

CLIMATE RISK ASSESSMENT

2026

LTM

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Executive Summary



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Pleased to present LTM's Climate Risk Assessment Report FY26, aligned with IFRS S2. It outlines climate-related risks and opportunities across our global operations and value chain, and their impact on our strategy and business model over short, medium, and long term. The report uses scenario analysis and defined time horizons to support consistent governance and decision-making. We are committed to strengthening readiness through credible, decision-useful reporting reinforcing our focus on resilience, risk reduction, resource efficiency, transition preparedness, and sustainability opportunities aligned to our ESG Vision, and stakeholder expectations.

This Climate Risk Assessment ("CRA") presents an enterprise-wide view of how climate change could affect LTM 's operations, financial performance, and strategy across its global footprint. The work has been prepared in the spirit of IFRS S2 (together with IFRS S1), is interoperable with TCFD, TNFD, and applies Network for Greening the Financial System (NFS) scenarios to ensure decision-useful, comparable disclosures. The assessment uses the same reporting boundary as LTM 's consolidated financial statements and covers all its subsidiaries. Short, medium, and long-term horizons are defined to align with planning and investment cycles, and results are expressed in rupees to link climate risk directly to budgeting, capital allocation, and performance management.

The CRA quantifies both physical and transition risks using a bottom-up, site- and driver-based methodology. Physical risk estimates combine direct asset damage with indirect continuity effects - downtime and productivity loss, health and safety consequences, IT outage, and SLA penalties - across eleven hazards (including heatwaves, cyclones, coastal/river/urban flooding, water scarcity, and seismic events). Transition risk reflects policy and legal change (for example, India Carbon Capture, Transport and Storage (CCTS), European Union Corporate Sustainability Reporting Directive (EU CSRD), and European Union Carbon Border Adjustment Mechanism (EU CBAM) and emerging carbon pricing, technology migration to low-carbon and renewable-powered IT, market shifts in client demand, reputation factors in procurement and finance, and liability considerations; costs captured include carbon and energy, training/reskilling, and any Weighted Average Cost of Capital (WACC) penalty net of energy savings. Assumptions and stress multipliers are anchored in NGFS scenarios and sector guidance for Software & IT Services so that the outputs translate into financial effects that can be monitored and managed within the Company's risk and planning processes.

The headline finding is that physical climate risk presently defines the larger financial envelope for LTM. Under today's policy trajectory ("Current Policies" baseline), the Total Physical Risk Impact is approximately INR 4,341 crore per year, a result that reflects the concentration of large campuses in Indian metros where heat and water stress are intensifying and where recurrent urban or coastal flooding periodically disrupts access and power. Importantly, a material share of this number is not repair expenditure but disruption to service delivery and IT availability, highlighting that continuity engineering and site resilience deliver the highest avoided loss per rupee. Transition costs are smaller in magnitude but financially material and largely within management control for an asset-light, digital business. The Total Transitional Risk Impact is about INR 590 crore in the baseline year, dominated by workforce training/reskilling and technology shifts required to deliver low-carbon services at scale; carbon and energy costs are manageable and partly offset by efficiency gains, while any WACC effect remains modest where disclosure credibility is maintained.

Stress testing demonstrates how these envelopes evolve under alternative climate futures. In orderly pathways -Highway to Paris and Net Zero credible policy and early action reduce physical losses sharply; Total Physical Risk Impact declines to ~INR 2,650 crore (–39%) and ~INR 2,209 crore (–49%). In

disorderly/fragmented worlds -action is late or uneven, hazard frequency/severity rise and preparedness lags; physical exposure increases to ~INR 4,862 crore (+12%) in Delayed Transition and ~INR 7,015 crore (+62%) in Fragmented World (Too Little/Too Late). Transitional costs move in opposite direction: orderly paths allow LTM to lock in renewable efficiency at scale and to capture green-IT demand, reducing Total Transitional Risk Impact to ~INR 478 crore (–19%) and ~INR 424 crore (–28%); late and fragmented paths produce higher and more volatile energy/carbon costs and modest financing premium, lifting transition costs to ~INR 621 crore (+5%) and ~INR 710 crore (+20%). These results underscore "two-speed" exposure: physical risk dominates today and under weak policy; transition cost grows over decade as regulation and client expectations grow but can be optimized through procurement and capability.

Scenario Pathway	Physical Risk Impact	Change vs Base	Transitional Risk Impact	Change vs Base
Orderly – Highway to Paris	~INR 2,650 crore	–39%	~INR 478 crore	–19%
Orderly – Net Zero 2050	~INR 2,209 crore	–49%	~INR 424 crore	–28%
Disorderly – Delayed Transition	~INR 4,862 crore	+12%	~INR 621 crore	+5%
Fragmented – Too Little / Too Late	~INR 7,015 crore	+62%	~INR 710 crore	+20%

The geographic patterning of risk is clear. Heat and water stress increase cooling energy demand and productivity drag in Bengaluru, Pune and Hyderabad; Chennai, Kolkata and Bhubaneswar face cyclone and coastal-flood exposure; Chennai and Pune experience recurrent urban flooding; and select locations in northern India and Japan sit in seismic zones that warrant structural checks and drills. In parallel, West Coast U.S. offices (e.g., California) are exposed to wildfire smoke, heatwaves, and occasional drought-linked power constraints. These California-specific hazards now form an important part of LTM's global physical-risk footprint, alongside flood, heat and seismic exposures across India, Europe, and other delivery regions. Continental European hubs (e.g., Germany, the Netherlands) face river and urban-flood risk; Southern Europe and the Mediterranean see rising heatwave and wildfire risk; and selected UK and Northern European locations experience more frequent heavy rainfall and surface-water flooding. Because more than half of physical exposure arises from indirect disruption (downtime, IT/SLA, health and safety) rather than repairs, the most effective mitigations are those that harden continuity: elevated and sealed electrical rooms, enhanced drainage and flood-proofing, high-efficiency/low-water cooling, renewable and storage back-up, diversified vendors and tested BCP with remote-work salvage. On transition, the profile is capability-led: training and reskilling, renewable procurement, data-centre efficiency and auditable disclosures are the dominant levers; policy costs are currently modest but will scale as India's carbon markets mature and as EU reporting and border adjustments ripple through client and supplier chains.

From a resilience and strategy perspective, the assessment translates into clear management actions. In the near term, the Company should prioritize site-hardening where avoided-loss is highest - flood packages for Chennai/Kolkata and water-resilience and cooling retrofits for Bengaluru/Pune/Hyderabad - while locking in low-cost decarbonization through renewable PPAs/green tariffs and accelerated efficiency in data centers and campuses. These measures directly compress the baseline loss run-rate and improve outcomes in all orderly scenarios. In parallel, LTM should introduce front-load modular reskilling for green/ cloud-efficient architectures and embed an internal carbon price into investment appraisal and solution design so that choices remain robust across disorderly and shock scenarios. Continued maturation of IFRS-S2-aligned metrics, data controls and external assurance will protect access to sustainability-linked finance and stabilize any WACC sensitivity as markets tighten.

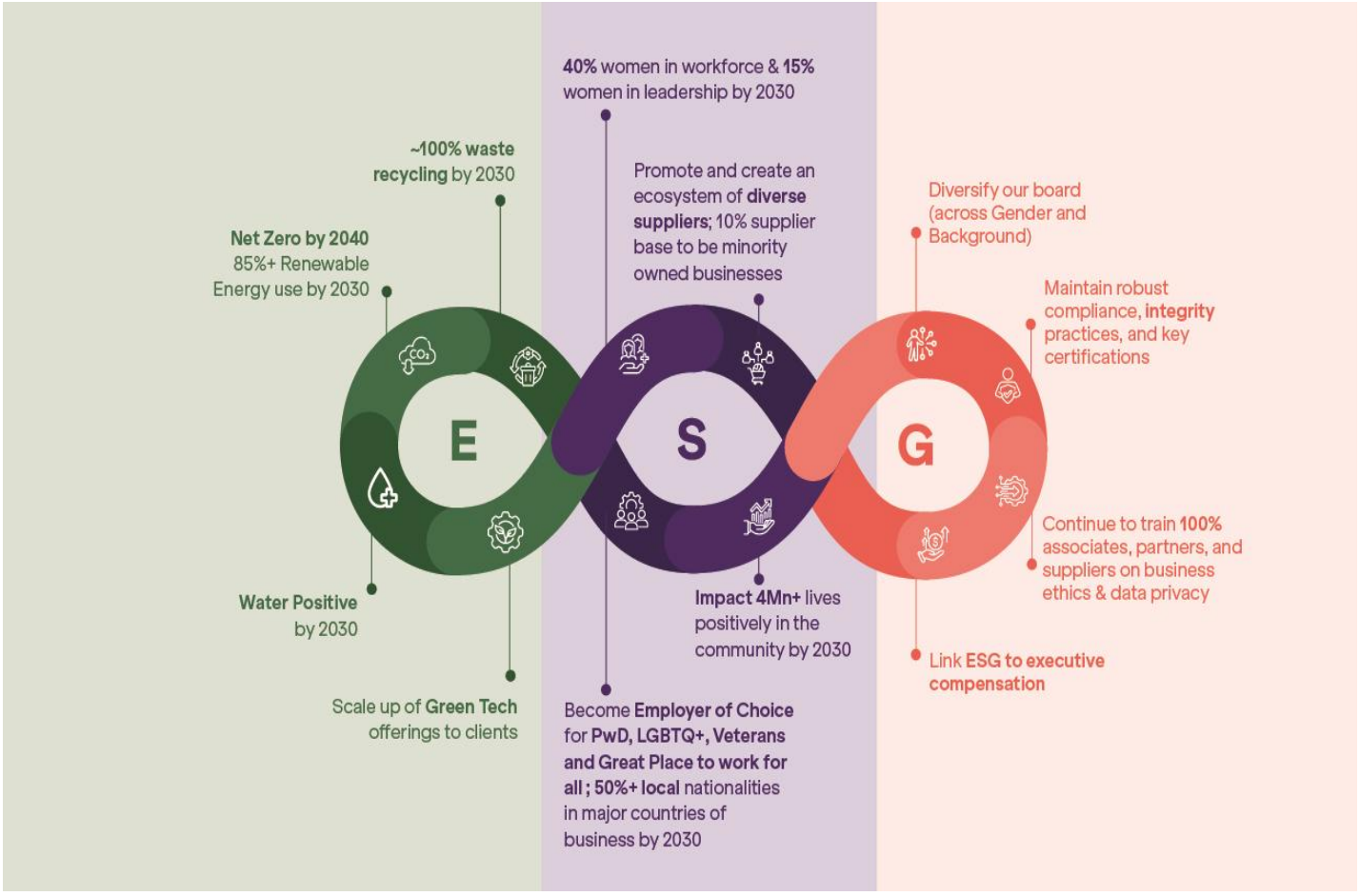
Overall, the CRA concludes that LTM 's digital, globally distributed operating model is resilient and scalable, yet today's financial exposure is materially driven by weather and water. Early execution - on flood/heat/water resilience, clean power and efficiency, and people capability - moves the Company decisively toward favorable pathways, halving physical exposure in best cases while lowering transition costs and strengthening growth in net-zero-aligned services. The analysis provides financial evidence, scenario context, and implementation roadmap to support Board oversight, capital allocation and client engagement as climate risk and opportunity continue to reshape the operating environment.

About This Report



LTM presents how its climate and broader ESG ambitions are being translated into measurable progress. The company has articulated clear environmental goals—Net Zero by 2040, over 85% renewable energy use, 100% waste recycling, water positivity and a scale-up of green tech offerings to clients by 2030. In FY26, LTM reports strong movement towards these goals, including sharp reductions in Scope 1 and 2 emissions from the FY19 baseline, a growing share of renewable electricity, very high waste recycling rates and a water-positive balance.

