of material issues

Impact Boundary for Mahindra Lifespaces

The material issues presented in the materiality matrix have been mapped along with the reporting boundary for Mahindra Lifespaces.

Material Topics	Relevant Stakeholders	Boundary of Impact	GRI Standards	Capital Alignment	Why is it Material
Economic performance	» Investors/ Shareholders, » Employees	Within MLDL	» GRI 201: Economic Performance	» Financial Capital	A strong economic performance is the basis for growth of any organisation.
Supply chain management	» Suppliers/ Contractors	Within and outside MLDL	» GRI 102-9: Supply Chain » GRI 204: Procurement Practices » GRI 308: Supplier Environmental Assessment » GRI 412: Human Rights Assessment » GRI 414: Supplier Social Assessment	» Financial Capital » Social and relationship capital » Natural Capital	Supply Chain Management is linked with our operational cost, efficiency, environmental performance, and quality control
Statutory compliance	» Employees » Government	Within MLDL	» GRI 419: Socio-economic Compliance » GRI 206: Anti-Competitive Behavior	» Social & Relationship Capital » Human Capital	Robust Governance enables a successful business and inculcates efficiency, resilience, and effectiveness.
Socio-economic compliance					
Anti-competitive behaviour					



Material Topics	Relevant Stakeholders	Boundary of Impact	GRI Standards	Capital Alignment	Why is it Material
Energy	<ul style="list-style-type: none"> » Consultants » Suppliers/ Contractors » Employees » Community » Government 	Within and outside MLDL	» GRI 302: Energy	<ul style="list-style-type: none"> » Financial Capital » Intellectual Capital » Natural Capital » Manufactured Capital 	Dependence on fossil fuels and inefficient use of energy can increase the operational cost.
Water			» GRI 303: Water		Unavailability of water would result in delay in work leading to untimely delivery and cost implications.
Emissions			» GRI 305: Emissions		Reduction of GHG emissions is vital for mitigation of climate risks.
Effluents and waste management			» GRI 306: Effluents and Waste		Improper disposal of effluents and waste carries regulatory risk.
Sustainable construction			» GRI 301: Materials		Sustainable construction site is essential for ensuring environmental well-being
Customer health and safety	<ul style="list-style-type: none"> » Customers » Communities 	Outside MLDL	<ul style="list-style-type: none"> » GRI 416: Customer Health and Safety » GRI 417: Marketing and Labeling » GRI 418: Customer Privacy 	<ul style="list-style-type: none"> » Financial Capital » Social & Relationship Capital » Manufactured Capital 	» Failure to ensure health and safety of our customers could lead to reputational and financial losses.
Customer satisfaction		Within and outside MLDL			» Customer satisfaction is a measure of customer loyalty, and it helps in attracting new customers
Land remediation		Outside MLDL			» Non-compliance to regulatory may pose as a business risk

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Employment	» Employees	Within MLDL	» GRI 401: Employment	» Financial Capital » Human Capital » Intellectual Capital » Social & Relationship Capital	It is essential to invest in attracting, hiring, and retaining best talents for the benefit of an organisation.
Occupational health and safety		Within and outside MLDL	» GRI 403: Occupational Health & Safety		OHS are crucial, as they allow us to maintain uninterrupted operations, while ensuring health and safety of our workforce
Training and education		Within MLDL	» GRI 404: Training and Education		Investment in training and education will result in grooming & personal growth of the employees and develop skills for the future
Non-discrimination			» GRI 405: Diversity and Equal Opportunity » GRI 406: Non-discrimination		A mix of backgrounds, opinions, and talents enriches the organisation and helps us achieve success.
Human rights		Within and outside MLDL	» GRI 412: Human Rights Assessment		Benefits include greater access to business opportunities, positive recognition, enhanced reputation, and improved relationship with the stakeholders.
Local communities	» Community, » Employees, » Partners/ Thinktanks	Outside MLDL	» GRI 413: Local Communities	» Social & Relationship Capital	Our social license to operate can be put at risk if social impacts and/or community relations are not well managed.
Resettlement of displaced Population					



