Environment

Linkage with key Material Topics

- Energy and Emissions Management
- Waste Generation and Recycling
- Water Stewardship
- Opportunities in Green Building
- Environmental Risk Management

SP1. Climate Resilience
SP2. Sustainable Operations

SDG Alignment

SP1. Climate Resilience

At Nexus Select Trust, we proactively assess the potential of climate change and take steps to enhance our resilience and adaptability to stay future-ready. As we expand our business, we carefully evaluate an asset's ability to perform under future climatic scenarios and develop adaptation strategies.

Transitioning to a Low-Carbon Future

Through our materiality review, we identified transitioning to renewable energy, developing green buildings, and preserving natural habitats as crucial in addressing climate-related risks.

Our decarbonisation approach follows four key steps as outlined below:

Identify
High emission areas in malls

Assess
Technical and commercial feasibility of decarbonisation strategies

Determine
The most effective interventions

Implement
On high priority

MSPL Plant, Karnataka

Interventions to Reduce Emissions at Nexus Select Trust

Increase solar panel installations or purchase green energy

Transition to low-carbon technologies

Use energy-efficient appliances

Monitor emissions and review and modify mitigation approach as needed

Energy and Emission Management

We are making our operations more resilient and adopting energy-efficient innovative technology solutions to achieve our Net Zero ambitions.

Energy Consumption

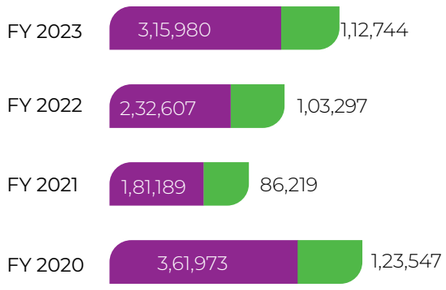
The energy we need for our operations is drawn from purchased and renewable sources. Regular Energy Audits help identify gaps and opportunities to improve efficiency through technology solutions and sustainable practices.

Conducted energy audits at **100%** of our malls.

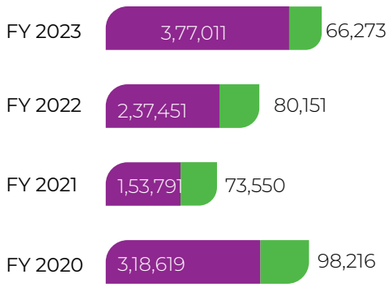
Energy Consumption Performance

The table below provides a snapshot of our energy performance within and outside the organisation which includes the energy consumed by our tenants across 17 malls. Our energy consumption has reduced by 11.69% compared to a FY2020 baseline. This reduction is largely driven by our efforts to increase energy efficiency and reduce our energy demand.

Total Energy Consumption (GJ) of Mall Operations



Total Energy Consumption (GJ) of Tenant Operations at Malls



Total Non-Renewable Energy Consumed

Total Renewable Energy Consumed

*The total energy consumption within the organisation is inclusive of 2 offices since the HVAC system for the offices & malls is common

Real-Time Energy Monitoring and Analysis at Nexus South Malls

We used to manually record and analyse our energy meter readings and bill them to our tenants, which was a time-consuming process that was prone to errors. We decided to install Aunoa Smart Controls to monitor and control our HVAC equipment which tracks real-time data remotely and presents it as a dashboard with graphical and numeric analysis. This increases the reliability of our data and reduces staff effort. It also helps us analyse equipment performance and reduce breakdowns.

Energy Intensity

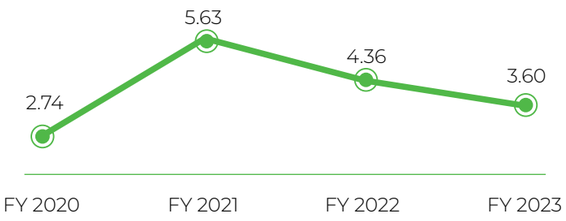
Energy intensity enables us to monitor how our energy consumption changes with the expansion of our assets and customer footfalls. We closely monitor the energy intensity of our operations and optimise our lighting, ventilation, air conditioning, and other electrical loads to improve performance.

Our Energy Intensity Over Time

Our energy intensity has decreased compared to FY2022. This is a result of our efforts to increase energy efficiency at our assets and reduce our overall energy consumption.

