



FUTURE OF SPACE™

2019-2020

— ESG REPORT

SYNOPSIS



**WE  
ARE THE  
FUTURE  
OF SPACE**

## Message from the Chairman

Dear Stakeholders,

As a responsible commercial real-estate entity, we always believed 'sustainability' is an integral element of our day to day activities, our value creation journey, and our future growth.

With the real-estate sector's dynamic nature - technological disruption, climate change and changing regulatory landscape, it is imperative for us to align our way of operating for the betterment of tomorrow and for future generations.

At RMZ, we started our sustainability journey in the late 2000's with a focus of building 'BEST SPACES' that are resource efficient and globally acclaimed. Since then, we have seamlessly progressed towards attaining synergy between Environment – Social – Economic pillars. In this journey, we partnered with locally and globally acclaimed partners to develop state of art designs, arts and technologies.

We have encapsulated the challenges thrown at us by the ecosystem and through a collaborative approach, converted each of them into opportunities by leveraging our people, technology and community. We established responsible water management systems, integrated waste management systems and efficient energy management systems across our properties. We were one of the earliest adopters of the USGBC LEED green

building rating systems in India and also the 1st building to be certified under the rating systems. We have also achieved Zero Liquid Discharge across most of our spaces.

At RMZ, this year we are redefining our sustainability strategy with commitments to be achieved by 2023. We are striving towards building 'FUTURE SPACES' that create a better tomorrow just not for us but for the communities ecosystems that we are in. We are leaping forward in this journey by integrating Environment Social Governance (ESG) principles across all aspects of our value chain.

It gives us immense pleasure in bringing 'ESG Report 2020', which showcases our strategy, approach and commitment to build spaces that are future ready. We hope to inspire our community, partners and employees in this journey of building future spaces.

**- Raj and Manoj Menda**

*“We aim to build spaces that generate long-term sustainable value for us, for our partners and for our communities”*



## Message from President - RMZ Foundation

Dear Stakeholders,

Over the last few years, there has been a fundamental shift in understanding the role of businesses in society. The earlier paradigm looked at business as an entity that extracts resources from society and creates wealth for its investors. Today, the understanding has changed and there is a growing realization that businesses are embedded in social, economic and natural systems and cannot be viewed in isolation.

With the evolution of the risk landscape, we are developing strategies that identify and mitigate risks that are material to us. Our strategies are developed considering industry trends and peer performance. They enable us to identify opportunities associated with the risk and arrive at innovative and sustainable solutions for the same. We are particularly concerned with the ESG risks related to climate change, environmental management practices, working conditions, occupational health and safety, anti-bribery corruption practices and regulatory compliance. Our project development process includes identification, addressing and monitoring of risks at each stage. Throughout the project lifecycle, our sustainability vision is focused on green construction, ethical work practices, occupational health & safety, and competitive sustainability solutions. We also carry out various environmental assessment studies (Environmental Impact Assessment) that cover ambient air quality, noise quality, water quality, and traffic monitoring as per local regulatory requirements etc. We adhere to all relevant regulatory compliances such as the National Building Code, the Solid Waste Management and Handling Rules, and the Construction and Demolition Waste Management Rules etc.

Committed to our ethos to offer services that match global standards, we aim to create built environments that are certified by recognized green rating certification bodies such as the US Green Building Council (USGBC) and the Indian Green Building Council (IGBC). In India, RMZ holds the largest portfolio of assets certified under LEED Arc, a leading green building rating system. We have also become a WELL Portfolio Partner with International Well Building Institute (IWBI). The Well certification is a premier standard used worldwide for buildings to measure and validate their features that support and enhance human health and wellness. Several studies have established the linkage between healthy and aesthetic workplaces and employee productivity. RMZ will seek this certification for all its upcoming spaces to assess and improve its performance from the perspectives of its occupants.

We believe that sustainability is not just a concept of the future, it is rather the new norm and a business imperative. Our sustainability team drives the organization's sustainability transformation at RMZ. In addition, a "Green Committee" has been formed to engage employees across all operations to be a part of our sustainability efforts. At RMZ, we are consistently integrating ESG into our strategy, operations, value chain and culture to meaningfully craft the future of space. I am glad to present to you this year's 'ESG Report 2020' – a document highlighting our sustainability approach, progress and vision. I invite you to read it and reach out to us with your thoughts.

- A. N Venugopal



## Environmental, Social & Governance (ESG) in the Real Estate Sector



The real estate sector is one of the key drivers of the economy and of social mobility. However, it is also one that is resource intensive and has a high contribution to global carbon emissions. With increasing exposure of the sector to sustainability risks (such as climate change, resource scarcity and social legitimacy), key stakeholders in the sector have come to the consensus that sustainability risks & opportunities are highly material to the sector's future growth. A Global ESG Real Estate Investment Survey was conducted by The United Nations Environment Programme Finance Initiative (UNEP FI) wherein 44 companies across the world were surveyed to understand the influence of ESG integration in real estate investment decision making and management. Results of the survey indicated that 93% of investors include ESG criteria in their investment decisions.