GRI INDEX

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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 102: General Disclosures, 2016					
GRI 102: Organisational Profile	102-1 Name of the Organisation				2
	102-2 Activities, brands, products, and services				3
	102-3 Location of headquarters				Mahindra Towers, 5th Floor, Worli, Mumbai
	102-4 Location of operations				3, 47
	102-5 Ownership and legal form				2, 40
	102-6 Markets served			11	3, 47
	102-7 Scale of the organisation				3, 47
	102-8 Information on employees and other workers				64 - 65
	102-9 Supply chain				104-105
	102-10 Significant changes to the organisation and its supply chain				There are no significant changes to the organisation and its supply chain.
	102-11 Precautionary principle or approach				MLDL projects undergo an Environmental and Social Impact Assessment prior to the commencement as per the requirement of MoEFCC.
	102-12 External initiatives				13 - 14, 106 - 112
	102-13 Memberships of associations				95, 97



GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 102: Strategy	102-14 Statement from senior decision-maker	Strategy (a)			5 – 10
	102-15 Key impacts, risks, and opportunities	Strategy (a) & (b) Risk management (a), (b) & (c)			22 – 27
GRI 102: Ethics and integrity	102-16 Values, principles, standards, and norms of behaviour				4, 15
	102-17 Mechanisms for advice and concerns about ethics			Principle 10	18-19
GRI 102: Governance	102-18 Governance Structure	Governance (a)			16 – 17
	102-19 Delegating authority	Governance (a)			16 – 17
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance (a) & (b)			16 – 17
	102-21 Consulting stakeholders on economic, environmental, and social topics				34 - 35
	102-22 Composition of the highest governance body and its committees		5		16 - 17
	102-23 Chair of the highest governance body				16 – 17
	102-26 Role of highest governance body in setting purpose, values, and strategy	Governance (a)	16		16 – 17
	102-27 Collective knowledge of highest governance body	Governance (a)			16 – 17
	102-28 Evaluating the highest governance body's performance				16 – 17
	102-31 Review of economic, environmental, and social topics	Governance (a) & (b) Risk management (a)			16 - 17
102-32 Highest governance body's role in sustainability reporting	Governance (a) & (b)			16 – 17	
102-33 Communicating critical concerns				Annex 1	

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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 102: Stakeholder Engagement	102-40 List of stakeholder groups				Annex 1
	102-41 Collective Bargaining agreements			Principle 3	No Unions
	102-42 Identifying and selecting stakeholders				34 – 36
	102-43 Approach to stakeholder engagement				Annex 1
	102-44 Key topics & concerns raised				Annex 1
GRI 102: Reporting practices	102-45 Entities included in the consolidated financial statements				2
	102-46 Defining report content and topic boundaries				2
	102-47 List of material topics				Annex 2
	102-48 Restatements of information				74: Scope 3 emissions for FY2018-19 have changed
	77: Purchased electricity by customer and fuel consumption for FY2018-19 have changed				
	Scope 3 emissions and energy use have been aligned with SBTi starting from the reporting period, leading to the change in reported data from previous reporting period.				
	102-49 Changes in reporting				2
	102-50 Reporting period				2
	102-51 Date of most recent report				December 2019
	102-52 Reporting cycle				2
	102-53 Contact point for questions regarding the report				2
	102-54 Claims of reporting in accordance with the GRI Standards.				2
	102-55 GRI Content Index				xx
	102-56 External Assurance				xx

Topic Specific Standard: Economic



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				40 - 41
	103-2 The management approach and its components				40 - 41
	103-3 Evaluation of management approach				40 - 41
GRI 201: Economic Performance, 2016	201-1 Direct economic value generated and distributed		8, 9		41
	201-2 Financial implications and other risks and opportunities due to climate change	Governance (b) Strategy (a) & (b) Risk management (a), (b) & (c) Metrics and targets (a), (b) & (c)	13		22 - 27
GRI 103, Management Approach, 2016	103-1 Explanation of the material topic and its boundary				102 - 103
	103-2 The management approach and its components				102 - 103
	103-3 Evaluation of management approach				102 - 103
GRI 203 Indirect Economic Impacts, 2016	203-1 Infrastructure investments and services supported		11		103
	203-2 Significant indirect economic impacts				45
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				104 - 105
	103-2 The management approach and its components				104 - 105
	103-3 Evaluation of management approach				104 - 105
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers				105