ESG vision and LTM's progress in FY26:





ESG Vision	Progress in FY26
Net-Zero by 2040	• Scope 1: Reduction by 70% to 0.021 tons CO_2e/ employee (over baseline value of FY19) • Scope 2: Reduction by 55% to 0.401 tons CO_2e/ employee (over baseline value of FY19)
85% + Renewable Energy use by 2030	• Renewable Energy–72.23% • Renewable Electricity–73.93%
100% waste recycling by 2030	94.39% waste recycled
Water-positive by 2030	• 2.8x water positive • 55% reduction to 4.587 kl/employee (over baseline value of FY19)
Scale up of Green Tech Offerings to Clients	Engaged with 50+ customers
40% women in workforce	30.87% women in workforce.
15% women in leadership by 2030	9.53% women in leadership.
Become Employer of Choice for LGBTQ, PwD and Veterans and Great place to work for all: 50% + local nationalities in major countries of business by 2030	• 0.18% self-identified PwDs • 0.21% self- identified LGBTQ+. • 0.12% self-identified Veterans in workforce. • 24.80% local nationalities (outside India). • Brandon Hall HCM Excellence Awards 2025 • Best Leadership Development for Women (Silver) • Best IT Companies for Women in India by Avtar & Seramount 2025
Diversify our board (across gender and background)	• 67% Independent directors. • 1 Woman on the Board.
Promote and create an ecosystem of diverse suppliers; 10% supplier base to be minority owned businesses	• We identify diverse suppliers within our database to promote inclusivity and equal opportunity by prioritizing procurement from marginalized and vulnerable groups. Also, we actively track procurement spending associated with diverse suppliers. • This initiative engages diverse suppliers/subcontractors, with a special focus on women-owned/ minority-owned, and small business enterprises to create positive social impact. • Total diverse spend value of USD 38 million, constituting 6.5% of the total procurement spend.
Impact 4 Million plus lives positively in the community by 2030	Community impact of 11,99,584 in FY26, 3.53 million (cumulative)
Link ESG to Executive Compensation	ESG linked KPIs under review
Continue to train 100% associates, partners and suppliers on business ethics and data privacy	• 100% of associates trained on business ethics and data privacy. • During FY2025–26, we continued supplier engagement initiatives through our Vendor Meet Program to reinforce compliance expectations on business ethics and data

	privacy. These topics are formally covered in Vendor Meet program, where suppliers are oriented on LTM policies including Whistleblower policy, Anti-Bribery policy, Code of Conduct, Data Privacy requirements, and ethical business practices, and their acknowledgement recorded during meetings.
Maintain robust compliance, integrity practices and Key certifications	• Leveraged emerging national and global sustainability reporting frameworks and standards. • Achieved strong recognition across global ESG awards, ratings, and rankings.

The report also describes climate action within LTM's wider social and governance commitments. These include building a diverse and inclusive workforce and leadership pipeline, becoming an employer of choice for PwD, LGBTQ+ employees and veterans, increasing local-national representation, diversifying the board, expanding spend on diverse suppliers and positively impacting four million lives in the community by 2030. FY26 performance highlights progress on workforce diversity, supplier diversity, CSR reach and ethics and data privacy training, while ESG-linked KPIs for executive compensation remain under review. Together, these elements provide context for the climate risk assessment and demonstrate how it supports LTM's overall ESG vision.



Purpose and scope

This Climate Risk Assessment (CRA) sets out how LTM Limited (LTM) identifies, assesses, and manages climate-related risks and opportunities, and the implications for the Company's business model, strategy, risk management, and financial performance over the short, medium, and long term. The CRA covers the reporting period FY 2025–26 and is intended to be read together with LTM 's FY 2025–26 -Integrated Annual Report, Business Responsibility & Sustainability Report (BRSR), and Sustainability Report (SR) which provide the authoritative financial, governance and performance context for the disclosures in this Report.

Reporting boundary, entities covered and linkage to financial statements

The CRA applies the same reporting entity and consolidation boundary as LTM 's consolidated financial statements to ensure connectivity of information with the financial statements, consistent with IFRS S1.

The assessment covers all LTM global locations - including delivery centers, offices, and other operational sites including satellite offices. Global Locations/Worldwide Offices published on LTM website serves as the authoritative site list against which physical and transition risk screening has been performed; the full location index used in this CRA matches that register.

Alignment with IFRS S2 and interoperability with TCFD/CDP

This CRA is structured in accordance with IFRS S2 Climate-related Disclosures (Governance, Strategy, Risk Management, and Metrics & Targets) and has been prepared together with IFRS S1. IFRS S2 is effective for annual reporting periods beginning on or after 1 January 2024 (with concurrent application of IFRS S1). The IFRS Foundation has confirmed that the ISSB Standards build on and culminate the TCFD's work, and that the ISSB has assumed TCFD monitoring responsibilities from 2024. Accordingly, the structure and content of this CRA are interoperable with TCFD and also TNFD, where decision-useful for LTM 's activities, we reference the Industry-based Guidance on implementing IFRS S2 (SASB-derived) for Software & IT Services (e.g., data-centre energy and continuity indicators). The guidance is applied to enhance relevance and does not create additional requirements beyond IFRS S2.



Figure No. 1

Definitions of short, medium, and long term



IFRS S2 requires entities to define the time horizons used. For LTM, reflecting planning and investment cycles, the horizons used throughout this CRA are: short term: 0–5 years; medium term: 5–20 years; long term: 20–50 years. These horizons are applied consistently in risk identification, scenario analysis and financial-effect estimates and are linked to the Company's budgeting cycles, program/ technology refresh, and asset/lease tenors.

Methods, data sources, and estimation approach

Internal foundations: This CRA is grounded in LTM's internal assessment which set the site register, hazard screening across 11 physical risks and 5 transitional risks, likelihood and consequence scales, scenario selection, stress multipliers, and the cost-treatment logic (e.g., annualizing adaptation capex using a capital recovery factor ("CRF") and recognizing recurring OPEX for transition costs).

External datasets and scenarios:

Dataset and Platforms		Primary Purpose	Application in CRA	Key Parameters
Internal foundations	LTM internal site register, risk taxonomy, and financial model assumptions	To establish baseline risk and valuation logic	Sets site register; hazard screening across 11 physical and 5 transition risks; defines likelihood–consequence matrix and cost treatment logic	CRF-based adaptation capex annualization; transition cost OpEx recurring recognition
Hazard screening	ThinkHazard! (GFDRR / World Bank)	To identify initial site-level hazard exposure	Seeds multi-hazard profiles (flood, cyclone, drought, etc.) before detailed analysis	Country-level hazard probabilities integrated with LTM's global presence.
Water risk analytics	WRI Aqueduct Water Risk Atlas	To quantify basin-level water stress	Used for baseline and forward-looking water risk metrics	Informs physical risk scores and dependency mapping
Climate–macro scenarios	NGFS Phase V (2024/25) scenario suite	To define forward-looking climate narratives	Aligns scenario pathways for physical & transition risk quantification	Utilises "Orderly," "Disorderly," and "Hot House World" pathways
Energy / market context	IEA World Energy Outlook 2025	Sectoral and policy transition drivers	Provides benchmark energy, carbon, and technology transition assumptions	Used to calibrate market & policy-risk multipliers
CRF and discounting	NREL Annual Technology Baseline (2025); 2IPCC AR5 WG III Annex III	To derive capital recovery and discounting factors	Links adaptation capex to asset life and weighted average cost of capital (WACC)	CRF = r(1 + r)^n / [(1 + r)^n − 1] with r = WACC, n = asset life

Assessment process and timeline

The assessment was conducted as part of LTM's FY2025–26 reporting cycle and follows a structured process:

Scoping and boundary setting: The reporting entity, consolidation boundary and period were aligned to the financial statements under IFRS S1. The Global Presence (FY26) register was adopted as the site universe for this CRA, and the time-horizon definitions in Section 6.3 were confirmed for use across Strategy and Risk Management disclosures.

Site inventory and hazard screening: Each site in the risk assessment was mapped to administrative geographies and screened against the 5 transitional risks and 11 physical hazards using ThinkHazard! and related methods. The outputs informed a location–hazard matrix used in subsequent risk-rating and scenario work.

Risk scales and mapping: The Company's five-point likelihood and consequence scales were applied to each site–hazard pair to derive inherent risk ratings and portfolio heat maps. In line with IFRS S2 Strategy requirements, the CRA locates where in the business model and value chain material exposures are concentrated (e.g., specific regions, facilities or service lines).

Physical Risk: Present Day Scenario for LTIMindtree (IT Sector)

Likelihood \ Consequence	5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Negligible
5 Almost Certain					
4 Likely		Extreme Heat	Cyclone		
3 Possible		Water Scarcity River Flood Urban Flood	Coastal Flooding Cyclone Wildfire		
2 Unlikely			Landslide		
1 Rare		Earthquake Tsunami Volcano			

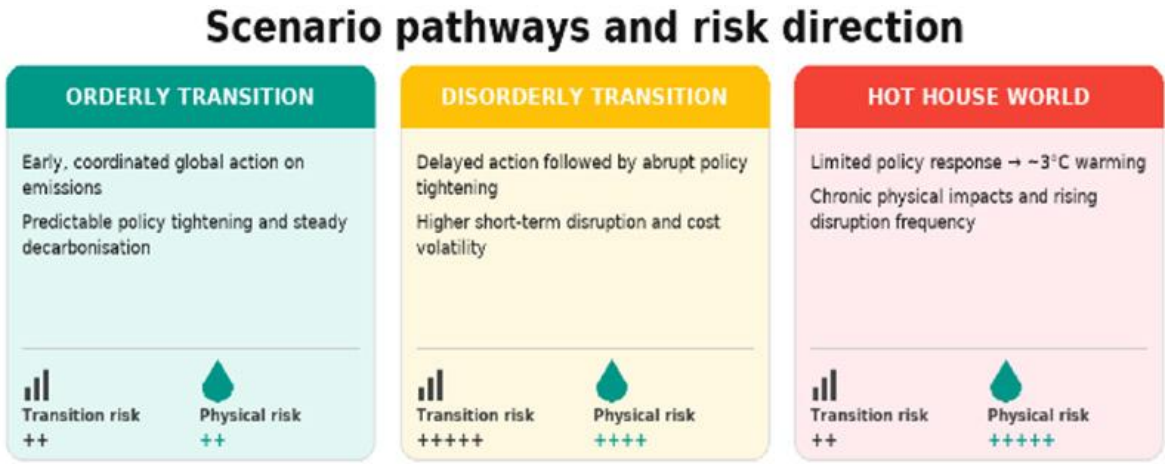
Transition Risk: Present Day Scenario for LTIMindtree (IT Sector)

Likelihood \ Consequence	5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Negligible
5 Almost Certain					
4 Likely					
3 Possible		Policy & Legal Liability Market	Technology Reputation		
2 Unlikely					
1 Rare					

These heat maps show how LTM's present-day climate risks cluster using the Company's five-point likelihood and consequence scales. On the physical-risk map, extreme heat, and multi-hazard water risks (water scarcity, river/urban flood) sit in the "high" zone, reflecting both frequent occurrence and material operational impact. Coastal flooding and cyclones are assessed as medium-to-high risks, with lower frequency but potentially severe disruption to coastal offices and data centers. Earthquake, tsunami and volcanic risk appear as low-likelihood but high-impact perils, retained for resilience planning rather than day-to-day management.

On the transition-risk map, the most material exposures today arise from policy, legal and market change (e.g. India CCTS, BRSR Core, CSRD/CBAM) and from technology and reputation, which are rated in the medium-to-high band given LTM's client mix and disclosure expectations. Other transition drivers are currently low but may escalate under more stringent climate scenarios. Together, these heat maps highlight where risk is concentrated in the present day, and which themes are prioritized for adaptation, mitigation, and further scenario analysis.

Climate resilience and scenario analysis: Using NGFS Phase V scenarios, climate and policy narratives were translated into short/medium/long-term views for transition and physical risks, with explicit disclosure of key assumptions, inputs and uncertainties and the frequency of updates. The analysis informs our view of the resilience of LTM 's strategy and business model under divergent climate pathways.



Quantification and stress testing: Material risk pathways were then quantified as financial effects (e.g., asset damage, downtime/productivity loss, supply-chain/ service-continuity impacts, energy, and carbon cost). CapEx for adaptation measures is annualized using CRF (linking WACC and useful life); recurring OpEx is recognized separately. Scenario-specific stress multipliers and preparedness adjustments are applied, consistent with the Company's internal methodology.

Mitigation and transition planning: Priority measures are consolidated into an implementation roadmap, indicating CAPEX/OPEX, delivery milestones and monitoring KPIs. Transition-plan-related information is framed in line with IFRS S2 (e.g., levers, interim milestones, and financing), without creating additional requirements beyond the Standard.

