DISCLOSURES IN ALIGNMENT WITH THE RECOMMENDATIONS OF TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

Bagmane Realty and Infrastructure LLP

BAGMANE

TCFD REPORT WITH CLIMATE RISK ASSESSMENT

FY 2024-25

For Bagmane Realty and Infrastructure LLP.

Climate Risks Assessment Evaluated and aligned to TCFD by

Developmatrix Consulting LLP

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DISCLOSURES IN ALIGNMENT WITH TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Bagmane Realty and Infrastructure LLP is a conscientious company with environmental stewardship at the heart of its core business strategy. We are pleased to present our TCFD-aligned report for FY 2024–25, detailing the company's climate strategy, risk management approach, and sustainability performance. This report underscores Bagmane's commitment to science-based targets, climate resilience, and transparent disclosures. It incorporates scenario analysis, emissions tracking, and governance practices in alignment with global frameworks such as the TCFD, GRI, and SBTi.

In response to the escalating challenges of climate change and biodiversity loss, Bagmane has committed to a science-based decarbonisation pathway aligned with the 1.5°C limit under the Paris Agreement, setting ambitious goals to reduce greenhouse gas emissions across Scope 1, 2, and 3. We continue to make significant strides in lowering carbon intensity through green building certifications (LEED, WELL), expanding captive solar energy infrastructure, and implementing water conservation measures across its portfolio. These efforts are complemented by robust business continuity planning and adaptive design strategies that enhance resilience against climate-related disruptions.

Recognising the imperative to integrate climate-related risks into its operations and strategic planning, Bagmane initiated a comprehensive climate scenario analysis for FY 2024–25, aligning its governance and enterprise risk management with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This assessment identified both physical risks - such as heatwaves, flooding, and water scarcity and transition risks stemming from evolving regulations, market shifts, and reputational pressures. Using tools like the IPCC's SSP5-RCP8.5 scenario and the WRI Aqueduct Water Risk Atlas, Bagmane evaluated risk severity across its key locations, categorising threats by impact and likelihood over short-, medium-, and long-term horizons. This forward-looking approach ensures that Bagmane's assets, operations, and financial planning remain resilient and competitive in a rapidly decarbonising world.

I. GOVERNANCE OF CLIMATE ACTION

Climate action is a strategic priority for our Board of Directors, aligned with our broader environmental commitments and ESG vision. The Board provides oversight on ESG matters, including climate and nature-related risks and opportunities, and steers the company's long-term climate resilience strategy. The Board conducts climate reviews at least twice a year and convenes additional meetings when significant climate-related developments arise — such as new climate risk assessments, changes in legislation, or updates to global or national climate targets. These reviews address both environmental impacts and climate transition strategies, including scenario analysis and the integration of climate considerations into investment decision-making.

To strengthen climate governance capabilities, the Board and senior executives participate in climate-focused ESG training and receive regular briefings from internal and external experts on emerging climate science and regulatory developments. The Board's active involvement ensures that climate-related risks and opportunities are systematically considered within our broader corporate strategy, risk management framework, and investment decisions. This integrated approach enhances the long-term resilience of our portfolio and aligns our business model with the global transition to a low-carbon economy.

To support this mandate, a dedicated ESG Steering Committee has been appointed to monitor environmental impacts, oversee climate-related risks, and drive implementation efforts. The Board-constituted Risk Management Committee also routinely evaluates climate exposures and presents key findings to the Board. Both these committees have made changes to their charters to include climate matters specifically.

The Managing Director leads the Senior Management Committee in integrating climate considerations into business operations, investment decisions, and strategic planning. This is supported by the ESG team, led by the Chief Sustainability Officer, who is responsible for executing climate risk assessments, advancing our decarbonisation roadmap, and managing disclosures. Climate-related KPIs are tracked and reported to the Board, ensuring alignment with our ESG goals.

EXECUTIVE ACCOUNTABILITY

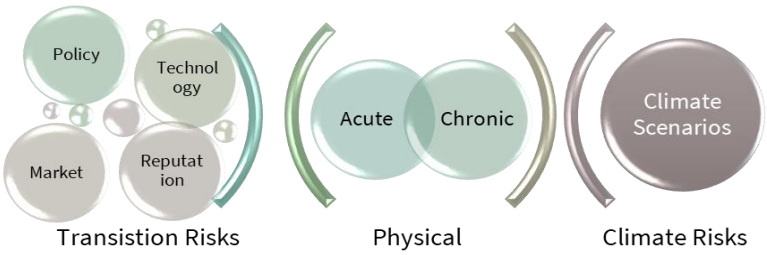
Climate-related performance indicators are increasingly integrated into senior executives' performance scorecards. These include metrics such as portfolio-wide energy efficiency improvements, progress toward net-zero targets, and milestones in climate risk mitigation. Tying these indicators to both short- and long-term incentive structures reinforces leadership accountability and embeds sustainability at the core of strategic decision-making.