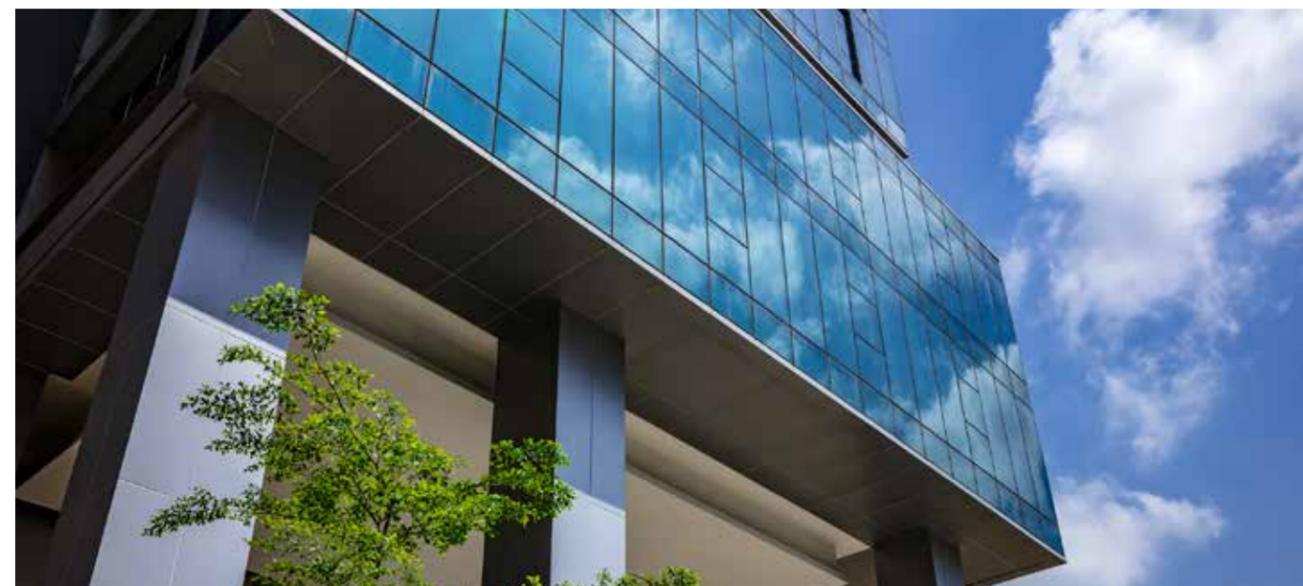
Enhanced ESG integration presents both tangible and intangible benefits to the real estate sector. These benefits are primarily in the form of lower operational costs, lower downside risks and increased employee engagement. Lower operational costs arise from resource conservation measures – particularly in energy and water efficiency. Studies have shown that higher ESG performance is associated with reduced downside risk – particularly through addressing climate resilience and disaster preparedness. It has also been found that a focus on health and well-being of the occupants results in enhanced retention and employee engagement.



A survey conducted by GRESB (a leading assessor of ESG performance in the sector) in 2019 has found increased adoption & integration of ESG practices in real estate firms, in alignment with the UN Sustainable Development Goals. Over 90% of respondents have claimed to have ESG objectives into their business strategy, and over 98% claim to have a sustainability task force. Some organizations have also set clear performance targets for their boards & senior management. Greenprint is a leading consortium of real estate firms, investors and strategic partners which is focused on enhancing the environmental performance of its member firms. A study carried out by Greenprint in 2018, shows that member firms invested in projects with a total of \$ 40.7 million – in energy efficiency, renewable energy,

waste management and advanced technologies to lower operating costs, energy use and carbon emissions.

The business case for ESG performance is crystal clear. The sector as a whole is moving towards increasing its environmental and social performance through innovation, standardization and collaboration. Like many other peers in its sector, RMZ Corp also has undertaken initiatives for deeper integration of ESG practices into its operations, which is the focus of this year's 'ESG Report 2020'.



## Our journey so far

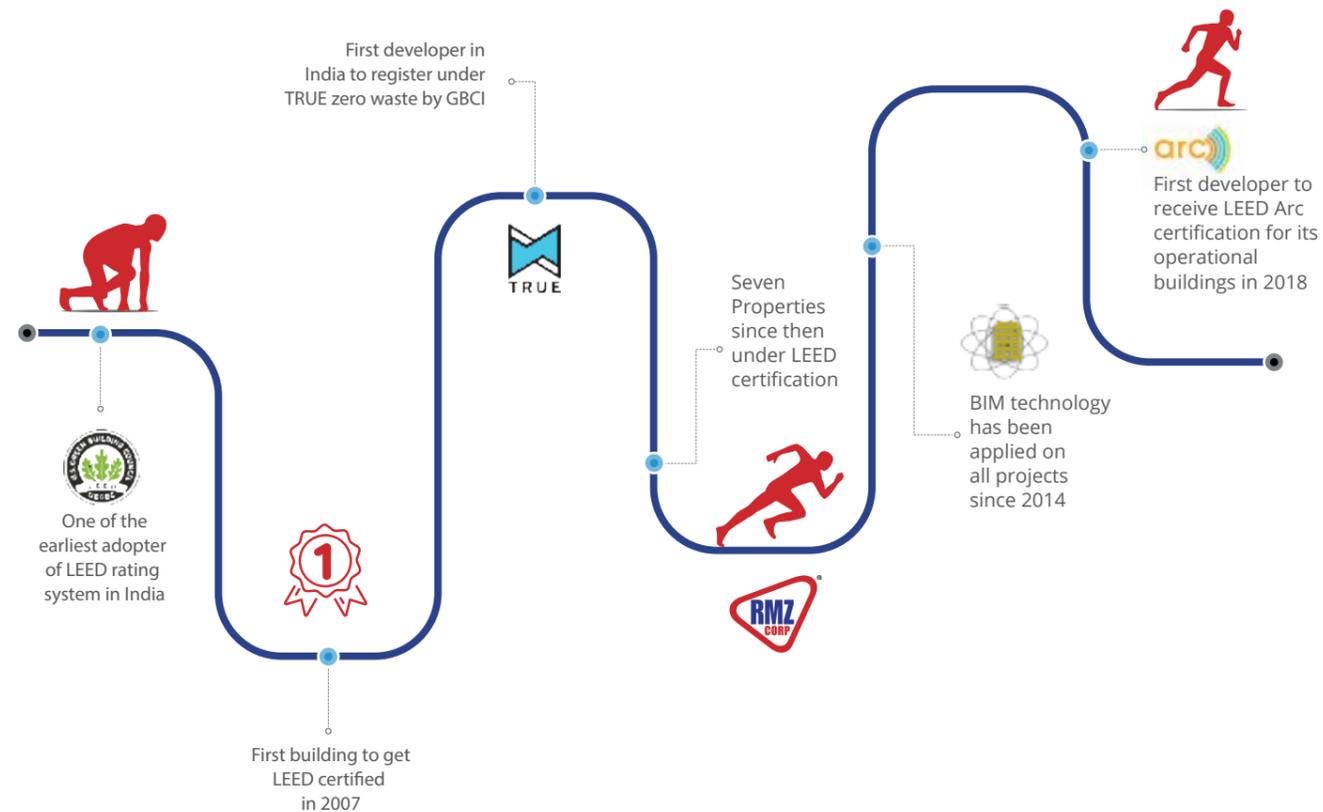
At RMZ, we started our sustainability journey in late 2000's, with a focus on building best spaces which are resource efficient and also globally recognized.