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 103, Management Approach	103-1 Explanation of the material topic and its boundary				18 - 19
	103-2 The management approach and its components				18 - 19
	103-3 Evaluation of management approach				18 - 19
GRI 205 Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures				18 - 19
GRI 103, Management Approach	103-1 Explanation of the material topic and its boundary				20
	103-2 The management approach and its components				20
	103-3 Evaluation of management approach				20
GRI 206 Anti-Competitive Behaviour	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				No legal action against the organisation in the reporting period
Category: Environment					
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary			Principle 7, 8 and 9	77
	103-2 The management approach and its components				77
	103-3 Evaluation of management approach				77
GRI 302: Energy, 2016	302-1 Energy consumption within the organisation	Metrics and targets (a)	7, 12		77
	302-2 Energy consumption outside of the organisation		7		77
	302-3 Energy intensity		7		77



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 103, Management Approach, 2016	103-1 Explanation of the material topic and its boundary			Principle 7, 8 and 9	79 – 80
	103-2 The management approach and its components				79 – 80
	103-3 Evaluation of management approach				79 – 80
GRI 303: Water, 2016	303-1 Water withdrawal by source	Metrics and targets (a)	6, 12		80
	303-2 Water sources significantly affected by withdrawal of water		6		80
	303-3 Water recycled and reused		6		80
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary		11	Principle 7, 8 and 9	74 – 75, 88 – 89
	103-2 The management approach and its components				74 – 75, 88 – 89
	103-3 Evaluation of management approach				74 – 75, 88 – 89
GRI 305: Emissions, 2016	305-1 Direct (Scope 1) GHG emissions	Governance (b)	12		74
	305-2 Energy indirect (Scope 2) GHG emissions	Risk Management (a), (b) & (c)	12		74
	305-3 Other indirect (Scope 3) GHG emissions	Metrics and targets (a), (b) & (c)	12		74
	305-4 GHG emissions intensity				74
	305-5 Reduction of GHG emissions				74
GRI 103, Management Approach	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		12		88 - 89
	103-1 Explanation of the material topic and its boundary			Principle 7, 8 and 9	83 - 84
	103-2 The management approach and its components				83 – 84
GRI 306: Effluents and Waste, 2016	103-3 Evaluation of management approach				83 – 84
	306-2 Waste by type and disposal method	Metrics and targets (a)	12		85



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary			Principle 7, 8 and 9	104 - 105
	103-2 The management approach and its components				104 - 105
	103-3 Evaluation of management approach				104 - 105
GRI 308: Supplier Environmental Assessment, 2016	308-1 New suppliers that were screened using environmental criteria				104 - 105
Category: Social					
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				56, 59
	103-2 The management approach and its components				56, 59
	103-3 Evaluation of management approach				56, 59
GRI 401: Employment, 2016	401-1 New employee hires and employee turnover				65
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				60
	401-3 Parental leave				60
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				56, 59
	103-2 The management approach and its components				56, 59
	103-3 Evaluation of management approach				56, 59
GRI 402: Labour/ Management Changes, 2016	402-1 Minimum notice periods regarding operational changes			Principle 4	The Business is different, hence not applicable.



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				66 - 68
	103-2 The management approach and its components				66 - 68
	103-3 Evaluation of management approach				66 - 68
GRI 403, Occupational Health & Safety, 2018	403-1 Occupational health and safety management system				68
	403-2 Hazard identification, risk assessment, and incident investigation				67 - 68
	403-4 Worker participation, consultation, and communication on occupational health and safety				66
	403-5 Worker training on occupational health and safety				67
	403-8 Workers covered by an occupational health and safety management system				67
	403-9 Work-related injuries		16		70
	403-10 Work-related ill health				70
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				61
	103-2 The management approach and its components				61
	103-3 Evaluation of management approach				61
GRI 404: Training and Education, 2016	404-1 Average hours of training per year per employee		4, 10		62
	404-2 Programs for upgrading employee skills and transition assistance programs				61
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				63
	103-2 The management approach and its components				63
	103-3 Evaluation of management approach				63



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 405: Diversity and Equal Opportunity, 2016	405-1 Diversity of governance bodies and employees		5		63
	GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary			63
		103-2 The management approach and its components			63
	103-3 Evaluation of management approach				63
GRI 406: Non-discrimination, 2016	406-1 Incidents of discrimination and corrective actions taken		8	Principle 6	There was no incident of discrimination in the reporting period
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				59
	103-2 The management approach and its components				59
	103-3 Evaluation of management approach				59
GRI 412: Human Rights Assessment, 2016	412-2 Employee training on human rights policies or procedures			Principle 1, Principle 2	68
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening				68
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				106
	103-2 The management approach and its components				106
	103-3 Evaluation of management approach				106
GRI 413: Local Communities, 2016	413-1 Operations with local community engagement, impact assessments, and development programs		4		107- 111