Controls, connectivity, and assurance: Where CRA metrics rely on datasets already disclosed publicly (e.g., energy and emissions), they are reconciled to the IAR/BRSR, and relevant methods and assumptions are cross-referenced to those reports. The BRSR assurance statement and internal management reviews provide the context for data quality and control enhancements.

Update cadence: The CRA is updated periodically with the reporting cycle in response to material events and significant regulatory changes, material site additions/disposals, or updated NGFS scenario guidance.

Materiality and connectivity of information

Disclosures reflect IFRS S1 materiality - information reasonably expected to influence primary users' decisions - and are organized to explain where in LTM 's business model and value chain climate-related risks and opportunities arise, and how these may affect the Company's financial position, performance and cash flows over the defined horizons. Cross-references to FY26 Integrated Annual Report and Sustainability Report are used to maintain connectivity and avoid duplication.

Assumptions, uncertainty, and changes from the prior period

The CRA discloses the principal assumptions and sources of estimation uncertainty underlying scenario design, hazard frequency/severity, productivity-loss factors and market/policy pathways; it also explains changes from the prior period that affect comparability (e.g., expanded site coverage, refinements to likelihood/consequence criteria, or updates to WACC/asset lives for CRF).

Cross-references to LTM's FY2025–26 public disclosures

- **Integrated Annual Report FY2025–26 (PDF)**: governance, strategy, risk, and performance context.
- **Sustainability Report FY2025–26 (PDF):** climate strategy, initiatives, progress on targets and key ESG performance indicators, and reasonable assurance by BDO India.
- **BRSR FY2025–26 (PDF):** sustainability data methods, scope, and reasonable assurance by BDO India.
- **Global Presence (website):** complete list of domestic and international sites covered by this CRA.

Standards and external materials referenced

- **IFRS S2: Climate-related Disclosures** (objective, Strategy/financial-effects, scenario, metrics/targets; effective date).
- **IFRS S1: General Requirements** (materiality, connectivity, same reporting entity, reporting period/timing).
- **ISSB, TCFD & TNFD** (ISSB assuming TCFD monitoring from 2024; TNFD June 2026 recommendations; comparison and transition resources).
- **NGFS Phase V scenarios** (overview and technical documentation used for scenario selection).
- **ThinkHazard!** (multi-hazard screening and methods).
- **WRI Aqueduct Water Risk Atlas** (basin-level water-risk indicators).
- **NREL ATB 2024 and IPCC AR5 WGIII Annex III** (CRF/WACC formulation used for annualizing capex).
- **IEA World Energy Outlook 2025** (energy-system and policy context for transition-risk narratives).



Governance

Board oversight of climate-related risks and opportunities

The Board of Directors maintains ultimate oversight of the risks related to climate & opportunities thereto. This oversight is discharged by the Board of Directors through an established reporting system by the Board Committees to the Board. Essentially, the Corporate Social Responsibility Committee and the Risk Management Committee are apprised on the climate-related risks & opportunities.



Management roles and responsibilities

Executive management is responsible for implementing Board directions on sustainability and embedding climate considerations across enterprise risk, operations, facilities, and disclosure. LTM 's governance stack explicitly shows executive-level forums (Executive Committee and management sub-committees) and the Risk Operating Committee (ROC), with escalation pathways to Board Committees; this management architecture operationalizes the Board's climate oversight and ensures cross-functional coverage by Finance, Risk, Operations, Facilities/Real Estate and ESG/CSR. (Corporate Governance Report, p. 312.)

Management maintains an ISO 22301:2019-aligned Business Continuity Management System (BCMS) integrated into the Enterprise Risk Management framework. The BCMS covers risk assessment, mitigation and emergency preparedness across functions and geographies, and is actively supported and overseen by top management, the Board, and the Risk Management Committee, with automated tools, regular testing, and awareness initiatives to sustain resilience. (BRSR, pp. 261; see also BRSR mapping of certifications on p. 223.)

(Standards context: describing management's remit and control environment corresponds to IFRS S2's governance disclosures, which require an explanation of management's role in the processes, controls and procedures used to monitor and manage climate-related risks and opportunities. See IFRS S2 6(a).)

Integration into enterprise governance (risk, audit, strategy committees)

Climate topics are embedded within LTM's enterprise governance stack. The Risk Management Committee meets quarterly to review key enterprise risks and mitigation plans; the Audit Committee meets quarterly and reinforces control and reporting integrity; the CSR Committee meets quarterly and reports ESG matters - including climate change - to the Board; and the Strategic Investment Committee considers long-term strategic proposals with implications for resilience. This cadence is confirmed in the Corporate Governance Report and summarized again in the Risk Management Report, which also notes the quarterly ROC integrating CXOs and senior leadership. (Corporate Governance Report, pp. 318–320, 325-328; Risk Management Report, p. 350.)

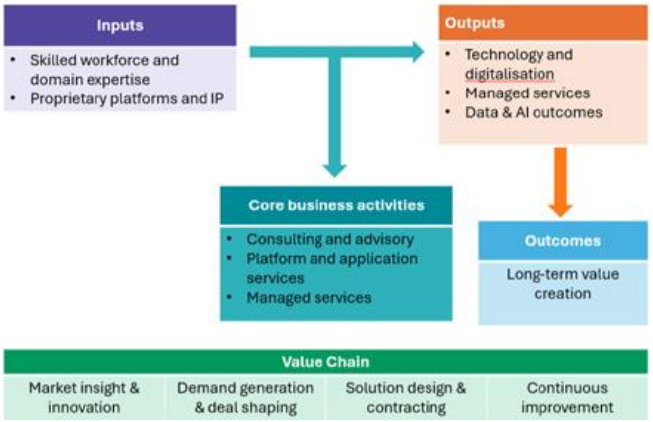
These arrangements - regular Board and Committee cycles, cross-functional risk integration, and assurance-enhancing auditor engagements - constitute the "processes, controls and procedures."

Strategy



Business Model and Value Chain Exposure

LTM is a global technology consulting and digital solutions company. It helps enterprises across industries "reimagine business models, accelerate innovation, and maximize growth" using digital, cloud, data, AI, and platform services. LTM's integrated business model is built around turning multiple "capitals" (financial, human, intellectual, social/relationship and natural) into long-term value for clients, investors, employees, partners, communities, and the environment under a strong governance framework. The company delivers end-to-end IT and digital transformation solutions through a global operating model, with a value chain that spans across client delivery centers, digital infrastructure, data centers, supplier networks, and mobility of its skilled workforce. The resilience of this business model is increasingly tested by climate-related risks that impact both physical operations and the transition to a low-carbon economy.



Geographical Concentration of Risks and Opportunities

North America

City	Country
Calgary	Canada
Mississauga	Canada
San José	Costa Rica
Guadalajara	Mexico
Mexico City	Mexico
Alpharetta	United States
Bellevue	United States
Charlotte	United States
Cincinnati	United States
Dalles	United States
Denver	United States
Edison	United States
Glendale	United States
Hartford	United States
Houston	United States
Redmond	United States
Scottsdale	United States
Tampa	United States

Europe

City	Country
Brussels	Belgium
Diegem / Machelen	Belgium
Nicosia	Cyprus
Prague	Czech Republic
Copenhagen	Denmark
Espoo	Finland
Paris / Puteaux	France
Frankfurt	Germany
Hamburg	Germany
Munich	Germany
Marousi (Athens)	Greece
Budapest	Hungary
Dublin	Ireland
Bari	Italy
Milan	Italy
Strassen	Luxembourg
Amsterdam	Netherlands
Lysaker (Oslo)	Norway
Kraków	Poland
Warsaw	Poland
Lisbon	Portugal
Bucharest	Romania
Barcelona	Spain
Stockholm	Sweden
Geneva	Switzerland
Zürich	Switzerland
Belfast	United Kingdom
London	United Kingdom

Rest of World

City	Country
Melbourne	Australia
Sydney	Australia
São Paulo (Santo Amaro)	Brazil
Shanghai	China
Bellery	India
Bengaluru	India
Bhubaneswar	India
Chennai	India
Coimbatore	India
Delhi	India
Hyderabad	India
Indore	India
Kolkata	India
Mumbai	India
Mysuru	India
Nagpur	India
Navi Mumbai	India
Noida	India
Pune	India
Thane	India
Tokyo	Japan
Nairobi	Kenya
Kuala Lumpur	Malaysia
Casablanca	Morocco
Makati (Metro Manila)	Philippines
Doha	Qatar
Al Khobar	Saudi Arabia
Dammam	Saudi Arabia
Riyadh	Saudi Arabia
Durban	South Africa
Johannesburg	South Africa
Seoul	South Korea
Taipei	Taiwan
Bangkok	Thailand
Dubai	United Arab Emirates

This Climate Risk Assessment covers LTM 's global operating footprint across North America, Europe, and the Rest of the World, including major delivery centers, corporate offices, and client-facing hubs. Each location listed above has been geocoded and included in our multi-hazard screening (heat, flood, cyclone/wind, water stress, etc.), preparedness scoring, and transition-risk cost modelling to ensure site-level materiality rolls up to enterprise exposure. The breadth of the footprint - spanning mature markets and emerging geographies - captures regional hazard variability (e.g., heat and water stress in India and the Middle East, storm/wind exposure in North America and Europe) and policy heterogeneity affecting transitional costs (energy, carbon, and disclosure requirements). Results reported elsewhere in this CRA (baselines, stress tests, and portfolio heatmaps) therefore reflect this complete set of locations, enabling management to prioritize adaptation investments, business-continuity enhancements, and renewable procurement by site and region.

India Operations: LTM has major campuses and offices across Bangalore, Bhubaneswar, Chennai, Coimbatore, Hyderabad, Indore, Kolkata, Mumbai, Noida, and Pune. These regions represent critical delivery hubs but are increasingly exposed to acute physical hazards such as heatwaves, cyclones, riverine and urban flooding, and water scarcity. For example, Bangalore and Pune face recurring water stress and heat extremes, while Chennai and Kolkata face cyclone and flood risks.

Global Delivery Hubs: LTM maintains a strong presence in North America, Europe, and Asia-Pacific. While these hubs diversify delivery capacity, they also face region-specific risks such as wildfires in the U.S. West Coast and Southern Europe, winter storms in Northern U.S. and Canada, and seismic hazards in Japan.

Client Locations and Dependencies: Many LTM services are delivered onsite at client facilities or co-located near client hubs, particularly in regulated industries such as banking, insurance, manufacturing, and energy. Client geographies exposed to climate hazards create cascading risks to LTM's service delivery.

Critical Assets: Data Centers and IT Infrastructure

Data centers are strategic to LTM's delivery model, hosting client workloads, and internal operations. Climate exposures are twofold:

- **Physical:** Vulnerability to extreme heat, power outages, urban flooding, and water scarcity affecting cooling systems.
- **Transition:** Pressure to decarbonize energy consumption through renewable energy procurement, energy-efficient technologies, and green data center certifications.

Supplier and Vendor Exposure

LTM's upstream supply chain includes IT hardware vendors, facility management services, and utility providers. Suppliers are exposed to risks from cyclones, flooding, and chronic water stress. Any disruption in geographies could delay procurement cycles and client commitments. Furthermore, suppliers will increasingly need to align with sustainability and emissions disclosure expectations under client and regulatory pressures.

Downstream Value Chain and Clients

Clients in energy, BFSI, and technology sectors are directly impacted by policy shifts (EU Taxonomy, CSRD, CBAM, India CCTS) and pass down contractual requirements to LTM. This creates both risks (compliance costs, reputational pressure) and opportunities (advisory and digital decarbonization services).

Climate-related Risks and Opportunities



Physical Risks

LTM identifies material physical climate risks using a portfolio-wide hazard screening approach aligned with IFRS S2. All LTM locations are mapped to the closest administrative area in ThinkHazard!, which provides qualitative ratings ("Very low", "Low", "Medium", "High") for each peril. For every site, the "High" band ratings, source URL, and admin level are captured and then deduplicated by city/state so that multiple offices in the same hazard cell count as one exposed location. Hazards with "High" ratings at ≥ 20 of LTM locations (≥15 % of the portfolio) are treated as portfolio-relevant physical risks; tsunami, volcanic and earthquake are retained as low-probability, high-impact perils even where frequency is low. Likelihood is taken directly from ThinkHazard!'s standard probability statements (e.g., coastal flood "at least once in 10 years", extreme heat "at least once in 5 years"). This provides a transparent, traceable view of gross hazard exposure, which is then combined with LTM's asset and control data in later CRA stages.