We started our journey by implementing resource efficiency measures and establishing monitoring mechanisms across our operations, addressing the identified environment and social aspects.

We were one of the first organizations to adopt the green building rating system, US Green Building Council (USGBC) –

LEED principles across our existing and upcoming projects. We achieved our first milestone in 2007 as our property RMZ Ecospace located in Bengaluru was awarded the USGBC LEED certification. With our continuous efforts, in 2018 we went an extra mile as we become the first real estate developer in India to receive LEED Arc certification. Today, we are proud in announcing that seven of our properties and a project site have been USGBC LEED certified.

In addition, we established responsible energy and waste management systems across our properties. Majority of



our properties across locations perform well within the industry benchmark for energy and also are 'Zero Liquid Discharge' buildings. We have also streamlined waste management and established integrated waste management mechanism across locations. Today, we have diverted 90% of waste from landfills.

In 2014, we leveraged on digital and information technologies to create a difference by launching Building Information Management (BIM) system. Along with BIM, we also have digital platforms such as MEX, nPulse, CAFM which enables us in seamless business operation management across the life cycle of the property.

At RMZ, we actively participate in industry forums which enable us to be involved in contributing to formulate policies and regulations that impact the sector. Our commitment towards our community around has earned us many awards and accolades. As a testimony of our efforts in philanthropy and sustainability, we have been awarded Mahatma Award for Social Good in the year 2019.

*'We take pride in being one of the founding members of the International Green Building Council (IGBC)'*

## Re-defining the ESG Strategy - 2023

In continuation with our sustainability journey, to take a leap forward in synergy with the dynamic business landscapes, resource stressed supply chains, emerging industry trends and mindset change in stakeholders; we at RMZ Corp have identified three drivers to re-define our existing ESG strategy which are Emerging Trends – Global & National Agenda – Sustainability @ RMZ.

We have analyzed each of these drivers in order to embrace and establish best practices and emerging technologies to build the 'Future of Space'.

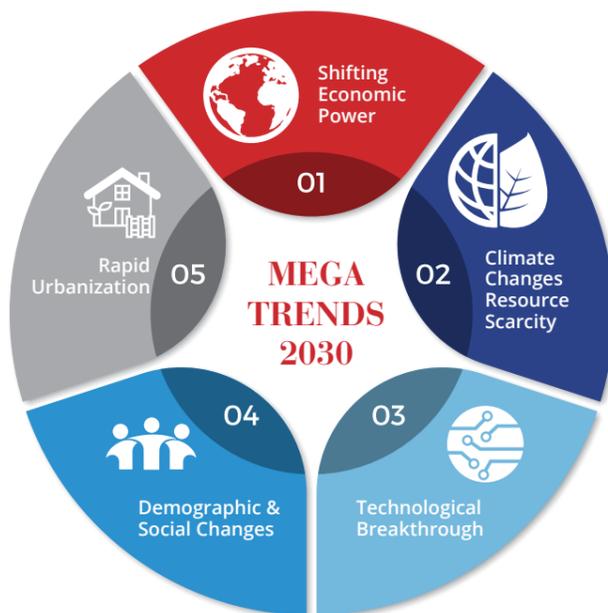


### Emerging Trends

The social and natural systems that the society depends on are facing a high degree of risk due to resource scarcity, climate change, social inequality and technological disruptions. In today's ecosystem, with increasing strain on natural resources, climate change, dynamic regulatory landscape, and owing to the mindset change in society, environment social governance has emerged as one of the key focus areas.

The World Economic Report (WEF), 2019 provides a perspective of global risks landscape that may create an impact on the economy in the next decade. As per the report, for the first time Environmental risks are among the top five long-term concerns in terms of likelihood over the coming decade. This has created a sense of urgency amongst the global corporates to address these risks.

In addition to this we have also analyzed mega trends across the business landscape and commercial real estate sector that play a vital role in the coming decade and have evidence that 'climate change and resource scarcity' has been one of the high priority areas where organizations, people, communities and nations at large should focus on, going forward.



*'Many emerging, risks are environment social and governance risks'*

### Global and National Agenda

We at RMZ believe that acting locally with a global mindset shall deliver long-term value to not just the business ecosystem but to the larger society and future generations. With this focus we have analysed global and national commitments and have integrated significant and relevant aspects into our ESG Strategy.

The Sustainable Development Goals (SDGs), also known as the Global Goals, are a collection of 17 global goals designed to be a 'blueprint to achieve a better and more sustainable future for all'. SDGs were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. SDGs offer organizations a holistic framework to align and deliver long-term sustainable value just not to the business but to the entire ecosystem it operates in. We at RMZ, have aligned our sustainability strategy with SDGs to provide the business with a lens through which it translates global needs and ambitions, into business solutions across the value chain. We have identified the 9 SDGs where we shall contribute and / or create value.

### SUSTAINABILITY VALUE



### SOCIAL VALUE



We have also taken into context the Government of India's submission i.e., 'Intended Nationally Determined Contribution (INDC)' to the United Nations Framework Convention on Climate Change for development and national priority areas like waste management, clean energy, clean water, health & sanitation and extended producer responsibility and have ensured coverage of the same in our ESG Strategy.



THE SKYVIEW HYDERABAD

# Sustainability at RMZ

We believe in aligning our operations with the needs and expectations of the stakeholders and society. To gauge the same and strengthen our journey we have conducted an extensive materiality assessment taking into account both internal and external stakeholders, we also analyzed industry best practices and also as-is analysis across our properties to identify improvement areas in our ESG performance.