17.45% reduction in energy intensity from FY2022

Energy Intensity (in GJ/thousand footfall)



VFD Integration for Cooling Tower Fans at Nexus Koramangala

The Nexus Koramangala Mall had 6 cooling towers installed in 2003 with a 33KW load and power consumption of 320 KWh per day. Modifications were undertaken to integrate Variable Frequency Drive (VFD) circuits into the cooling tower fan circuits. The VFDs adjust the speed based on demand, reducing energy consumption and improving efficiency. The installation of the new technology has helped us realise annual energy savings of 37,647 KWH and financial savings in repair and maintenance costs due to less wear and tear on the motors and fans. The VFDs also allows us to operate the cooling towers based on real-time temperature. We envisage deriving additional savings in the winter and monsoon seasons when temperatures are less than 18 degrees.

Renewable Energy

Increasing the percentage of renewables in our energy mix is key to reducing our Scope 2 emissions. We have installed 30MW+ of renewable energy capacity through solar and wind projects. This has helped us use 26.30% renewable energy in our total energy mix. In FY2023, we have increased our energy independence by reducing the amount of renewable energy we consume through Power Purchase Agreements (PPAs) and increasing our onsite renewable energy generation capacity. We are also installing 16MW of additional renewable energy capacity.

59.21%
increase in renewable energy generation from FY2020

30+ MW
renewable energy capacity installed

> "We believe in the importance of coupling our renewable energy efforts with a reduction in our absolute energy consumption. Our decarbonisation efforts have been a comprehensive combination of sourcing renewable energy, installing on-site solar capacity, and reducing the overall inefficiencies that make us consume so much energy in the first place."
>
> **– Rupan Guha, Technical Head - South Malls**

Rooftop solar power installation at Nexus Celebration Mall

Given our focus on increasing the use of renewable energy, the team at Nexus Celebration Mall decided to tap the unused space on the cinema roof for renewable energy generation. A study was conducted to determine the direction, height, and slab strength, along with shadow analysis to establish the correct capacity for installation. The project team determined that a 270 kW solar plant would suffice to power the Mall's HVAC, electrical systems, and other services. The estimated monthly unit generation from the solar plant is projected to be around 32,000 KWh, accounting for approximately 25% of the common area consumption.

Greenhouse Gas (GHG) Emissions

Our GHG emissions emanate from various activities, including the energy we use for lighting, heating and ventilation systems, and the transportation of goods. Enhancing energy efficiency and reducing fossil fuel dependency is key to managing our GHG emissions. In FY2023, we implemented more robust data capturing mechanisms to improve the monitoring and disclosure of our emissions. Our aim is to achieve a 25.2% reduction in Scope 1 + 2 emissions by FY2025.

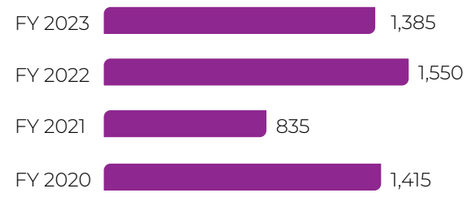
Emissions Performance

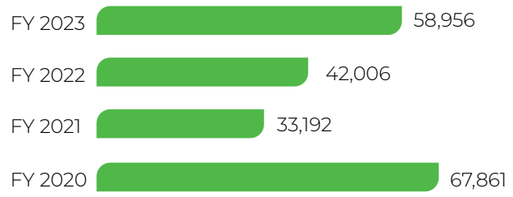
Our Scope 1 and 2 emissions stood at 60,341.32 tCO2e in FY2023, a 12.90% reduction compared to the FY2020 baseline. This reduction is largely driven by our falling Scope 2 emissions as we have rapidly increased our renewable energy generation through solar and wind sources. Additionally, we have seen a consistent fall in our energy intensity since FY2021.

This year, we also calculated our Scope 3 emissions for the first time which stood at 78,179 tCO_2e. The categories assessed were Fuel and Energy-Related Activities, Business Travel, Employee Commute and Downstream Leased Assets.