II. CLIMATE STRATEGY

Our climate action strategy is built on a phased roadmap focused on reducing GHG emissions, scaling renewable energy, enhancing energy efficiency, and integrating climate risk into business planning.

•GHG Reduction & Net-Zero	•Renewable Energy Expansion	•Energy Efficiency	•Climate Risk Integration
•Emissions tracking, certifications, and science-based targets	•Solar adoption and energy cost stability	•Smart systems and design innovations	•Scenario planning and adaptive infrastructure

We are adopting a structured climate risk strategy that integrates scenario analysis, ESG alignment, and targeted interventions across our business operations both at construction stage as well as operations phase, ensuring long-term resilience and sustainable value creation.



For our climate risk assessment, we reviewed climate models using the climate scenario analysis and selected SSP5-RCP 8.5[1] scenario to assess physical climate risks, reflecting a high-emissions trajectory with significant implications for heat stress, flooding, and water scarcity. For transition risks, the organization has selected the International Energy Agency's Net Zero Emissions (IEA NZE2050) scenario, which models the global shift toward a low-carbon economy and Bagmane's goal towards net-zero.

We have further assessed climate-related risks using two key dimensions: (i) impact and (ii) likelihood. Risk severity is determined by evaluating the probability of occurrence alongside the potential impact, and is categorized as 'High', 'Medium', or 'Low'. These scenarios were identified as most relevant to Bagmane's operations and strategic planning, enabling a robust evaluation of climate-related exposures across short-, medium-, and long-term horizons. The climate risks and opportunities were assessed across Bagmane's operations and locations namely – Bengaluru, Chennai, Delhi and Hyderabad.

Insights from climate scenario analysis are embedded into our enterprise risk registers, design briefs, and financial models—informing capital expenditure prioritization, asset lifecycle cost planning, and insurance strategies. By

contextualizing globally recognized scenarios within the Indian real estate landscape, we are building a resilient portfolio capable of withstanding a range of future climate and regulatory conditions. The outcomes of the Scenario Analysis are also being integrated in to overall financial planning and enterprise risk management; including financial disclosures, asset valuations, and risk provisioning aligned with global standards. Climate risks are also being addressed across land acquisition, design, procurement, construction, and operations through adaptive design, green procurement, and renewable energy adoption.

Below were the risks identified as relevant to Bagmane's business across the above locations.

Physical Risks:

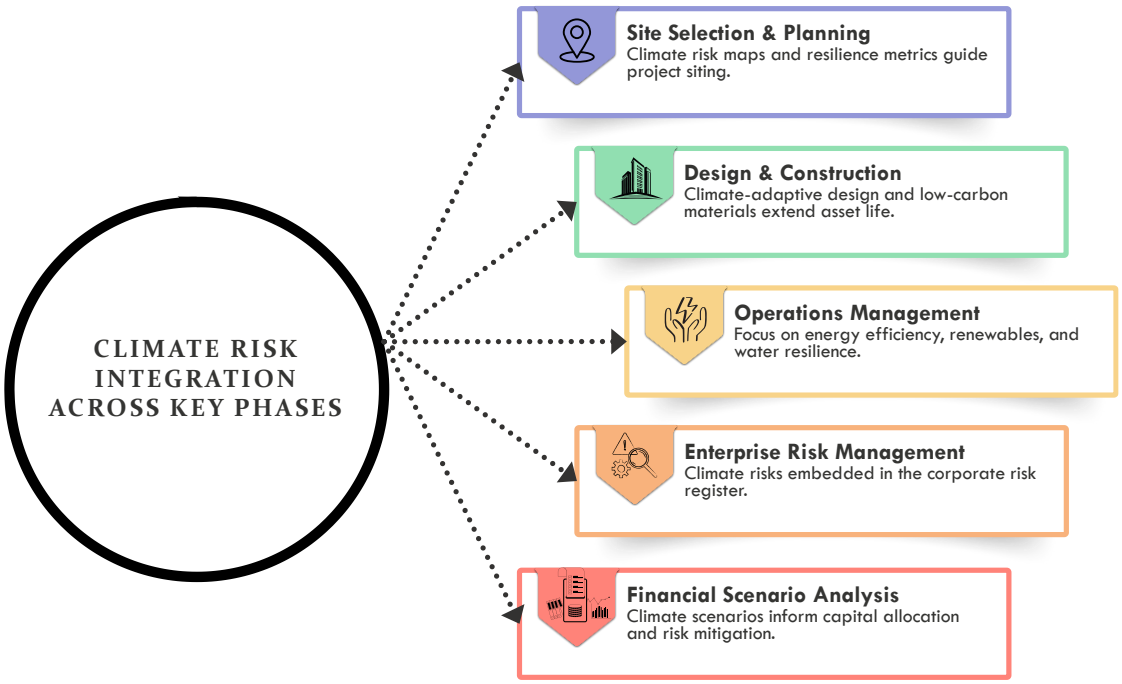
- **Heatwaves / Hot Days** – High relevance & likelihood
- **Heavy Rainfall / Flooding** – High relevance, Medium likelihood
- **Water Scarcity / Stress** – High relevance & likelihood
- **Air Pollution** – Medium relevance & likelihood