LTM's Physical Climate Risk Assessment mapped exposure across 11 hazard categories.

Key findings:

- **Heatwaves:** Increasing frequency and intensity across key delivery hubs in India, North America and Europe, driving higher cooling demand, productivity impacts and health and safety risks.
- **Cyclones:** Coastal locations in South and Southeast Asia, the Americas and parts of Europe are exposed to tropical cyclones and intense storm systems, with potential for direct asset damage, prolonged network/service disruption and evacuation of staff.
- **Wildfire:** Selected offices in North America, Southern Europe and Australia face growing wildfire seasons; primary impacts are air-quality degradation, temporary site closures and business-continuity disruption.
- **Flooding (coastal, river and urban):** Major campuses in low-lying or rapidly urbanizing cities globally are exposed to pluvial (urban), fluvial (river) and coastal flooding, leading to asset damage, downtime and potential relocation or hardening of critical facilities.
- **Water scarcity:** Chronic water-stress risk affects certain technology corridors in India as well as regions in EMEA and the Americas, with implications for data-centre cooling, facility operations and employee wellbeing.
- **Landslides:** Localized exposure for offices and infrastructure adjacent to hilly or unstable slopes, mainly managed through site-selection and engineering controls.
- **Earthquakes:** Delivery hubs and offices in recognized seismic zones (e.g., parts of South Asia, Japan, North America and the Mediterranean) require structural resilience, emergency preparedness and continuity planning.
- **Tsunami:** A small number of coastal sites in Asia-Pacific and the Americas face low-probability, high-impact tsunami risk, treated as a catastrophic but remote peril.
- **Volcanoes:** Limited but non-zero exposure for a few locations near active volcanic regions, primarily through air-traffic disruption and ashfall rather than direct lava impacts.

Transition Risks

LTM identifies transition risks using CDP's risk drivers (policy and legal, technology, market, reputation), cross-checked against a peer set of global IT services companies. For each driver, likelihood is scored using five clear criteria: (1) government climate targets and policy actions, (2) financial incentives and penalties, (3) regulatory and disclosure requirements (e.g. BRSR Core, CSRD, CCTS), (4) peer and client adoption of low-carbon strategies, and (5) stakeholder expectations and market signals. The number of criteria met is converted into a piecewise likelihood scale: 5 = very high, 4 = high, 3 = medium, 2 = low, 1 = very low. This keeps the assessment transparent, repeatable, and comparable across risk drivers, sectors, and time horizons.

LTM's Transitional Risk Assessment identified four major categories:

- **Policy and Legal:** Increasing regulatory scrutiny through India CCTS, EU CSRD, EU CBAM, and potential carbon pricing mechanisms. These may impose compliance costs and require accelerated disclosure alignment.
- **Technology:** Rapid client shift towards low-carbon IT infrastructure, renewable energy sourcing, and green data centers. Delayed adoption risks competitive disadvantages.
- **Market:** Growing demand from BFSI, tech, and energy clients for net-zero aligned services. Failure to innovate could lead to revenue loss, whereas proactive investment enables market capture.
- **Reputation:** ESG credentials are critical in client procurement decisions. Gaps in climate strategy could damage brand perception and investor confidence.

Climate-related Opportunities

- Development of green IT and AI-enabled climate analytics services, positioning LTM as a partner in client decarbonization.
- Investments in energy efficiency and renewable procurement, lowering long-term OPEX and securing sustainability certifications.
- Enhanced access to sustainable finance and green bonds through robust climate disclosures.
- Differentiation as a trusted ESG-driven partner in competitive RFPs.



Time Horizons and Triggers (Scenario-Based)

LTM has adopted a scenario-based approach to evaluate the resilience of its strategy against a wide range of plausible climate futures. This analysis is informed by the Network for Greening the Financial System (NGFS) scenarios, integrated with Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) to capture both transition and physical risks. Scenarios have been grouped into short-term (0 - 5 years), medium-term (5–20 years), and long-term (20– 50 years) horizons, in order to align with operational planning cycles, client commitments, and strategic investment horizons.

Horizon	NGFS Scenario	SSP Alignment	RCP Pathway	Key Features	LTM-Specific Triggers	Implications for LTM
Short Term (0–5 yrs)	Highway to Paris	SSP1 (Sustainability)	RCP2.6 (~1.5–1.8°C)	Gradual, coordinated policy tightening	India CCTS pilot trading (FY26), EU CSRD/CBAM disclosures, client RFP ESG clauses	Manageable compliance costs, early investment in renewable energy and disclosures; reputational strengthening
	Sudden Wake-Up Call	SSP2 (Middle of the Road)	RCP4.5 (~2.0–2.4°C)	Abrupt policy post-disaster, market volatility	Abrupt carbon pricing, unexpected regulatory shocks, severe flood/ cyclone events	Short-term cost spikes, liquidity stress, reputational risks; urgent need for resilience funding
Medium Term (5–20 yrs)	Net Zero 2050	SSP1 (Sustainability)	RCP1.9–2.6 (~1.5°C)	Rapid action, net-zero by 2050	Expansion of carbon markets, 100% renewable-powered cloud services by clients, 25%+ increase in carbon pricing	High CAPEX for green IT infra; strong market opportunity in green digital services; improved finance access
	Delayed Transition	SSP2 (Middle of the Road)	RCP2.6–4.5 (~1.6–2.0°C)	Late action, overshoot then decline	Accelerated carbon pricing after 2030, rushed green adoption, higher cost of capital	Transition shocks; higher OPEX/CAPEX burden; reputational pressure from clients
Long Term (20–50 yrs)	Current Policies	SSP2/3	RCP6.0–8.5 (~3.0°C+)	No new policies, severe physical risk	Sea-level rise, chronic heatwaves (>5/year), worsening water stress in Bangalore	Severe physical disruptions; relocation or retrofitting of campuses; employee wellbeing threats
	Fragmented World	SSP3/4 hybrid	RCP6.0–8.5 (~2.4°C)	Uneven global action, high physical + transition risk	Regional supply chain breakdowns, client market contractions, migration pressures	Volatile global operations; supplier instability; client contract risks in regulated sectors

The present-day scenario (baseline) reflects **LTM's current position** under today's policies and market conditions. Climate regulation is tightening but still evolving: India's BRSR is in force, while India CCTS, CSRD and CBAM are moving through early phases. Clients are gradually raising expectations on disclosure and decarbonization, yet many actions remain partly voluntary. LTM already sources some renewable power, runs efficiency initiatives and reports on ESG, but remains exposed to both physical and transition risks as policy, market and climate pressure continue to build. This baseline is the **reference case** against which all forward-looking scenarios in the CRA are assessed.

LTM assesses climate risk and opportunity across three-time horizons – short, medium, and long term – using paired NGFS-style scenarios around today's baseline.

In the short term (0–5 years), the company sits between an orderly "Highway to Paris" path, where India CCTS, CSRD and CBAM are phased in predictably, and a "Sudden Wake-Up Call" where a climate or financial shock triggers abrupt policy shifts and carbon-price spikes. The first implies manageable, plannable compliance; the second implies higher near-term cost, liquidity, and reputational pressure if preparation is weak.

Over the medium term (5–20 years), LTM considers a "Net Zero 2050" scenario - rapid, coordinated action that raises green capex but unlocks strong demand for net-zero digital solutions and better access to sustainable finance - against a "Delayed Transition" where policy is postponed and then tightened suddenly, creating transition shocks (steep carbon prices, rushed technology roll-out, higher cost of capital).



In the long term (20–50 years), the focus is on physical risk in a high-warming world. "Current Policies" assumes limited further action and higher chronic flood, heat, and water-stress risk for Indian campuses, while "Fragmented World" adds uneven regional policy, supply-chain disruption, and climate-driven instability. These horizons, together with the baseline, frame how LTM tests the resilience of its strategy, operations, and investments.

Strategic Insights

By integrating these scenarios into its risk assessment framework, LTM ensures that its strategy is stress-tested against both orderly and disorderly transition pathways, as well as physical "hot house" outcomes. The analysis highlights that in the short term, the most material triggers are regulatory deadlines and acute weather events; in the medium term, the decisive factors are carbon market maturity and client-driven tipping points towards green IT; and in the long term, the most critical risks stem from irreversible physical changes such as sea-level rise and chronic heat stress.

This scenario-based approach not only provides a structured view of uncertainties but also strengthens LTM's ability to plan investments, engage with clients on transition alignment, and prioritize adaptation measures for its most exposed assets. It positions the organization to balance risk mitigation with opportunity capture, ensuring resilience and long-term value creation under multiple possible climate futures.

Strategic Recommendations

Basis the assessment, the following recommendations are proposed to mitigate and adapt to the identified climate risks, while also capturing emerging opportunities. These actions translate the risk findings into a practical roadmap across infrastructure hardening, operational continuity, and capability building. The transition plan balances capital expenditure, operational expenditure, and strategic milestones, ensuring measures are prioritized by materiality, feasibility, and impact. Collectively, the recommendations embed climate resilience into long-term business planning, strengthening service reliability, safeguarding people and assets, and supporting sustained value creation.

Mitigation Roadmap



Key mitigation measures include the progressive decarbonization of data centers through renewable energy procurement and energy-efficiency retrofits, investments in green buildings and resilient campus design, and the adoption of low-carbon technologies across IT infrastructure. These initiatives not only reduce the company's own footprint but also create significant downstream opportunities.



Adaptation Measures

Adaptation strategies are prioritized for high-risk geographies and assets. LTM implements measures such as water conservation, rainwater harvesting, resource-efficient infrastructure, and business continuity planning at key campuses, along with responsible sourcing expectations for suppliers. These measures collectively enhance resilience to climate and water-related risks.

Capital Allocation and Financial Planning



The financial modeling of risks and mitigation strategies incorporates CAPEX for infrastructure retrofitting, OPEX for renewable energy procurement, and scenario-based carbon cost projections. LTM applies capital recovery factor calculations to evaluate the return on resilience investments and compares them across scenarios. This enables the company to balance short-term compliance costs with long-term savings from avoided disruptions. Access to sustainable financing mechanisms, including green bonds and sustainability-linked loans, could be explored to further strengthen financial resilience.



Milestones and Monitoring

LTM has set a target to achieve over 85% renewable energy use by 2030 and is working towards green building certification across its owned facilities, with progress overseen at senior management and board committee levels and reported through its annual ESG disclosures. These milestones are linked to board-level oversight, with progress monitored through annual sustainability disclosures in alignment with IFRS S2, TCFD, and TNFD frameworks.

Through this dual focus on mitigation and adaptation, LTM demonstrates a proactive stance toward climate resilience. The roadmap integrates scenario analysis outputs, risk prioritization, and investment planning, ensuring that capital is directed to the most material exposures. By aligning climate strategy with client expectations, regulatory trends, and financial resilience, LTM strengthens its ability to maintain competitiveness and stakeholder trust across an uncertain climate future.

Risk Management



Processes to Identify, Assess, Prioritize, and Monitor Climate Risks and Opportunities

Risks

LTM employs a structured, multi-stage process to identify, evaluate, and monitor climate-related risks and opportunities across its operations, supply chain, and client-facing business models. The process draws directly on the hazard-based physical risk mapping and the transition driver analysis undertaken in the backend risk assessment workbooks.

The first step in the process is identification. Physical risks are identified using site-specific hazard overlays across LTM's office locations including all global campuses and delivery centers, referencing ThinkHazard!, IPCC AR6 projections, and WRI Aqueduct data. Eleven hazard categories were screened - including heatwaves, cyclones, flooding (coastal, riverine, urban), wildfire, water scarcity, earthquake, landslide, tsunami, and volcanic activity. Transitional risks, by contrast, are identified through policy horizon scanning, market assessments, and peer benchmarking, as reflected in the transitional risk workbook. Key categories include policy/legal, technology, market, and reputational drivers.

The second stage is assessment, where risks are evaluated against standardized likelihood and consequence scales. LTM applies five-level scales for both likelihood and consequence, ranging from "rare" to "almost certain" for likelihood and "insignificant" to "catastrophic" for consequence. Consequences are considered across financial, operational, reputational, legal/regulatory, and human capital dimensions. These scales are consistently applied across hazards and transition drivers to ensure comparability.