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				104 - 105
	103-2 The management approach and its components				104 - 105
	103-3 Evaluation of management approach				104 - 105
GRI 414 Supplier Social Assessment, 2016	414-1 New suppliers that were screened using social criteria				104 - 105
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				45 - 48
	103-2 The management approach and its components				45 - 48
	103-3 Evaluation of management approach				45 - 48
GRI 416 Customer Health and Safety, 2016	416-1 Assessment of the health and safety impacts of product and service categories				45 - 48
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services				45 - 48
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				96 - 98
	103-2 The management approach and its components				96 - 98
	103-3 Evaluation of management approach				96 - 98
GRI 417: Marketing and Labeling, 2016	417-1 Requirements for product and service information and labeling				96 - 98
	417-2 Incidents of non-compliance concerning product and service information and labelling				There was no incident of non-compliance in the reporting period
	417-3 Incidents of non-compliance concerning marketing communications				There was no incident of non-compliance in the reporting period
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				96 - 98
	103-2 The management approach and its components				96 - 98
	103-3 Evaluation of management approach				96 - 98



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GRI Standard	Disclosure	Alignment to climate-related disclosures (TCFD)	Mapped to SDG	Alignment with UNGC principle of Human rights	Page reference and explanation
GRI 418: Customer Privacy, 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				96 – 98
GRI 103: Management Approach, 2016	103-1 Explanation of the material topic and its boundary				20
	103-2 The management approach and its components				20
	103-3 Evaluation of management approach				20
GRI 419: Socioeconomic Compliance, 2016	419-1 Non-compliance with laws and regulations in the social and economic area				20



ASSURANCE STATEMENT

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KPMG Assurance and Consulting Services LLP
7th Floor, IT Building No. 3
Nesco IT Park, Nesco Complex
Western Express Highway
Goregaon (East), Mumbai - 400 063.
Telephone: +91 (22) 6134 8200
Fax: +91 (22) 6134 8220
Internet: www.kpmg.com/in

Independent Limited Assurance Statement to Mahindra Lifestance Developers Limited on its Sustainability Report for Financial Year 2019-20

To the Management of Mahindra Lifestance Developers Limited, 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018, Maharashtra, India.

Introduction

We (KPMG Assurance and Consulting Services LLP, or 'KPMG') have been engaged by Mahindra Lifestance Developers Limited ('MLDL' or 'the company') for the purpose of providing an independent assurance on selected non-financial disclosures in the Sustainability report ('the Report') for the reporting period from 1st April 2019 to 31st March 2020 ('the year or the Reporting Period'). Our responsibility was to provide limited assurance on selected non-financial disclosure as described in the scope, boundary and limitations.

Reporting Criteria

MLDL applies its own sustainability reporting criteria based on Global Reporting Initiative (GRI) Standards¹, in-accordance - Core option.

Assurance Standard

We have conducted our assurance in accordance with:

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Under this standard, we have reviewed the information presented in the report against the characteristics of relevance, completeness, reliability, neutrality and understandability.
- Type – 2, Moderate level assurance as per AccountAbility 1000 Assurance Standard 2008 (AA1000AS 2008). Under this standard, we have reviewed the nature and extent of adherence to the AA1000AS principles mentioned below:
 - a. **The Principle of inclusivity:** Participation of stakeholders in developing and achieving an accountable and strategic response to sustainability
 - b. **The Principle of Materiality:** Relevance and significance of an issue to an organization and its stakeholders.
 - c. **The Principle of Responsiveness:** Response to stakeholder issues that affect organizational sustainability performance
- Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement.

Scope, Boundary and Limitations

- The scope of assurance covers selected environmental and social disclosures of MLDL as mentioned in the table below, for the period from 01 April 2019 to 31 March 2020.
- The boundary of the Report covers MLDL's operations in India only, as mentioned in the Report.