Transition Risks:

- **Policy & Regulatory Changes** – *Environment/Climate-focused legislations and policies*
- **Market Shifts** – *Green building/energy efficient building demand*
- **Technology Transition** – *Low-Carbon Technology, 'green' raw material*
- **Reputational Risk** – *ESG Transperancy*

III. RISK MANAGEMENT

Climate risk maps and resilience metrics are embedded into site selection and project planning to guide development in low-risk zones. During the design and construction phase, climate-adaptive principles and low-carbon materials are employed to enhance asset durability and reduce environmental impact. Identified physical and transition risks are incorporated into the corporate risk register and managed alongside other enterprise risks. Scenario analysis—based on internationally recognized frameworks - is used to evaluate financial exposure under varying climate pathways, informing capital allocation, asset lifecycle cost projections, and insurance strategies. This integrated approach ensures that climate risks are proactively identified, assessed, and mitigated, supporting long-term portfolio resilience and alignment with evolving regulatory and market expectations.



Tools and Methodologies used:

- IPCC-aligned scenario analysis with India-specific data
- GIS-based site screening for flood, heat, and water risks
- Embodied carbon calculators at the design stage
- Energy modeling software for performance forecasting
- Climate-adjusted risk registers, updated annually
- Supplier assessments aligned with CDP and TCFD

We identified climate-related risks, its relevance and likelihood of occurring and the impacts throughout the lifecycle of Bagmane's operations ie construction phase and operational phase.

PHYSICAL RISKS AND IMPACTS:

Risk Description	Operational Impact	Financial Implication
Heat Stress (Heatwaves/Hot days): Can affect worker/employee health, equipment reliability, and material quality. Increase in rise in temperature can also cause raw material degradation and strain on the building energy management systems.	Increased safety protocols, reduced productivity, delays in timelines, and compromised construction quality. During operational phase, it can lead to Frequent repairs, HVAC overload, water stress, and reduced tenant satisfaction	Higher labor and compliance costs, material wastage, project delays, and increased insurance exposure. Rising maintenance and energy costs, potential revenue loss, and asset devaluation
Heavy Rainfall / Flooding: Can lead to material damage, soil erosion, and structural instability. In operations, can lead to water logging and infrastructure damage.	Construction delays, service disruptions, safety risks, infrastructure degradation.	Increase in costs, insurance claims, increased maintenance, reduced asset value.
Water Stress / Scarcity: Can cause disruption in work and trigger labor migration. In operations, strain on water infrastructure affects service delivery to our tenants.	Work stoppages, reduced labor availability, operational inefficiencies, tenant dissatisfaction.	Cost overruns, extended timelines, increased utility costs, potential revenue loss.
Air Pollution: can delay project delivery/completion. In operations, may affect air quality and tenant experience.	Suspension of construction activities, reduced air quality, reputational risks.	Idle time costs, compliance expenses, potential tenant turnover and revenue impact.

TRANSITION RISKS AND OPPORTUNITIES

Risk Type	Risk Description	Operational Impact	Financial Implication
Policy & Regulatory Changes	Environment/climate resilience led legislation and Stricter building codes including the recent Environment (Construction and Demolition) Waste Management Rules, 2025. Carbon/climate disclosures, and evolving compliance requirements. Increase in local administrative orders to stop	Building Design revisions/retrofitting increases and increased reporting/disclosures.	Higher construction and operational costs, potential penalties, capex reallocation.

	construction temporarily to curb heatwaves, water scarcity, and air pollution.		
Market Shifts	Growing demand for green-certified buildings and ESG-compliant assets.	Pressure to upgrade assets and align developments with sustainability standards. Use of low-carbon and local materials.	Increased investment in certifications and retrofits, risk of asset devaluation.
Technology Transition	Adoption of low-carbon materials, energy-efficient systems, and digital tools.	Integration of new tech, staff training, operational adjustments.	Upfront tech investment, long-term savings, improved asset competitiveness.
Reputational Risk	Rising stakeholder expectations for climate action and ESG transparency.	Enhanced ESG reporting, stakeholder engagement, brand positioning.	Impact on investor confidence, access to green finance, and market valuation.