Likelihood scale designed For Physical Risks		
Rating	**Recurrent risk**	**Single event**
5 Almost certain	At least one event in next 5 years	Most likely than not: probability greater than 90%
4 Likely	At least one event in next 5 years	More likely as not: 60-90% chance
3 Possible	50% probability of an event in next 5 years	As likely as not: 50/50 chance
2 Unlikely	15-30% probability of an event in next 5 years	Less likely than not but still considerable: probability less than 50% but 15-30%
1 Rare	1-10% probability of an event in next 5 years	Negligible: probability noticeably greater than zero with 1 -10% chance

Likelihood scale designed For Transitional Risks	
5 – Catastrophic	Almost certain, virtually guaranteed to occur and cause significant impact
4 – Very High	Likely, high probability of occurrence within foreseeable future
3 – High	Possible, with an increasing probability of occurrence
2 – Medium	Unlikely, potential occurrence but with mitigation strategies available
1 – Low	Rare, with a remote possibility of occurrence

Consequence Scale designed with country-level, sector - level and asset level research : For Physical and Transitional Risks		
Rating	**Description**	**Impact**
5 - Catastrophic	High with Severe impact	Severe, potential catastrophic financial consequences and loss of business viability
4 - Major	Medium-High with High impact	Major, potential for major financial losses with significant business impacts
3 - Moderate	Medium with Manageable impact	Moderate, potential considerable financial strain but recoverable
2 - Minor	Medium-Low with Low Impact	Minor, potential manageable impacts and minimal financial disruption
1 – Negligible	Low with Minimal impact	Insignificant, potential negligible impacts on revenue or costs

The third stage is prioritization. Risks are plotted by likelihood and consequences to create a risk exposure matrix. High-likelihood/high-consequence risks - such as urban flooding, water scarcity, and abrupt carbon pricing under a disorderly transition - are prioritized for mitigation.

Physical Risks

The following scenario-based physical risk heat maps summarize how the likelihood and consequence of key climate hazards shift across alternative climate futures (e.g., Highway to Paris, Net Zero 2050, Current Policies, Delayed Transition and Fragmented World). By visualizing movement into higher-risk zones (amber/red), the heat maps help prioritize the most material hazards and the adaptation measures required to protect continuity, assets, and service delivery.

Scenario	Cyclone	River Flood	Coastal Flooding	Urban Flood	Extreme Heat	Water Scarcity	Wildfire	Earthquake	Landslide	Tsunami	Volcano
Highway to Paris	●●●○○	●●●○○	●●●○○	●●●○○	●●●○○	●●●○○	●●○○○	●●○○○	●●○○○	●○○○○	●○○○○
Sudden Wake-up Call	●●●○○	●●○○○	●●●○○	●●●○○	●●●○○	●●●○○	●●○○○	●●○○○	●●○○○	●○○○○	●○○○○
Net Zero 2050	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●○○○○	●○○○○	●○○○○	●○○○○	●○○○○
Delayed Transition	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●●○○○	●○○○○	●○○○○
Current Policies	●●●●○	●●●○○	●●●●○	●●●●○	●●●●○	●●●○○	●●●○○	●●●○○	●●○○○	●●●○○	●●●○○
Fragmented World	●●●●○	●●●●○	●○○○○	●●●●○	●●●●○	●○○○○	●●●●○	●●●○○	●●●○○	●●●○○	●●●○○

This matrix summarizes physical-risk intensity (1–5 dots) for 11 hazards across six climate-policy scenarios. A clear gradient shows up: Current Policies and Fragmented World concentrate the highest overall physical risk, with 4/5 ratings for core climate hazards such as cyclone, urban flooding, extreme heat, and (in Fragmented World) river flood and wildfire. The more orderly pathways (Highway to Paris, Sudden Wake-up Call) sit mostly at 3/5 for major hydromet hazards, while Net Zero 2050 is consistently lower, largely 2/5 across heat/water/flood hazards and 1/5 for wildfire and geophysical risks. Across all scenarios, tsunami and volcano remain low (1/5) and earthquake/landslide stay in the low–moderate range (1–3/5), indicating that the portfolio's physical-risk profile is primarily driven by heat, water stress and flood-related disruption rather than extreme geophysical tail risks.

Transition Risks

The following scenario-based transition risk heat map summarizes how the likelihood and consequence of key transition risk drivers—Policy & Legal, Technology, Market, Reputation and Liability—shift across alternative climate futures (Highway to Paris, Sudden Wake-up Call, Net Zero 2050, Delayed Transition, Current Policies and Fragmented World). By visualizing movement into higher-risk zones (amber/red) and indicating relative intensity through a 1–5 dot scale, the heat map helps prioritize the most material transition risks and the capability, governance and investment actions required to protect competitiveness and enable a managed transition.

Scenario	Policy & Legal	Technology	Market	Reputation	Liability
Highway to Paris	●●●●○	●●●●○	●●○○○	●●○○○	●●●○○
Sudden Wake-up Call	●●●●○	●●○○○	●●●○○	●●●●○	●●○○○
Net Zero 2050	●●○○○	●●○○○	●○○○○	●○○○○	●○○○○
Delayed Transition	●●●○○	●●○○○	●●○○○	●●○○○	●●○○○
Current Policies	●●●●○	●●●●○	●●●●○	●●●○○	●●●○○
Fragmented World	●●●●○	●●●●○	●●●●○	●●●●○	●●●○○

Dot scale: ●○○○○ 1/5 ●●○○○ 2/5 ●●●○○ 3/5 ●●●●○ 4/5 ●●●●● 5/5

Overall, the chart shows a clear gradient scenario: Net Zero 2050 exhibits the lowest transition risk profile across categories (predominantly low/green), reflecting earlier alignment and smoother market adjustment. In contrast, Current Policies and Fragmented World show consistently higher risk intensity (more amber/orange), driven by sharper policy uncertainty, uneven standards, and greater market and reputational volatility; Policy & Legal and Market are the most persistently elevated levers under these pathways. The "shock" pathway (Sudden Wake-up Call) concentrates higher exposure in Policy & Legal and Reputation, consistent with abrupt regulatory tightening and increased scrutiny. Delayed Transition sits in the middle, indicating moderate but broad-based exposure as action is postponed and then forced through in a more disruptive manner.

Risks in the medium range are subject to monitoring, with adaptive capacity and supplier dependencies factored into prioritization. Opportunities, such as expansion into green IT services or early adoption of renewable energy, are assessed using the same framework to ensure they are considered alongside risks in strategic decision-making.

Use of Scenario Analysis within Risk Processes

Scenario analysis is integrated directly into LTM's risk management process as a stress-testing tool rather than a standalone exercise. The backend risk assessment file provides a solid foundation research and logic to Scenario Selection. Each scenario - ranging from Highway to Paris (orderly transition) to Fragmented World (hot house) - is mapped against time horizons, SSP alignments, RCP trajectories, and warming outcomes.

Within the process, screening thresholds are applied to determine which risks escalate into priority categories under different scenarios. For example, in the Highway to Paris pathway, the carbon price threshold of INR 1,000–1,500/ton acts as a trigger for reclassifying policy/legal risks from "medium" to "high." In the Current Policies scenario, the recurrence of extreme floods in Chennai at a frequency of once every five years or more is set as a trigger for physical risk reclassification.

Likelihood and consequence scales are adjusted by scenario. For instance, under Net Zero 2050, physical risk likelihood is somewhat reduced by strong mitigation, but consequence remains high for acute events. Conversely, under Delayed Transition, likelihood of transition shocks (abrupt carbon price increases, accelerated regulation) is elevated, shifting the risk profile significantly. These scenario-based adjustments are visualized through risk exposure heatmaps, which allow LTM to see how a given hazard or driver moves across the matrix over time.

This approach ensures that scenario analysis does not remain theoretical but is operationalized into the same framework used for risk registers, heat maps, and prioritization decisions.

Integration with Enterprise Risk Management (ERM) and Other Risk Types

Climate risk is not managed in isolation but is embedded within LTM's broader Enterprise Risk Management (ERM) framework. Climate-related risks are mapped against other risk categories - including operational, credit, technology/cybersecurity, and regulatory compliance risks - to ensure consistency.

- Operational risks overlap with physical climate hazards, particularly business continuity disruptions due to flooding, cyclones, or water stress at key delivery centers.
- Credit and financial risks are linked to transition pathways, where carbon pricing and regulatory shifts could impact client creditworthiness or increase LTM's own cost of capital.
- Technology and cyber risks intersect with climate risk through the resilience of data centers and cloud infrastructure, particularly in transition scenarios where rapid shifts to renewable-powered IT are required.
- Regulatory risks increasingly embed climate disclosure and carbon pricing mandates, which sit alongside existing compliance obligations.

This integration is facilitated through LTM's Risk Committee, which reviews climate risks within the same governance cadence as other enterprise risks. This ensures that capital allocation, insurance decisions, and supplier management strategies are informed by a unified risk lens.

Opportunities

In addition to quantifying downside climate risks, LTM also recognizes that the transition to a low-carbon, climate-resilient economy creates material opportunities for business. In line with IFRS S2, the CRA considers how climate action can support revenue growth, cost optimization, operational resilience, and access to capital, rather than viewing climate only as a source of risk.

At a high level, the assessment looks at three broad channels through which climate-related opportunities arise for LTM. First, there is top-line opportunity, as clients increase demand for digital, cloud, data and AI solutions that help them decarbonize, comply with new regulations, and build climate resilience. Second, there is efficiency and cost opportunity, where improvements in energy use, travel patterns, water and waste management, and the choice of energy sources can reduce operating costs and exposure to future carbon constraints. Third, there are people and capital-markets opportunities, where a credible climate and ESG strategy strengthens LTM's ability to attract and retain talent, enhances its reputation and ESG ratings, and can ultimately support more favorable financing conditions and investor confidence.

To support decision-making, these opportunity themes are expressed in monetary terms using a structured internal model that combines external market and technical data with LTM's own operational and financial baselines.

In line with IFRS S2, LTM has identified climate-related opportunities that could enhance revenues, reduce operating costs, improve resilience, and strengthen access to capital. The opportunities are structured around:

- **Services / markets** – new or expanded climate-aligned offerings for clients.
- **Resource efficiency and energy source** – lower energy, travel, water and waste costs, and increased use of renewables.
- **Adaptation and organisational resilience** – improved employee retention and productivity in a climate-constrained world.
- **Capital-markets profile** – upside from improved ESG ratings and investor perception.

Coverage in FY26 Reporting Period

Compared to the prior assessment cycle, LTM has enhanced the scope, granularity, and governance of its climate risk management process. Key changes include:

1. **Expanded Scope:** The latest assessment covers all LTM global offices and expands hazard coverage to 11 categories rather than focusing narrowly on floods and cyclones.
2. **Data Integration:** The company has incorporated IPCC AR6 datasets, NGFS pathways, and WRI Aqueduct scores into its physical and transition risk models.
3. **Refined Scales:** The likelihood and consequence scales have been recalibrated to improve comparability across physical and transition risks, ensuring that a reputational transition risk can be assessed on equal footing with an acute hazard.
4. **Scenario Embedding:** Scenario analysis has been embedded directly into the risk register and prioritization process, with heat maps showing movement of risks by scenario.
5. **Monitoring Enhancements:** Supplier surveys and adaptive capacity assessments have been integrated into monitoring, reflecting LTM's recognition that value chain dependencies are a major channel of climate exposure.

The above collectively represents the maturing of LTM's risk management approach, moving from a compliance-oriented assessment to a strategic, scenario-embedded, and value-chain-integrated process.



Metrics and Targets



Cross-Industry Climate Metrics

LTM measures, monitors, and reports climate-related metrics in line with the IFRS S2 cross-industry requirements, grounded in the GHG Protocol Corporate Accounting and Reporting Standard. The company accounts for Scope 1, Scope 2, and relevant Scope 3 emissions on a consolidated basis across its global operations, including campuses, delivery centers, and data centers.