At RMZ, active engagement with our stakeholders, whether investors, customers or suppliers is of paramount importance. This enables us to understand their concerns, build and strengthen our relationship with them. Based on deliberations with the Board and Management, we have arrived at RMZ's key stakeholders.

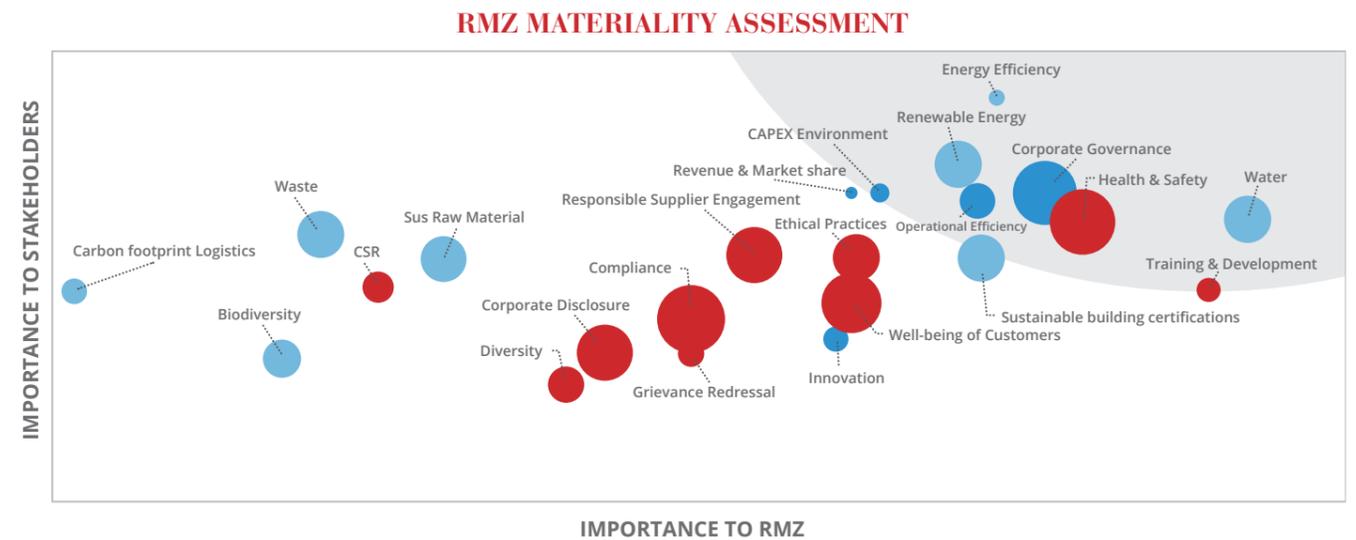
In order to assess the priorities of our stakeholders and arrive at key focus areas across our business profile, we have carried out a materiality assessment based on the GRI Framework. The materiality evaluation at RMZ identify the environment, economic and social parameters that have relevance and significant impact on the organization and also our stakeholder groups. By engaging the stakeholder groups through various medium like online survey, one-on-one interviews and focused group discussions we gathered insights from our stakeholders, identified material issues/concerns that are pertinent to our business and our stakeholders. We have also deployed quantitative materiality tool for assessing and prioritizing the material issues.



*“Create value by focusing on community engagement – low cost housing; enhance education & healthcare facilities” – clients*

*“RMZ should focus on adopting initiatives to become more energy efficient and look for possibilities to use renewable energy sources” - suppliers*