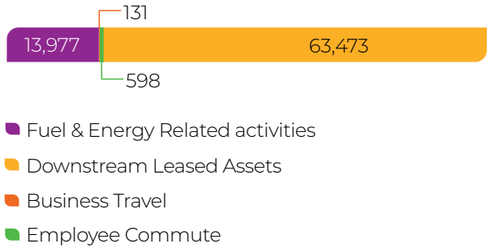
12.90% reduction in Scope 1 and 2 emissions from FY2020 baseline

Total Scope 1 and 2 Emissions for Malls (tCO_2e)

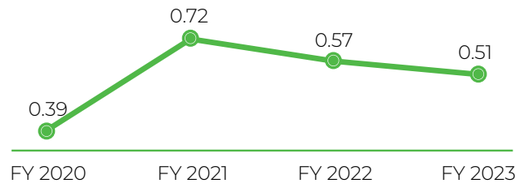




Scope 3 emissions in FY 2023



GHG Emissions Intensity for Scope 1 and 2 emissions (in GJ/thousand footfall)



Encouraging Electric Mobility

We actively encourage the use of Electric vehicles (EVs) to accelerate progress towards a carbon-neutral future. EVs have lower GHG emissions than internal combustion engine vehicles (ICEVs) and can be powered by electricity from renewable sources such as wind and solar. To encourage the adoption of EVs, we have installed 170+ charging stations for two and four-wheelers across our Malls. Through the reporting year, we saw over 10,000 vehicles use these charging stations.

Climate Risks and Opportunities

Climate change poses various risks and opportunities for businesses that, if not accounted for, can affect financial returns and operational longevity. It is critical for us to detect, measure, and manage the impact of climate change on our operations. The Task Force on Climate-Related Disclosures (TCFD) has developed a framework that helps companies disclose their climate-related risks and opportunities. We are a signatory of the TCFD and have aligned our climate risk assessment with this framework.

The TCFD helps companies assess their climate-related risks and opportunities by considering two major risks, physical and transitional, and their associated opportunities. Physical risks emanate from climate events such as earthquakes, floods, rising sea levels, etc.; transitional risks, such as market risks, result from transitioning to a low-carbon economy.

If these risks are appropriately managed, they can result in 5 different climate-related opportunities for businesses as identified by the TCFD: Resource Efficiency, Energy Source, Sustainable Products & Services, Markets, and Resilience.

In this section, we detail our approach to assessing, mitigating, and managing climate-related risks and opportunities. Our approach includes a strong governance framework, an Enterprise Risk Management system, metrics and targets to track our progress and an overall ESG strategy that guides our sustainability agenda.

Governance

A comprehensive multi-tier governance structure implements and monitors our performance on ESG parameters. The structure includes our Board of Directors, Apex ESG Committee, ESG Steering Committee and Task Forces. The members of these teams oversee, execute, strategise, and implement our ESG agenda and consist of our C-suite members, representatives from various departments, and on-ground staff. We have also integrated ESG indicators into the annual performance targets of key personnel, including Senior Management, portfolio managers, and other employees, to ensure they stay focused on climate-related risks and opportunities.

More details on the responsibilities and meetings of the committees can be found in the ESG Governance section.

Strategy

At Nexus Select Trust, mitigating the impact of climate change is an integral part of our ESG and business strategy, and financial planning. Our ESG strategy consists of 6 pillars, of which two – Sustainable Operations and Climate Resiliency – are dedicated to climate-related risks and opportunities. These pillars consider topics such as resource management and transitioning to a low-carbon economy for which we have set targets and measure our progress. More details on our ESG strategy can be found in the ESG Strategy section of the report.

Risk Management

We assess and address our climate-related risks through a 6-step Enterprise Risk Management (ERM) process as outlined below:

- **Risk Identification**
- **Risk Analysis**
- **Risk assessment and prioritisation**
- **Review and monitoring**
- **Risk Treatment**
- **Risk Mitigation**

All risks are identified at the corporate and mall levels, with various approaches to anticipate and mitigate their impacts in a timely manner. As outlined below, we have analysed our climate-related risks through the TCFD lens of physical and transitional risks over the short, medium and long term. Going forward, we intend to conduct a comprehensive climate risk and opportunities assessment in line with Intergovernmental Panel on Climate Change's (IPCC) scenarios and calculate their fiscal impact on our operations.

For this Report, we identify the impact of physical and transitional risks considering three timelines.