- **Scope 1 (Direct emissions):** These include fuel consumption from backup power generators, company-owned vehicles, fugitives, and other stationary sources. Emissions are quantified using activity data multiplied by jurisdiction-specific emission factors.
- **Scope 2 (Indirect emissions):** LTM follows location-based and market-based methodologies to calculate emissions from purchased electricity, consistent with the GHG Protocol Scope 2 Guidance. Renewable energy certificates (RECs) are applied where available.
- **Scope 3 (Value chain emissions):** Categories material to LTM include capital goods, purchased goods and services (IT hardware and office infrastructure), fuel and energy related activities, waste generated, employee commuting, business travel, upstream T&D, and upstream leased assets. Assumptions for Scope 3 estimation follow the GHG Protocol's Category 1–15 approach, using supplier spend-based and activity-based methods. Jurisdictional variations (e.g., India's GHG Grid Emission Factors, EU DEFRA conversion factors) are consistently applied to align with regulatory expectations in key markets.

Other cross-industry metrics monitored include energy consumption (MWh) across campuses and data centers, renewable share of energy mix (% of total electricity), and where applicable, internal carbon price simulations derived from the scenario analysis. Although LTM does not currently operate financed or insured emissions portfolios, internal methodologies are being prepared to respond to client requirements where LTM's services contribute to financed emissions accounting.

Industry-Based Metrics (Software & IT Services)

Consistent with ISSB's industry-based guidance derived from SASB standards for the Software & IT Services sector, LTM discloses additional metrics specific to its business model.



The most material industry-based metric is energy consumption, given that digital infrastructure represents the largest operational footprint. LTM measures and discloses:

- **Total energy consumption (MWh)** across owned and leased facilities.
- **Renewable share of electricity (%):** Renewable generation via on-site solar, procurement via PPAs, and RECs are tracked separately.
- **Employee commute and business travel:** As a global IT services firm, employee commute and business travel are key Scope 3 categories. LTM tracks active air travel data and commute emissions based on employee survey and has introduced digital-first work policies to reduce the exposure.

These metrics allow LTM to monitor the efficiency and sustainability of its digital infrastructure, which is central to client delivery and regulatory compliance.

Use of Carbon Credits

LTM adopts a "gross reductions first" principle in its decarbonization approach, ensuring that operational efficiency, renewable energy procurement, and supplier engagement drive the majority of emissions reductions. The planned role of carbon credits is limited to residual emissions that are technically or economically infeasible to eliminate, particularly in categories such as employee commuting, long-haul aviation, and upstream IT hardware manufacturing.

When carbon credits are used, LTM prioritizes high-integrity credits certified under recognized standards (e.g., Gold Standard, Verified Carbon Standard), and favors projects with strong co-benefits in biodiversity, community development, or water resilience. Carbon offsets are treated as a complementary mechanism, not as a substitute for emissions reductions.

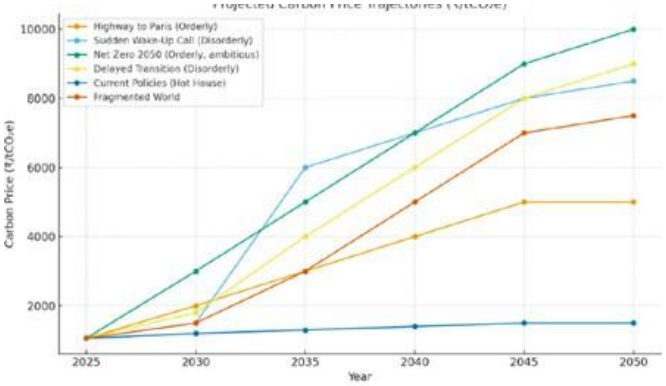
For FY2025–26, LTM's consolidated GHG emissions baseline was assessed at 152,455 tCO_2e, comprising:

- **Scope 1:** 1,762 tCO_2e
- **Scope 2:** 33,100 tCO_2e
- **Scope 3 (material categories):** 117,593 tCO_2e

Applying a shadow carbon price of \$12.5/tCO_2e, converted at INR 94.84/USD (~INR 1,185.5 per ton), results in a modeled carbon cost of approximately INR 18.07 Cr. This exposure is distributed as INR 0.21 Cr (Scope 1), INR 3.9 Cr (Scope 2), and INR 13.9 Cr (Scope 3).

This cost serves as the baseline for transition stress testing. Under orderly scenarios (Highway to Paris, Net Zero 2050), carbon prices rise predictably, enabling LTM to mitigate Scope 2 exposure through renewable procurement and data center efficiency programs. Under disorderly scenarios (Sudden Wake-Up Call, Delayed Transition), abrupt carbon price escalations increase transition costs by 30–40% over baseline, potentially raising annual carbon liabilities to INR 90–100 Cr by FY30 if mitigation lags.

It shows how LTM's baseline cost of INR 1,185.5/t in FY26 evolves across six NGFS-aligned scenarios:



- **Orderly pathways (Highway to Paris, Net Zero 2050):** steady, predictable rises.
- **Disorderly pathways (Sudden Wake-Up Call, Delayed Transition):** sharp spikes after 2030–2040.
- **Hot House/Fragmented World:** weaker pricing but implying higher unmanaged physical and market risks.

This figure directly links your INR 18.07 Cr FY26 exposure to future stress cases and strengthens quantification under IFRS S2.

Performance Versus Targets

Performance against climate targets is tracked annually and disclosed in the company's sustainability report. Current performance trends indicate:

- **Scope 1 and 2 per-capita emissions** have declined steadily over the past three years, primarily due to expanded renewable procurement in Indian campuses and efficiency improvements in data centers.
- **Scope 3 emissions** remain the most material challenge, particularly in the areas of employee commuting and business travel. LTM engages suppliers on climate issues and has implemented initiatives to influence travel and commuting emissions, while Scope 3 reductions (travel and commuting) remain more gradual than operational emissions, based on its published sustainability data.
- **Renewable share of energy** reached **72.23% of total energy consumption and 73.93% of electricity consumption** in FY26.

Overall, LTM is on track with its Scope 1 and 2 reduction pathways, but accelerated efforts are needed in Scope 3 engagement. The company continues to refine its performance monitoring systems and scenario analysis integration to ensure timely course correction where gaps emerge.

Climate Risks & Opportunities Quantification



Physical Risk Quantification

LTM has conducted a comprehensive mapping of its global office locations against eleven physical hazards, covering acute and chronic climate events. Hazards have been quantified using damage ratios, downtime estimates, and heat-stress/WASH-related productivity loss.

LTM undertook a detailed quantification of its aggregate physical climate risk exposure, translating multi-hazard vulnerability into financial impact terms consistent with IFRS S2, TCFD, and ISO 14091 guidance. The quantification approach integrates both direct asset damage and indirect operational losses, covering six principal cost components that together represent the Total Physical Risk Impact. These components were estimated using baseline company financials - total assets, annual revenue, and employee strength - combined with empirically derived exposure ratios and damage factors aligned with global disaster loss models (World Bank ThinkHazard!, UNEP-FI, NGFS). The model applies a multi-parameter formula linking hazard likelihood and exposure to tangible financial metrics.

- **Direct Asset Damage** is calculated as Total Assets × Asset Exposure % × Damage Ratio %, representing potential repair or replacement costs for infrastructure and critical facilities.
- **Business Interruption** quantifies potential downtime through (Revenue per day × Downtime days × Revenue Exposure %), reflecting short-term revenue disruption.
- **Employee Productivity Loss, Health & Safety Costs, IT/Cloud Outage**, and **SLA/Supply-Chain Penalties** capture cascading operational and contractual impacts arising from hazard-induced service disruption or workforce stress.

By aggregating these parameters, the model estimated a total physical risk exposure of approximately INR 4,340 crore, representing the combined annualized cost of climate-related disruptions under baseline scenarios. Among cost categories, employee productivity and IT outages emerge as major contributors, followed by direct asset damage and business interruption. These quantified results provide an empirical foundation for prioritizing adaptation measures - such as infrastructure resilience upgrades, distributed data-center redundancy, and workforce climate adaptation programs - enabling the company to integrate physical climate risk into enterprise financial planning and scenario analysis.

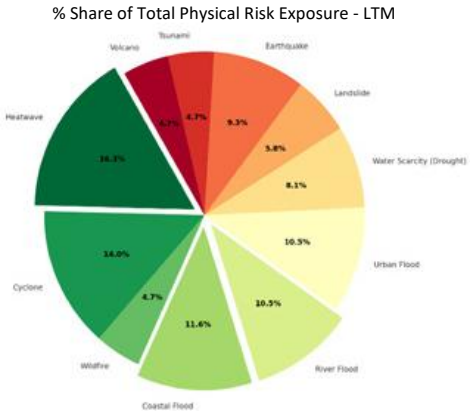
These risks are translated into financial impacts by modeling the effect on revenue, EBITDA, and cash flows. To enable comparability, investments in resilience infrastructure (e.g., flood defenses, water recycling, cooling upgrades) are annualized using the Capital Recovery Factor (CRF). INR 100 Cr capex program, for instance, is treated as ~INR 8–10 Cr per year under a time horizon and 6% cost of capital, allowing side-by-side analysis with OPEX and avoided disruption costs.

Hazard	Impact (INR Cr)	Rationale
Heatwave	608	Higher ambient temperatures raise cooling demand for offices and IT rooms, depress labour productivity, and elevate health-and-safety incidents; occasional grid derating increases IT outage/SLA risk. Indirect disruption and energy-related costs dominate over repairs.
Cyclone	521	High-wind and heavy-rain events drive building-envelope/water-ingress losses, utility and telecom outages, and precautionary shutdowns. Business interruption from campus closure and evacuation adds materially to the total.
Wildfire	174	While direct burn damage to urban campuses is unlikely, smoke/ash drives air-quality incidents, HVAC filtration/clean-up costs, and temporary site closures that impair service delivery.
Coastal Flood	434	Storm surge and tide-driven inundation expose ground-floor plant (electrical rooms, DGs), impede access, and prolong recovery timelines; losses are a mix of asset repair and multi-day downtime.
River Flood	391	Monsoon/riverine overflow increases the likelihood of water entry into basements/approaches and short-term campus closure. Equipment damage, clean-up, and service interruption are the principal cost drivers.
Urban Flood	391	Intense cloudbursts can overwhelm drainage, flooding undercrofts/car parks and blocking employee access. Costs skew to downtime, relocation, and transport contingencies rather than structural repair.
Water Scarcity	304	Chronic water stress raises make-up water and recycling costs and can constrain data-centre/cooling operations, with knock-on productivity impacts and vendor premiums for assured supply.
Landslide	217	Localized slope movement during extreme rainfall disrupts access roads and utility corridors; losses are chiefly from delays and minor civil repairs, not large capital damage.
Earthquake	348	Low-probability but high-impact events trigger structural/non-structural damage (ceilings, partitions, racks), evacuation downtime and precautionary shut-downs; adherence to codes reduces but does not eliminate exposure.
Tsunami	174	Very low probability but severe consequence for coastal sites; potential inundation of low-elevation blocks, prolonged utility restoration, and extended BCP/remote-work reliance.
Volcano	174	Exposure is principally ash fall (air-quality degradation, HVAC loading, airport/transport disruption) leading to temporary closures and continuity impacts; direct lava/pyroclastic damage is not expected for urban campuses.
Total	**3736**	Aggregated baseline across direct asset damage and indirect continuity costs (productivity, H&S, IT outage, and SLA), assuming current preparedness and business-continuity practices.

Share of Total Physical Risk Exposure

The figure below shows the relative percentage contribution of each hazard to the total quantified physical-risk exposure of INR 4,340 crore.

- **Flood hazards (Coastal + River + Urban)** jointly account for **~28%** of total exposure, the single largest contributor.
- **Heatwave (14 %)** and **Cyclone (12%)** are the next major segments, highlighting LTM's sensitivity to extreme temperature and wind events.
- **Earthquake (8%)** and **Water Scarcity (7%)** form a moderate middle tier, indicating steady but regionally contained exposure.
- Remaining hazards - **Wildfire, Landslide, Tsunami, Volcano** - collectively contribute **~15%** of the portfolio, representing low-frequency tail-risks.



This distribution emphasizes the dominance of hydro-meteorological risks (floods, cyclones, heatwaves) that together form >50% of LTM's physical-risk profile. These findings reinforce that adaptation measures such as flood-proof design standards, temperature-resilient data-center cooling, and business-continuity planning for power and connectivity interruptions are financially material.

By contrast, the smaller slices (earthquake, landslide, wildfire) demonstrate geographically localized exposure that can be mitigated through site-specific structural and operational safeguards.