The output of the materiality assessment is depicted in the below matrix





LADY WITH A PLAN BY KARL ANTAO  
RMZ ECOWORLD, BENGALURU

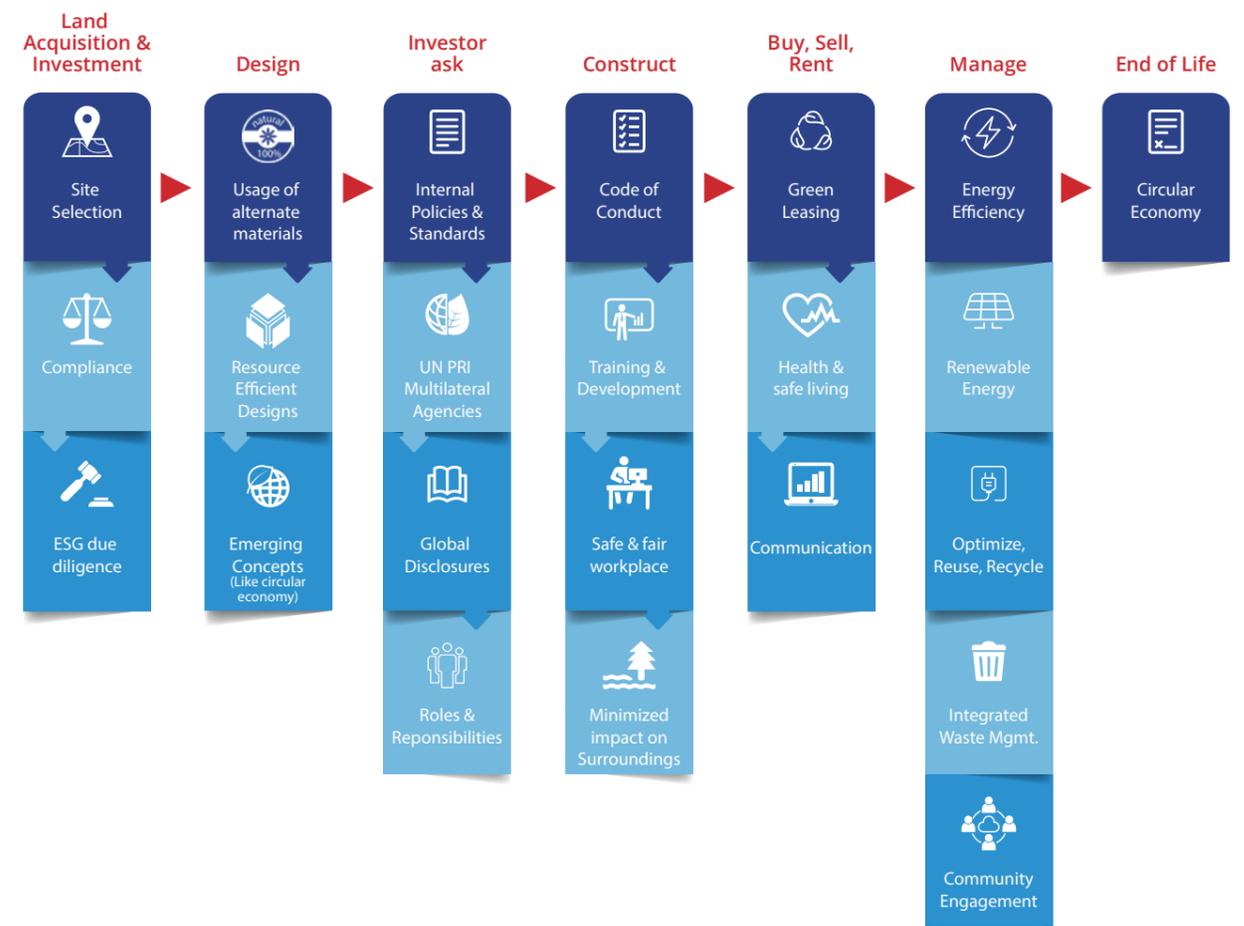


DREAMS OVERFLOWING BY SUBODH GUPTA  
RMZ ECOWORLD, BENGALURU

# Strategy & Roadmap



Taking cue from all three drivers, we have recognized opportunity areas and potential range of risks / impacts across our value chain and identified actionable areas for the same. The below listed value chain depicts our approach going forward to embed sustainability across the key elements of our value chain.

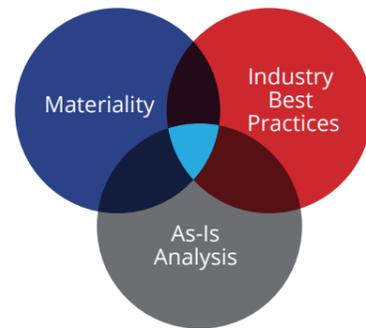


**2020**  
Next Decade

Emerging Trends

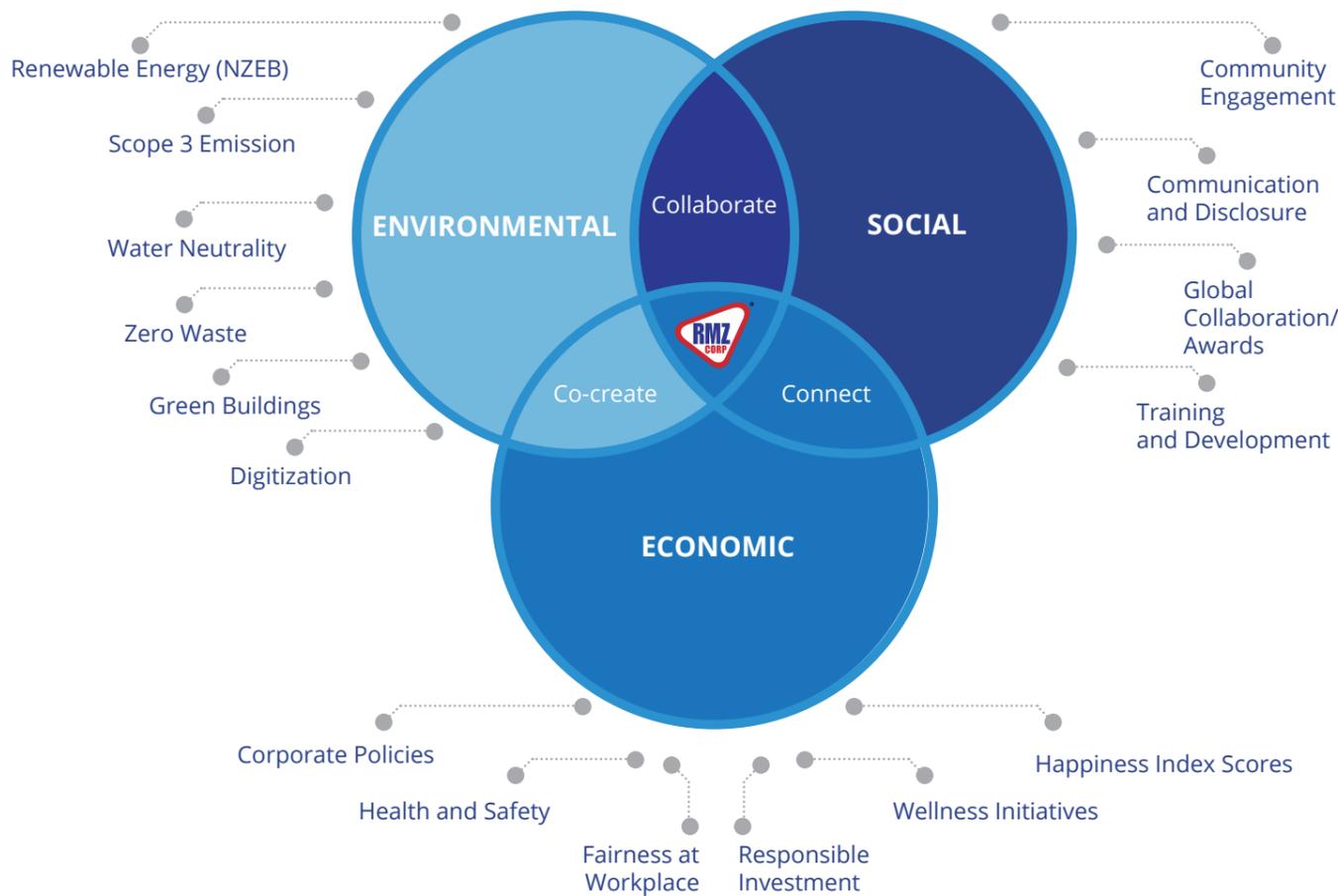


Global & National Agenda



Sustainability @ RMZ

With respect to the holistic responsible value chain, we have adopted an ESG Framework with an objective to institutionalize and establish principles and best practices across the value chain and organization. Our sustainability framework is developed on three broad focus areas Connect, Co-Create and Collaborate with sixteen key indicators. These 16 aspects have been distributed across the said focus areas as depicted in the illustration below.