Short Term:
1-5 years – Approximate time to complete a project from conceptualisation to the completion of construction

Medium Term:
5-15 years – Approximate time to observe the impact of policy and regulatory changes

Long term:
15-25 years – Approximate life of a commercial building

Risks	Description	Impact on Business Strategy and Financial Planning	Mitigation	Opportunity
Physical Risks				
Acute Risks · Cyclones · Earthquakes · Extreme precipitation Short to Medium Term	Increased risk as weather events become more severe	· Disruption in business operations · Higher cost of insurance · Property damages resulting in higher maintenance and building operation costs · Supply chain disruptions, inadequate resource availability, and negative impacts on our workforce · Increasing sea level can aggravate flood risks · Consistent exposure to chronic risks can lead to property devaluation	· Monsoon readiness programmes for all assets · Conducted structural studies to enhance the resilience of our buildings, ensuring they can withstand catastrophic weather events and remain functional and safe · Conducted detailed risk assessment with SBI Insurance for all malls to identify potential hazards and exposures that can lead to property damage or consequential business interruptions · Implemented safe assembly points and detailed evacuation blueprints at our malls to protect our visitors in case of sudden climatic incidents · Conduct infrastructural assessment at the acquisition stage to ensure that the malls remain resilient to such risks and proactively implement risk mitigation interventions	· Improving operational eco-efficiency in water, energy, and waste management · Increasing the use of circular economy practices and implementing new technologies to improve the resilience of building operations and save costs · Strengthening business resilience · Enhancing customer and retailer safety
Chronic Risks · Changes in precipitation patterns · Rising Sea Level · Extreme Heat · Draught Long Term				

Risks	Description	Impact on Business Strategy and Financial Planning	Mitigation	Opportunity
		· Water stress from chronic events · Disruptions in water-related services could lead to overall reduced efficiency of building operations	· Increasing business resilience by implementing sustainable procurement practices and assessing suppliers on ESG parameters · Installed anti-flood pumps in all malls · Groundwater recharging systems to prepare for droughts · Reducing reliance on freshwater supply by installing STPs across our malls	**TCFD identified opportunities:** Resource efficiency Energy source Sustainable Products & Services
Transition Risks				
Regulatory Risks Short to Medium Term	Risk resulting from changing expectations for climate disclosure and action as India targets Net Zero emissions in 2070 and mandates BRSR Disclosure for top 1000 companies	· The increasing cost of compliance due to growing requirements of assured ESG disclosures · Increase in the cost of fossil fuels, waste disposal and water withdrawal and discharge	· Active participation in industry associations (CII, IGBC, RAI) and signatory to commitments such as UNGC WASH and IBBI to keep abreast of current and proposed changes to the regulatory requirements and take proactive action to prevent non-compliance · Invest in employee development and skill enhancement on various sustainability topics for improved climate reporting · Incorporate policies and new processes and procedures to ensure data privacy	· Aligning with national guidelines, such as BRSR and India's 2070 Net Zero target and strategy · Aligning with international frameworks, such as GRESB, PRI and other guidelines on sustainability **TCFD identified opportunities:** Markets
Technology Risks Short to Medium Term	Risks resulting from a global shift towards greener technologies such as Integrated Building Management systems,	· Continued use of legacy technology could result in missed opportunities for more efficient operations, reduced costs, enhanced customer satisfaction and improved data security and privacy	· Continued investment in upgrading our overall technology architecture to avoid obsolescence and specific location-wise interventions to provide an improved customer experience	· Increasing the use of renewable energy in the total energy mix · Increasing R&D expenditure for new and alternative resource-efficient technologies

Risks	Description	Impact on Business Strategy and Financial Planning	Mitigation	Opportunity
	renewable energy installations, energy efficiency technologies, etc.	· Increased demand for the deployment of low-carbon technology and the global shift towards cleaner technologies could lead to an increase in overall capital expenditure	· Identified areas for adopting efficient and improved technology in our properties along with energy monitoring, regular energy audits and digital technologies for ESG data management · Implemented HVAC efficiencies such as auto cleaning systems, Variable Frequency Drivers, Chiller Plant Managers, and Building Management Systems. · Installed sensor-based lighting and thermostats · Onsite solar rooftop installations at 8 of our assets	**TCFD identified opportunities:** Resource Efficiency Energy Source
Market Risks	Risks resulting from a change in market expectation for more sustainable products and climate-resilient businesses	· Increased climate realisation among customers could lead to growing demand for sustainable operations · Increased procurement costs associated with green building materials and ESG integration in the supply chain	· Our strategy is designed for responsible resource consumption and preserving the ecosystem around us. This helps us sustain our visitor footfall and become the preferred choice for informed customers. · Stakeholder engagement with customers and retailers to understand and adapt to changing perceptions · Incorporating customer preferences by achieving 100% green certification across our assets and running increasingly sustainable operations	· Increased partnership with trade associations and access to new and emerging markets · Increased diversification by tapping into new business · Increasing business resilience by incorporating ESG into policies and processes **TCFD identified opportunities:** Market Resilience