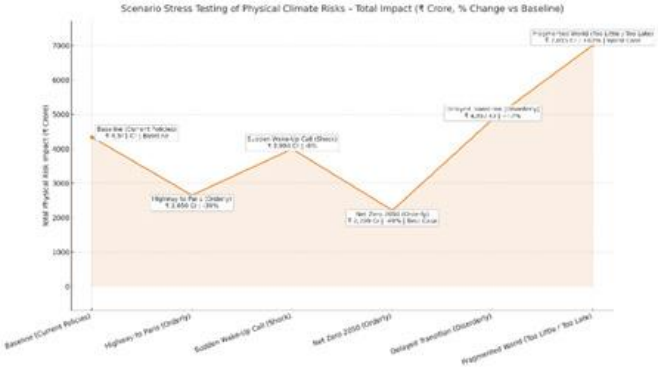
The quantified and visualized financial exposure indicates that ≈60% of LTM's total physical-risk cost is attributable to indirect disruptions (downtime, productivity loss, SLA penalties) rather than direct asset damage.

This underscores that enterprise resilience investments should prioritize operational continuity - including redundant infrastructure, distributed workforce enablement, and climate-aware facility design - to effectively reduce exposure under future climate-intensified scenarios.

Physical Risk: Stress Testing

Stress testing was undertaken to quantify LTM 's potential exposure to escalating physical climate hazards under a range of plausible global climate scenarios extending to 2050. This exercise complements the company's baseline physical risk quantification by testing the resilience of its operations and critical assets against variations in climate policy, hazard intensity, and corporate preparedness. The process followed a scenario-based modelling approach consistent with Network for Greening the Financial System (NGFS) v3 frameworks, aligning each scenario with its underlying narrative - ranging from an orderly global transition to delayed or fragmented responses to climate change.

Each scenario integrates a combination of hazard severity (frequency and magnitude of extreme weather events) and organizational preparedness (reflecting adaptation measures such as renewable power backup, remote-working resilience, and supply chain continuity). The total potential physical risk impact (in INR crore) represents the combined outcome of direct asset damage, business interruption, employee productivity loss, health and safety effects, IT downtime, and contractual/service-level penalties.



The stress testing results are summarized which compares six representative NGFS-aligned scenarios against LTM 's baseline exposure. The total physical risk impact values (in INR crore) were derived as follows:

Scenario	Total Impact (INR Cr)	% Change vs Baseline
Baseline Present-day scenario	4,341	-
Highway to Paris (Orderly)	2,650	–39%
Sudden Wake-Up Call (Shock)	3,994	–8%
Net Zero 2050 (Orderly)	2,209	–49%
Delayed Transition (Disorderly)	4,862	+12%
Fragmented World (Too Little / Too Late)	7,015	+62%

The scenarios reveal a wide variation in potential financial exposure, with total physical risk impacts ranging between INR 2,209 crore (best case) and INR 7,015 crore (worst case), compared with the baseline level of INR 4,341 crore. Below are a few insights from stress testing:



Best-Case Scenario – Net Zero 2050 (Orderly Transition): Under this pathway, proactive decarbonization, strong global coordination, and accelerated adaptation measures lead to a 49% reduction in physical risk exposure compared to baseline. LTM 's reliance on renewable power procurement, cloud-based delivery, and distributed digital operations significantly enhances resilience in this context.



Moderate Orderly Scenarios – Highway to Paris & Sudden Wake-Up Call: These scenarios reflect coordinated transitions with minor delays or moderate shocks. The overall exposure declines moderately (–39% and –8% respectively), as hazard intensities remain controlled and preparedness measures - such as tested business continuity plans (BCP) and vendor redundancy - effectively reduce potential losses.



Baseline (Present-day Scenario): This represents a continuation of today's policy and climate trajectory. It provides a reference case for assessing incremental risk exposure as climate change intensifies and adaptation measures scale gradually.



Disorderly and Hot-House Scenarios – Delayed Transition & Fragmented World: These outcomes exhibit sharp increases in total physical risk impact (+12% and +62% respectively). They represent worlds where global action is slow or fragmented, leading to heightened climate hazards, unmitigated temperature rise, and infrastructure vulnerability. In the Fragmented World scenario, asset damage and productivity losses surge due to cascading disruptions from extreme heat, flooding, and grid instability.

The stress test underscores that physical climate risks remain material for LTM, particularly in the absence of coordinated global climate action. However, the company's asset-light and technology-driven business model provides significant adaptive flexibility:

- **High Sensitivity to Global Climate Action:** LTM's exposure declines steeply under orderly transition scenarios, indicating that effective climate policies and corporate adaptation investments yield measurable financial benefits.
- **Digital Infrastructure Resilience:** The firm's heavy reliance on IT infrastructure, global data centers, and remote service delivery underscores its sensitivity to extreme heat, power outages, and water scarcity. However, distributed delivery centers, cloud migration, and renewable energy sourcing provide critical buffers.
- **Long-Term Outlook (to 2050):** Over longer horizons, transition effectiveness and adaptation scaling will be the key differentiators. While physical risks intensify across all scenarios, their financial consequences can be moderated through site-specific adaptation (e.g., floodproofing, cooling retrofits) and value-chain resilience.
- **Strategic Implication:** The stress test highlights the importance of aligning capital allocation and adaptation planning with global low-carbon pathways. LTM's climate strategy, if integrated with scenario-informed resilience planning, can sustain operational continuity and protect stakeholder value amid worsening climate variability.

In essence, LTM's stress testing demonstrates that proactive transition and preparedness yield a near 50% reduction in physical risk exposure, while delayed or fragmented responses could increase exposure by over 60%.

Given LTM's scalable, globally distributed service model, the company's forward investments in renewable sourcing, resilient IT systems, and adaptive workplace design will determine its long-term physical risk resilience and financial stability under evolving climate futures.

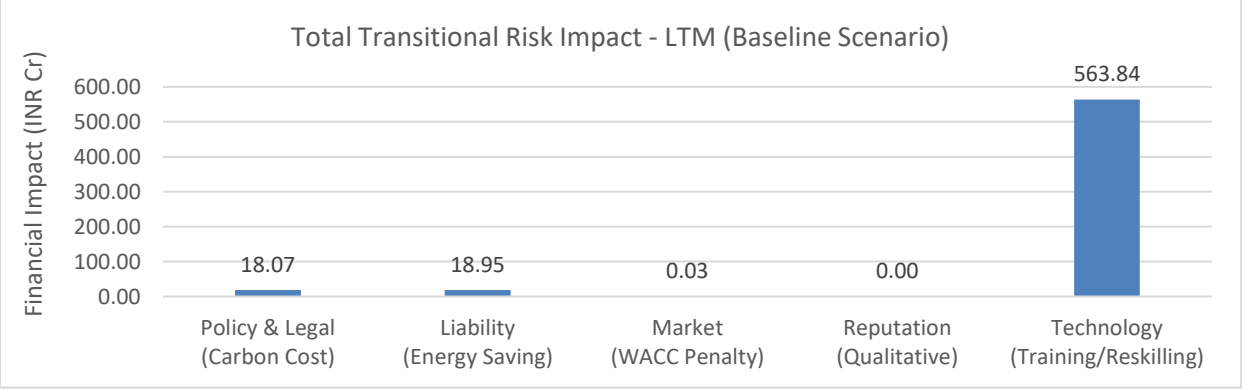
Transition Risk Quantification

In alignment with IFRS S2 and TCFD 2023 recommendations, LTM conducted a comprehensive quantification of its transition-related climate risks to estimate potential financial exposure under the Baseline scenario. Transitional risks stem from the global shift toward a low-carbon economy and include potential policy & legal, market, technology, liability, and reputation-related impacts.

LTM's transitional-risk quantification framework integrates both qualitative risk mapping and quantitative financial modeling to determine the enterprise-level exposure in monetary terms. This enables decision-makers to assess the company's readiness for carbon pricing, sustainable-finance requirements, green-technology migration, and evolving client expectations.

The model applies the following formula to translate transition drivers into financial impact:

Total Transitional Risk Impact (USD) = (Carbon Cost) + (Training / Reskilling Cost) + (WACC Penalty) – (Energy Savings)



Risk Category	Associated Driver	Key Insight
Policy & Legal	Carbon Cost: INR 18.07 Cr	Minor exposure to early-stage carbon pricing and renewable purchase obligations; expected to grow as India's Carbon Credit Trading Scheme (CCTS) scales.
Market	WACC Penalty: INR 0.03 Cr	Negligible baseline sensitivity to ESG-linked lending rates; likely to increase under sustainability-linked finance regimes.
Technology	Training / Reskilling: INR 563.84 Cr	Largest cost driver - represents long-term investment in low-carbon digital transformation and employee capability building.
Liability	Energy Savings: INR –18.95 Cr	Demonstrates measurable benefit from operational efficiency and renewable integration, offsetting transition cost.
Reputation	Qualitative	Represents reputational exposure tied to client ESG requirements, transparency, and disclosure quality.

The table and figure above present a clear financial quantification of LTM 's exposure to transition-related risks under the Baseline Scenario, categorized across Policy & Legal, Market, Technology, Liability, and Reputation drivers.

The analysis reveals that Technology-related transition costs are overwhelmingly the dominant factor, amounting to approximately INR 563.84 crore, which represents nearly 93.8 percent of the total exposure. This component captures LTM's investment in training, reskilling, and digital upskilling programs essential for transforming its workforce and delivery systems toward low-carbon and AI-driven service models. The high concentration under this driver indicates that LTM's transitional exposure primarily stems from proactive transformation initiatives rather than external regulatory pressures.

The Policy & Legal risk category (INR 18.07 crore) reflects limited exposure linked to the early-stage implementation of carbon pricing mechanisms, renewable purchase obligations, and enhanced environmental disclosures under the evolving Indian Carbon Credit Trading Scheme (CCTS). The Market risk component (INR 0.03 crore) remains negligible at present, indicating that ESG-linked financing differentials or sustainability-based credit premiums are not yet material to LTM's cost of capital.

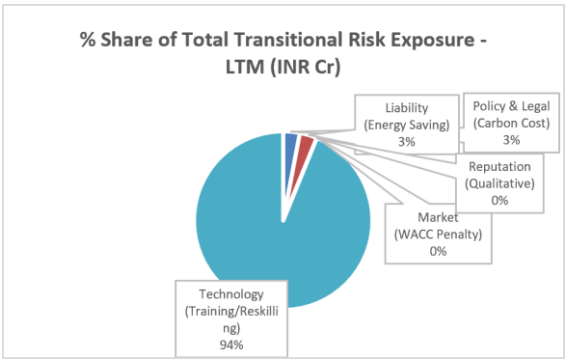
In contrast, the Liability category (INR –18.95 crore) reflects a positive offset - demonstrating measurable efficiency gains from the company's energy-optimization initiatives, renewable integration, and green data-center programs. These savings partially counterbalance the aggregate exposure, reducing overall financial risk. The Reputation-related risk, though not quantified numerically, is embedded across all categories, representing potential image or client-perception risks arising from climate disclosure accuracy, reporting quality, or performance gaps relative to peers.

Overall, the bar chart underscores LTM's transition exposure profile as capability-driven, where strategic transformation costs dominate over regulatory or financial pressures. This reflects a resilient, forward-looking business model emphasizing sustainable growth and operational efficiency.

Share of Total Transitional Risk Exposure

The figure below on "% Share of Total Transitional Risk Exposure – LTM (INR Crore)" provides a proportional view of how different transition drivers contribute to overall exposure. The results highlight that the Technology driver (Training & Reskilling) accounts for 93.8 percent of the total exposure, reaffirming LTM's strong emphasis on human-capital investment as the primary lever of transition readiness.

The Policy & Legal driver contributes 3.01 percent, reflecting early compliance costs and potential exposure to evolving carbon market mechanisms. The Liability driver represents 3.15 percent, capturing efficiency-linked benefits and avoided costs. The Market driver at 0 percent indicates minimal current vulnerability to green-finance premiums or investor-related credit differentiation. Finally, the Reputation driver, while not assigned a monetary value, remains qualitatively important and pervasive across the company's strategic sustainability dimensions.



The figure visually demonstrates a skewed yet favorable risk distribution, where the largest exposure is a strategic investment rather than a regulatory penalty. LTM's concentration of financial exposure in the Technology segment suggests that its transition journey is proactive and opportunity-oriented, focused on capacity building, innovation, and digital transformation.