Scenario findings are routinely added to risk registers and financial models, determining where to spend capital and assessing the need for insurance. Because of this forward-looking action, Bagmane's portfolio can handle various future climate scenarios.

The climate risks assessed were further analysed for potential impacts on the business operations through our entire real-estate lifecycle.

Key financial implications of climate risks and opportunities:

1. **Revenue Impacts:**
    - Higher occupancy and rental premiums for green-certified, energy-efficient buildings.
    - Energy savings and solar generation improve net income.
    - Climate-resilient assets retain value and attract tenants, especially during extreme events.
    - Properties in high-risk zones face revenue challenges due to insurance and regulatory constraints.
2. **Cost Implications:**
    - Upfront costs rise with green certifications and efficient technologies.
    - Long-term savings through reduced utility bills and faster leasing.
    - Carbon pricing and regulatory shifts may increase future construction costs, offset by resilient design benefits.
3. **Assets and Liabilities:**
    - Solar infrastructure enhances asset reliability and grid stability.
    - Early retrofitting may raise short-term maintenance costs.
    - Inaction risks asset impairment; proactive adaptation improves insurability and long-term value.
4. **Access to Finance:**
    - Strong ESG performance improves access to green loans and favorable financing terms.

- Enhanced climate disclosures are increasingly required by lenders.
- Opportunities for green bonds, sustainability-linked loans, and concessional finance.
- Non-resilient assets may face higher insurance premiums and stricter lending conditions.

Our climate risk assessment has identified key stages across the real estate development value chain where both physical and transition-related climate risks—and associated opportunities—are most concentrated. These findings have directly informed our strategic response, guiding capital allocation and shaping operational planning to enhance resilience and long-term value.

1. **Land Acquisition:**
    - Climate risk screening using GIS tools and national datasets.
    - Physical risks (flooding, heat, water stress) assessed using IPCC projections.
    - High-risk zones excluded from development.
2. **Design and Planning:**
    - Focus on carbon footprint, energy efficiency, and climate adaptability.
    - Adoption of green building standards (IGBC, LEED, GRIHA).
    - Integration of sustainability through BIM and climate-responsive design (e.g., passive cooling, elevated structures).
3. **Procurement and Supply Chain:**
    - Preference for low-carbon, locally sourced materials.
    - Supplier engagement to enhance climate readiness and transparency on embodied carbon.
    - Contracts increasingly include sustainability criteria and transition plans.
4. **Construction Phase:**
    - Efficient site operations and prefabrication to reduce energy and water use.
    - Enhanced safety protocols for heat stress.
    - Waste minimization aligned with circular economy goals.
5. **Operations and Asset Management:**
    - Use of solar captive systems and IoT for energy and water optimization.
    - Retrofit roadmaps developed to enhance resilience and efficiency of existing assets.

IV. METRICS AND TARGETS

At Bagmane, we have a robust materiality assessment methodology and climate-related concerns are being integrated and prioritized in the materiality matrix. This includes ongoing dialogue with key stakeholders—investors, customers, employees, local communities, and regulators—to surface critical physical risks like flooding and drought, as well as transition risks stemming from regulatory and environmental shifts. Site-level challenges are also reviewed to align with long-term sustainability goals, such as adopting green building practices and low-carbon technologies. To ensure credibility and traceability, all emissions and sustainability data are independently audited, with verification statements published alongside the annual Sustainability Report.

Monitoring and Tracking

Bagmane uses well-defined metrics to assess climate risks and growth opportunities across all project phases. This data-driven approach supports compliance with evolving regulations, investor expectations, and benchmarking. Key

focus areas include energy and water use, waste management, GHG emissions, and sustainable building certifications. The company tracks Scope 1 and Scope 2 emissions—primarily from company vehicles, generators, and purchased electricity—and is enhancing Scope 3 reporting, covering categories like donwnstream leased assets and purchased goods and services. Tools like the Atlas method help quantify emissions from materials such as cement and steel, while business travel and employee commute is also monitored. These disclosures follow global standards and support the development of science-based targets.

Transparency, Verification, and Decarbonization Goals

Starting with this report, Bagmane will publish climate-related metrics annually through its ESG Report, aligned with the Global Reporting Initiative (GRI). We are also advancing real-time monitoring through digital dashboards for operational assets. As part of its commitment to the Science-Based Targets initiative (SBTi), Bagmane is setting a Net Zero goal supported by a robust decarbonization roadmap. This includes short-, medium-, and long-term targets designed to significantly reduce carbon emissions and align with global climate standards.

More on our Climate action and Carbon Emissions can be found in page no. 64 of our FY 24-25 Sustainability report (Climate Change section)

*Footnote[1]: **SSP5-RCP8.5** represents a high-growth, energy-intensive future where emissions roughly double by 2050, leading to a projected global temperature rise of approximately 4.4°C by 2100.*