The objective of building a resource efficient asset is driven through the "Connect" pillar. Objective of Connect Pillar is to build efficient future places that are resource neutral and digitally enhanced for our occupiers. We work towards accelerating the transition to resource efficient economies by adoption of various measures such as enhancing renewable energy share in the energy mix, responsible water management, integrate waste management practices, digitization and green building. This shall assist in transformation of our operations towards a self-sustenance mode, thereby creating a 'Net Zero' environment across our properties.

RMZ's success as an organization is interlinked with our ability to nurture growth of our clients. We believe that mutual growth is a result of delivering client expectations which in turn is linked to our understanding about client requirements. The "Co-Create" pillar embeds key areas

that focus on enhanced human productivity and happiness coefficient.

The 'Collaborate' Pillar enshrines those partnerships and collaborations that enable outcomes that are not possible as separate entities. This pillar is built on the foundation of shared values. Collaboration is no more a buzz word for RMZ. We strive towards engaging with stakeholders in order to create value. We aim to collaborate or participate in global forums so as to share experiences and insights on global best practices and thereby improve our operational performance.

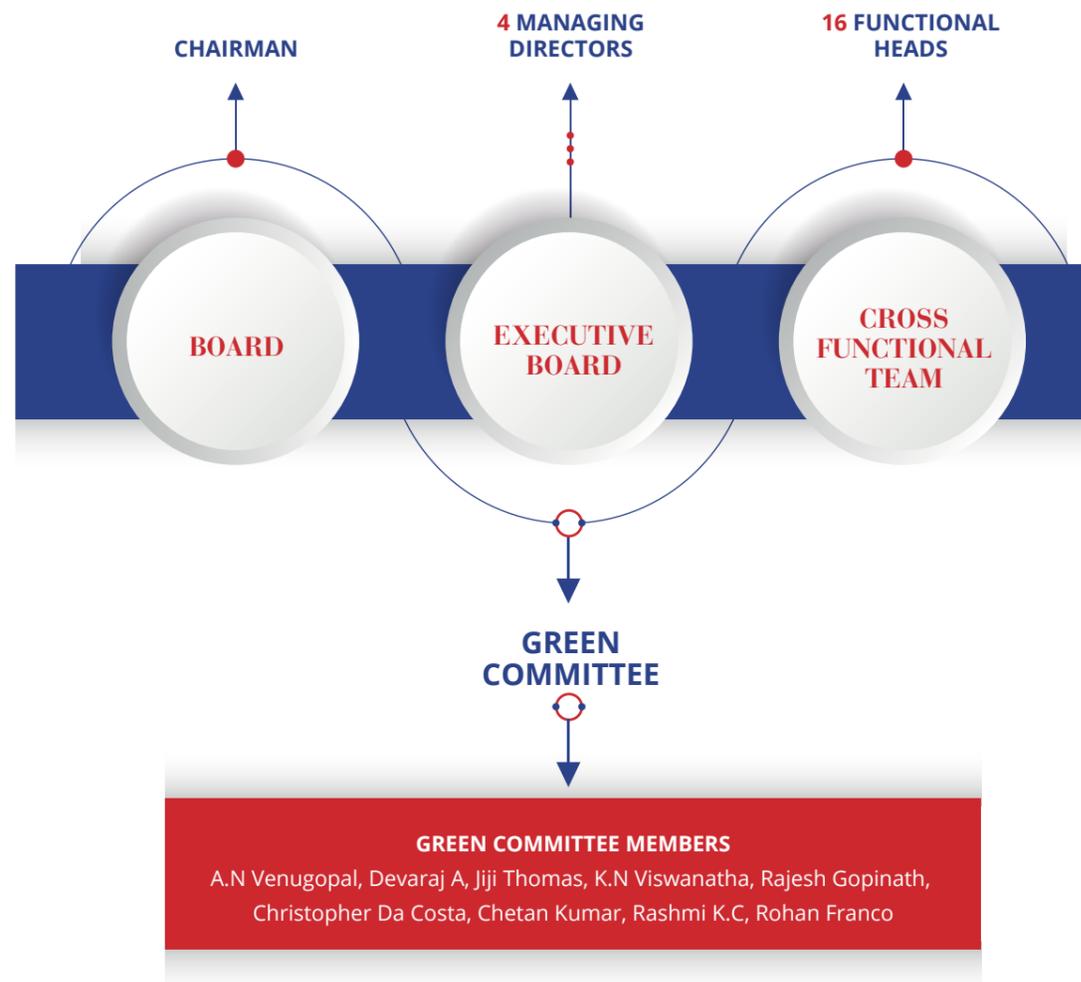
We believe in inclusive growth and we believe engaging with the communities enables our growth. We constantly seek to enhance our focus areas to further contribute to our society.