Risks	Description	Impact on Business Strategy and Financial Planning	Mitigation	Opportunity
Reputation Risks	Risks to the reputation of an organisation resulting from factors such as shifting consumer preferences, stakeholder expectations and regulatory landscapes	· The failure to continue working towards our ESG goals could impact our reputation · Failure to meet stakeholders' expectations and shift in customer preferences can impact our reputation and result in a reduction in capital infusion	· Our governance framework helps us track our adherence to our ESG strategy and identify any gaps to take corrective action · Participation and effective disclosures in the ESG ratings such as GRESB & DJSI allow us to maintain our reputation as a sustainable organisation · Building trust with our stakeholders by adhering to the ESG goals we have set, staying compliant and transparently disclosing our progress	· Improving brand reputation by incorporating green building design and ensuring low-emission and resource-efficient buildings · Creating and establishing ourselves as a market leader by setting goals and targets for ESG performance **TCFD Identified Opportunities:** Sustainable Product & Services Market

Metrics and Targets

We have detailed metrics and targets to measure our climate-related progress and transparently disclose progress aligned with GRI Standards. The scope of our disclosures includes Carbon Emissions, Energy Consumption and Intensity, and Water Withdrawal and Discharge. Our targets and progress against the same are available on page 20 of this Report.

Biodiversity

Our environmental policy reflects our commitment to protecting the biodiversity around our operations. We aim to provide a more sustainable and harmonious environment for our customers and local ecosystems by creating spaces across our malls that prioritise greenery, natural light, and other biophilic design elements. We undertake educational and advocacy initiatives to align communities surrounding our malls to our biodiversity conservation objectives. None of our assets are in or close to ecologically sensitive areas.

Lakes of Happyness – Reviving Natural Water Bodies

The degradation of natural water bodies in India has led to a growing demand for the restoration and rejuvenation of lakes. At Nexus Select Trust, we have initiated a 'Lakes of Happyness' project to replenish groundwater, positively influence downstream water quality, and preserve the biodiversity and habitat of the area. Our target is to rejuvenate 10 lakes by 2024 to benefit over 30,000 people and wildlife.

IBBI INDIA BUSINESS & BIODIVERSITY INITIATIVE

Signatory to the Indian Business and Biodiversity Initiative

2 lakes
rejuvenated in Bengaluru and Pune

5 Lakes
being rejeuvenated in Chennai, Pune and Bengaluru

The Bannerghata Lake in Bengaluru rejuvenated under the 'Lakes of Happyness' project has improved water levels from 5 feet to 14 feet, providing drinking water for hundreds of animals from the national park, preventing land encroachment and positively impacting over thousands of people. Restoring the Kalmadu Lake in Pune has helped replenish groundwater, resulting in 20 wells being full after the first rain. It has also enriched agricultural land and raised the water table by 1.5 times.

Other lakes that have been rejuvenated are Chinchghavan Lake in Jalgaon and Sundarnagar Lake in Pune.

Bird Nesting and Feeding Stations

As part of our efforts to promote biodiversity and nature conservation, we have set up bird nesting and feeding areas on the trees and gardens in the periphery areas of Nexus City Centre. This has created a habitat for birds to thrive in urban ecosystems where they can live, feed, and nest around our buildings, increasing the number of birds and wild squirrels in the area.

Seed Bombing by Nexus Fiza: Promoting Green Space and Sustainable Waste Management

At Nexus Fiza, the team could not fully utilise the compost generated by the Organic Waste Composter (OWC) since farmers would not agree to collect/purchase the output frequently. The unused compost required an open space to be stored to avoid the formation of worms which was a challenge. The team decided to create compost balls with seeds in them, distributing seedlings to mall visitors that would blossom into beautiful plants. To date, the team has distributed more than 29,000 seed balls. An additional 1,000+ seed balls were distributed to the Coastal Security Police Department of Karnataka.