GRI Standards: Universal Standards

- **General Disclosures**
 - Stakeholder engagement: 102-40, 102-42, 102-43, 102-44
 - Reporting practice: 102-46 to 102-52, 102-54, 102-55

KPMG Assurance and Consulting Services LLP, an Indian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

KPMG (Registered) is a partnership firm with Registration No. BA-02445 converted into KPMG Assurance and Consulting Services LLP (a Limited Liability Partnership with LLP Registration No. AAT-0307), with effect from July 23, 2020

Registered Office: Loda Eureka, 1st Floor Apollo Mills Compound N, M. Joshi Marg, Mahalaxmi, Mumbai - 400 011



GRI Standards: Topic Specific Standards

- **Environmental**
 - Energy: 302-1, 302-2, 302-3
 - Water: 303-1, 303-3
 - Emissions: 305-1, 305-2, 305-3, 305-4
 - Effluents and waste: 306-2¹
- **Social**
 - Employment: 401-1, 401-2, 401-3
 - Occupational Health and Safety(2018): 403-9, 403-10
 - Training and Education: 404-1, 404-2
 - Human Rights assessment: 412-2
 - Local Communities: 413-1

The assurance scope is subject to the following limitations:

- Disclosures other than those mentioned under the scope above.
- Data and information outside the defined reporting period.
- The Company's financial performance.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with other reporting frameworks.

Assurance Procedure

Our assurance processes involve performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the selected sustainability disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report in order to design assurance procedures that are appropriate in the circumstances.

Our assurance procedure also included:

- Assessment of MLDL's reporting procedures regarding their consistency with the application of GRI Standards.
- Evaluating the appropriateness of the quantification methods used to arrive at the sustainability disclosures presented in the report.
- Review of systems and procedures used for quantification, collation, and analysis of sustainability disclosures included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by Company for data analysis.
- Discussion with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the report.
- Assessment of data reliability and accuracy.

The data was reviewed through physical site visits and virtual interactions through screen sharing tools at the corporate office and selected sample locations.

Physical site visits were conducted for the following locations:

- MLDL (Mumbai, Head Office)
- Mahindra World City (Jaipur)

¹ Only for Non Hazardous category of waste



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Virtual interactions were conducted for the following locations:

- MLDL (Pune, Chennai)
- Mahindra World City (Chennai)

Conclusions

We have reviewed selected non-financial disclosures in the Report of MLDL. Based on our review and procedures performed, nothing has come to our attention that causes us not to believe that the sustainability data and information as per the scope of assurance presented in this Report is appropriately stated in all material respects, and in accordance with reporting criteria.

We have provided our observations to the Company in a separate management letter. These, do not, however, affect our conclusions.

As per AA1000 AS 2008 principles:

- **Principle of Inclusivity:** We are not aware of any matter that would lead us to conclude that the Company has not applied principle of inclusivity while engaging with key stakeholder groups. MLDL may consider increasing the number of interactions with external stakeholder groups, suppliers and contractors particularly as the organization is working towards sustainable supply chain.
- **Principle of Materiality:** The materiality assessment by the Company was carried out in the year 2019. Nothing has come to our attention that causes us to believe that material topics so identified have been excluded by the company. The company may determine a periodic frequency for materiality assessment taking into account the changes in reporting frameworks, emerging regulations, and risks.
- **Principle of Responsiveness:** We are not aware of any matter that causes us to believe that the Company has not applied principle of responsiveness while engaging with stakeholders covering its environmental and social performance. The company may demonstrate how stakeholder feedback is incorporated into sustainability report and continue to communicate its performance against its goals and targets.

Reliability

Nothing has come to our attention that causes us not to believe that the information has been presented fairly, in material respects, in keeping with the reporting principles and criteria as mentioned above. Data representation and calculation related errors were detected but the same were resolved during the assurance process. There is a scope for enhancing the understanding of the performance disclosures among the data owners. The monitoring mechanism can further be strengthened with respect to the disclosures related to environmental performance especially on water and waste.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 (Revised) and AA1000AS (2008) standards. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard of Quality Control (ISQC1) and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.



Responsibilities

MLDL is responsible for developing the Report contents. MLDL is also responsible for identification of material sustainability topics, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of MLDL in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to MLDL those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MLDL for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our report is released to MLDL on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Prathmesh Raichura
Executive Director
KPMG Assurance and Consulting Services LLP
5th November 2020



OUR PRESENCE

Delhi NCR | Jaipur | Mumbai & MMR | Pune | Nagpur | Bengaluru | Chennai

CORPORATE OFFICE

Mahindra Lifespace Developers Limited

CIN L45200MH1999PLC118949

5th Floor, Mahindra Towers, Worli, Mumbai 400 018, India

Tel: 022 6747 8600-01 | Fax: 022 2497 5084

Email: homes@mahindra.com | Website: www.mahindralifespaces.com