ESG Goals 2023



\* WASH - Water , Sanitation & Hygiene

# Sustainability Governance

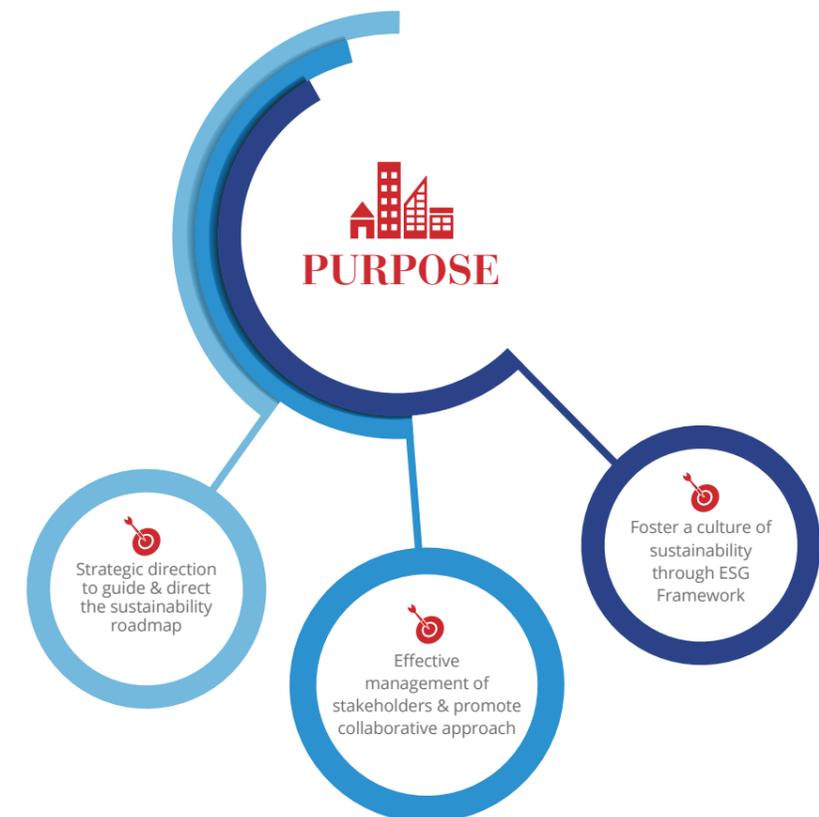


Green Committee meets twice a month and conduct open meetings to ensure the seamless program implementation.

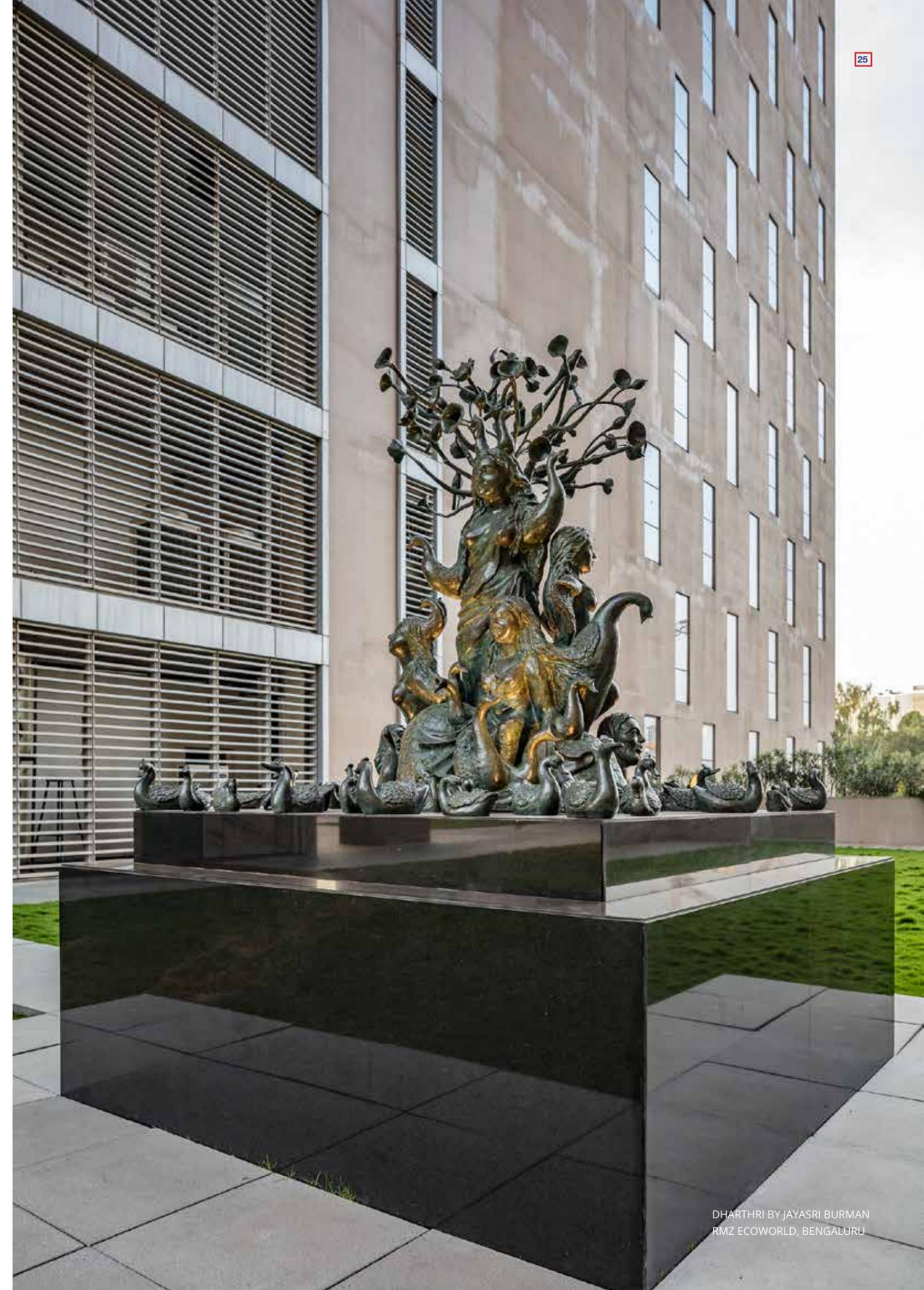
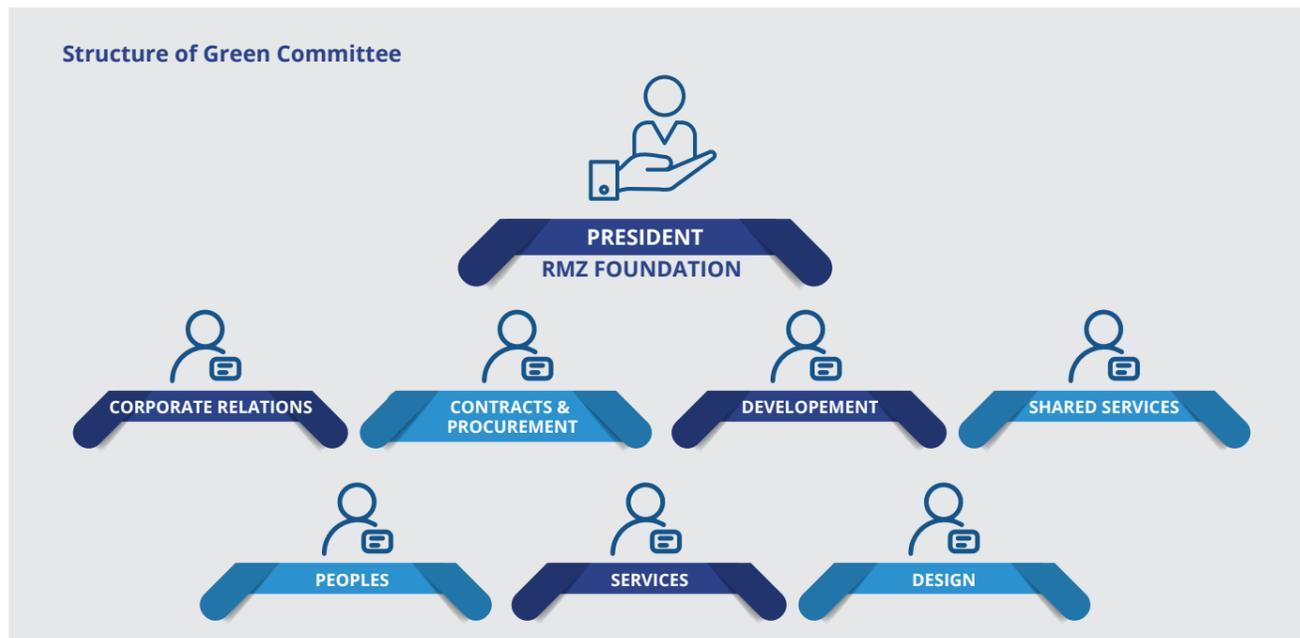
To further strengthen the system, an internal mechanism/ structure has been established to build a conducive organizational culture ensuring generation of long-term value. We believe that effective, strong corporate governance is essential for the efficient functioning of the business due to the existence of a clear level of accountability, better oversight of business strategies and communication amongst the stakeholders. This in turn creates all the conditions necessary to foster sustainability.

At RMZ, our sustainability team drives the organization's sustainability transformation. In addition, we have identified key stakeholders across various functions

identified as 'Sustainability Leaders' who are the change agents and 'Go To experts' to drive sustainability initiatives. These sustainability leaders would constitute members of Green Committee who engage employees across all operations to be a part of our sustainability efforts. The intent of framing this committee is to provide strategic guidance, manage all the stakeholders effectively and thereby foster a culture of sustainability. Green Committee meets twice a month and conduct open meetings to ensure the seamless program implementation.



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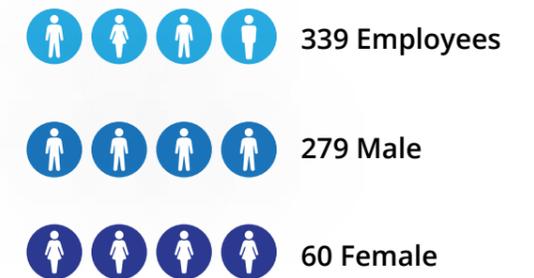
# Our People



We believe that our employees are our most valuable assets and strive to create a holistic workplace culture. Our HR principles focus towards building a shared purpose organization. The HR principles adopted at RMZ contribute towards goal 8 of the United Nation’s which strives to achieve sustained and inclusive economic growth and provision of decent work opportunities RMZ believes in being an equal opportunity employer. Our equality and diversity principles have been designed in line with our commitment towards creating a fair workplace. The policy ensures that RMZ operates in compliance with the equality and nondiscrimination laws of the land.

The organization has been taking steps to ensure diversity in its employee profile in terms of gender, ethnicity, caste and creed. We believe in building a diverse talent pool, thereby the company’s recruitment process is based on merit, ability, experience and competencies of candidates. At RMZ, we have built an inclusive culture where all employees feel valued and are provided with equal opportunities to maximize their potential. This year, our team grew bigger with 67 new employees across locations.

	Male	Female	Total Count
Board	4	0	4
Management Committee	6	1	7
Retainer	8	5	13
Senior Management	21	5	26
Middle Management	110	32	142
Junior Management	22	16	38
Support Staff	108	1	109
	<b>279</b>	<b>60</b>	<b>339</b>







## Way Forward

While we continue to work on enhancing our sustainability performance, we are moving towards integrating a holistic Environment Social Governance (ESG) model to create long-term sustainable value. The ESG Model extends far beyond compliance with focus on enabling robust governance, transparency and establishing a conducive environment across the value chain.

With an ambition to aid the ESG Model implementation, along with strengthening our governance, data management and communication mechanism, we are also in the process of developing policies and framework around Responsible Investment and Sustainable Procurement.

By leveraging on integration of ESG principles, we envisage to build the third space – bridging work and personal space. Our rich layers of data analytics, resource positivity, choice of partners and collaborations shall provide right platform for the transformation to future.

With ambitious goals established for the year 2023, going forward we shall strive to better ourselves and keep making progress and creating milestones in the years to come. Considering that ESG integrated business operations will be the way to drive organizations, we have defined our purpose and it will be our constant endeavor to build **'FUTURE OF SPACE'**.



FUTURE OF SPACE™

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