Furthermore, the marginal shares of Policy & Legal, Market, and Liability exposures indicate that LTM currently operates in a low-risk regulatory environment, supported by strong ESG integration and operational efficiency programs. As carbon pricing and ESG finance frameworks evolve in India, these proportions are expected to gradually shift - requiring continued monitoring and scenario-based stress testing.

In essence, it illustrates that LTM's transition-related financial exposure is dominated by forward-looking capability-building initiatives, underlining its strong adaptive capacity, low regulatory sensitivity, and growing readiness for a net-zero-aligned operating landscape.

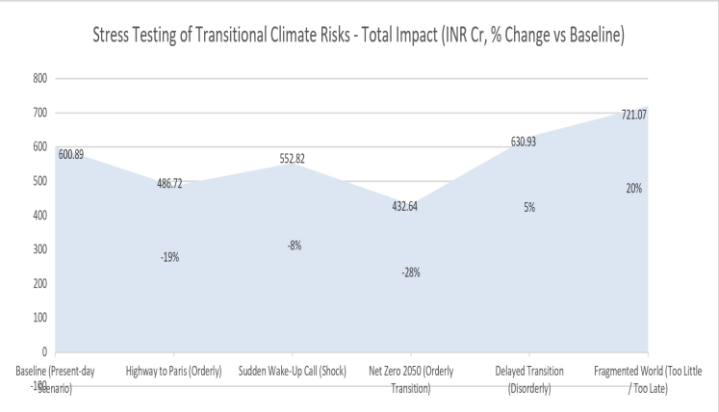
Transition Risk: Stress Testing

This stress test quantifies how LTM 's transition-related costs could evolve to 2050 under alternative policy and market pathways. The modelling follows NGFS-aligned narratives, so the results are comparable with the internal physical-risk stress test completed at the back end. Costs included are the items in your transitional workbook - Carbon Cost, Energy Cost, Training/Reskilling Cost and WACC penalty - with Energy Saving netted where it applies. Outcomes are expressed as total transitional risk impact in INR crore and shown relative to Baseline so management can see both the absolute exposure and the directional sensitivity.

The stress testing outcomes illustrate that LTM 's transitional risk exposure varies significantly depending on the pace and coordination of the global transition effort:

Scenario	Total Transitional Risk Impact (INR Cr)	% Change vs Baseline
Baseline (Present-day Scenario)	600.89	-
Highway to Paris (Orderly)	486.72	–19%
Sudden Wake-Up Call (Shock)	552.82	–8%
Net Zero 2050 (Orderly Transition)	432.64	–28%
Delayed Transition (Disorderly)	630.93	+5%
Fragmented World (Too Little / Too Late)	721.07	+20%

The differences across scenarios are driven primarily by carbon and energy price pass-through and the timing/credibility of policy signals. When carbon pricing and renewable-energy policies are predictable (orderly transitions), LTM can lock in long-tenor renewable PPAs and efficiency retrofits earlier, which lowers net electricity and carbon costs and smooths the WACC. Training and reskilling are a front-loaded expense in all paths, but in orderly scenarios it earns back through productivity gains and a faster pivot to green-IT delivery. In delayed or fragmented worlds, these benefits arrive late while the firm remains exposed to grid-emissions volatility, higher tariffs and episodic compliance costs, and lenders apply a modest risk premium to the cost of capital when climate strategy credibility is uncertain.



For LTM specifically, the results reflect the economics of an asset-light, people- and cloud-intensive business. The company does not face heavy industrial abatement, so its transition exposure is concentrated in electricity decarbonization, data center/campus efficiency, software optimization, and people capability. That structure keeps transitional risk smaller in magnitude than the physical-risk envelope, yet still financially material. The Net Zero 2050 outcome shows that the current operating model - renewable sourcing, energy-efficient campuses, green-cloud architectures, and robust carbon accounting - pays back when policy is credible and markets scale. Equally important, those same orderly paths tend to expand client demand for transition enablement (cloud modernization, data platforms for emissions/ ESG, AI-led energy optimization), growing green revenue while reducing the cost base.

The risk of delay and fragmentation is twofold. First, energy and carbon costs stay higher for longer and more volatile, lifting the baseline run-rate by INR 30–INR 120 crore in the unfavorable scenarios. Second, financing and reputation costs creep upward as investors' price policy uncertainty and as client transitions diverge across regions and sectors - complicating delivery and vendor choices. These are manageable risks, but they require earlier action to avoid "rush costs" if a late policy shock forces rapid compliance.

From a management perspective, the stress test argues for locking in low-cost decarbonization now: scale firm PPAs/ green tariffs in priority geographies; accelerating datacenter and campus efficiency (cooling, load-shifting, software efficiency); and adopt a practical internal carbon price for project appraisal to avoid stranded spend in shock/disorderly paths. Make talent a cost advantage by front-loading modular reskilling for green/cloud-efficient architectures. Protect financing flexibility through IFRS S2/ TCFD-aligned disclosure and sustainability-linked facilities, which dampen WACC volatility in the fragmented case. Finally, hedge policy dispersion by diversifying delivery locations and suppliers for energy-price and grid-intensity variance, and by embedding scenario clauses in key vendor and client contracts.



Overall, transitional risk for LTM is manageable and optimizable. In credible, coordinated transitions the company's exposure falls by ~INR 166 crore (≈–28%) versus the baseline because scale and timing lower the unit cost of decarbonization and amplify energy savings. In prolonged uncertainty the exposure rises by ~INR 120 crore (≈+20%), driven by energy/carbon volatility and modest financing premia, but even then, LTM's digital, globally distributed, and scalable model limits the downside and preserves the capacity to grow green revenue. The strategic message is clear: early execution - on clean power, efficiency, and capability - maximizes upside in the orderly world and mitigates avoidable costs in the delayed or fragmented world.

Prioritized Risk Register and Risk Appetite Alignment

LTM maintains a Prioritized Climate Risk Register, which integrates physical and transition risks into a single framework aligned with its Enterprise Risk Management (ERM). Risks are classified as High, Medium, or Low priority based on likelihood–consequence scoring and scenario sensitivity analysis.

High-priority risks include:

- **Physical:** Urban flooding in low-lying metropolitan hubs, cyclones affecting coastal delivery locations, and chronic water scarcity in high-growth technology corridors across LTM's global footprint.
- **Transition:** Carbon pricing escalation under India CCTS, EU CBAM/CSRD compliance, and reputational misalignment with client expectations.

LTM's risk appetite is defined such that moderate climate risks can be tolerated, but high-impact/ high-likelihood risks require immediate mitigation or adaptation investments. The quantification exercise ensures that capital allocation decisions are directly linked to risk prioritization, allowing the Board and Risk Committee to align investment, insurance, and disclosure strategies with climate resilience objectives.

Opportunities

Potential annual revenue

One of the most material climate-related opportunities for LTM is the global shift towards efficient, low-carbon data center services. External research estimates the data center market at USD 430 billion in 2026, growing at about 11–11.2% CAGR to roughly USD 646.6 billion by 2030, creating around USD 299 billion of cumulative growth, or USD 49.8 billion per year. In a conservative case where LTM captures 5% of this incremental annual market in climate-aligned data center and related digital services, the base-case opportunity is around USD 2.49 billion (INR 210.8 billion) per year. Applying a ±33% sensitivity band gives a range of approximately USD 1.67–3.31 billion (INR 141.3–280.4 billion) per year in additional annual revenue.

These values are an order-of-magnitude indication of the upside if LTM scales sustainable cloud, green data center optimization, and related offerings. Realizing this will require targeted investment. Using widely cited training and capability-building benchmarks (4–5x ROI), the CRA assumes that response costs are about 20% of gross benefit. At the upper end of the range, this implies an annual enablement cost of roughly USD 0.66 billion (INR 55–56 billion) and a net opportunity of around USD 2.6 billion (INR 225 billion) per year, subject to execution and client demand.

This shows that LTM's additional annual revenue from climate-aligned data centre services could range from about INR 141 billion in a worst case to INR 280 billion in a best case, with a probable (base) case of around INR 211 billion. Even at the lower end, the opportunity is financially significant and highlights the growth potential of sustainable cloud and data-centre offerings.

Energy and carbon-tax opportunity from increasing renewable electricity share

LTM's own operations offer a measurable climate opportunity through a higher share of renewable electricity. In FY26, the company consumed about 78.72 million kWh of electricity (≈209,521 GJ), split between roughly 58.2 million kWh renewable and 20.5 million kWh non-renewable. At current tariffs (INR 5/kWh for renewable, INR 9/kWh for non-renewable), the total annual energy cost is about INR 475.5 million. The CRA models a shift to 85% renewable energy by 2030, increasing renewable supply to 53.8 million kWh and reducing non-renewable usage to 13.4 million kWh. Under the same tariff assumptions, the new annual energy cost falls to approximately INR 457.1 million, giving energy-cost savings of about INR 23.4 million per year. At the same time, electricity-related emissions fall from roughly 22,716 tCO_2 to 12,314 tCO_2e, which at an indicative carbon price of INR 800/tCO_2e - reduces the notional carbon tax from INR 18.17 million to INR 9.85 million, a further INR 8.32 million per year in savings. Together, these levers deliver an estimated additional EBITDA of about INR 31.7 million per year, modest in percentage terms but recurring and aligned with LTM's decarbonization pathway.

Energy-efficiency opportunity from advanced cooling and server upgrades

Beyond shifting the energy mix, LTM can capture additional upside by improving energy efficiency in data center cooling and servers.

This CRA assumes cooling systems use around 25.5 million kWh per year and serves about 35.0 million kWh. The opportunity assessment applies two technical levers supported by external references (e.g., Vertiv, ENERGY STAR guidance):

- Advanced cooling systems (economizers, supplemental cooling, two-phase solutions), delivering a 20% reduction in cooling energy.
- Energy-saving servers with modern power-management features, delivering a 15% reduction in server energy.

Together, these measures are expected to save approximately 10.35 million kWh per year (around 5.11 million kWh from cooling and 5.24 million kWh from servers). Using an average electricity cost of INR 7 per kWh, this equates to annual gross cost savings of about INR 72.5 million (INR 7.25 crore), split roughly evenly between cooling (INR 35.8 million) and servers (INR 36.7 million).

Water and waste-efficiency opportunities

LTM's resource-use profile creates two complementary climate-related opportunities: reduced water consumption and higher waste recovery. Together they support IFRS S2's focus on resource-efficiency while contributing to LTM's "water positive" and "zero disposal" ambitions.

For water, FY26 total consumption is about 378,792 kl. The CRA assumes a 20% reduction scenario, achievable through low-cost measures such as LEED-standard fixtures, sub-metering, and targeted cooling-tower optimization at selected campuses. Using a conservative global non-domestic water tariff of INR 42.3 per kl (≈USD 0.50/m^3), this yields annual savings of roughly INR 3.06 million (≈USD 32,300) in the base case. A sensitivity band of ±33% reflects uncertainty in actual savings, giving a range of about USD 21,618–42,913 per year. Implementation costs are assumed at about 1–3% of the gross benefit, consistent with international benchmarks for water-efficient buildings and fixtures, so the net benefit remains clearly positive.



For waste, FY26 data show total waste generation of 966 t, of which 912 t is already recycled or recovered and about 54 t is disposed via landfill and incineration. The opportunity model assumes that, through improved segregation and vendor arrangements, LTM can divert all currently disposed waste (≈54 t) into recycling or recovery without increasing total generation. Using conservative benchmarks of USD 60/t avoided disposal fee and USD 25/t recycling credit, the gross annual financial benefit is approximately USD 4,600, or about USD 4,450 per year after applying a 3% program cost. This is modest in absolute terms but supports "zero disposal" positioning and improves climate change performance on circular resource management.

Travel Optimization

Business travel is a controllable operating expense and a relevant climate lever for LTM because it directly influences Scope 3, Category 6 (Business travel) emissions. In FY26, LTM's consolidated "Travelling and conveyance" expense was approximately INR 5,337 million. The CRA assesses how far structured optimization could permanently reduce this spend while preserving client-critical travel.

Drawing on McKinsey and GBTA analyses, the model treats a 20% reduction in travel spend as an ambitious but realistic stretch case, combining three elements: stronger travel policies and approvals, better booking discipline (fares and routes), and purposeful substitution of low-value trips with virtual or hybrid meetings. Applied to the FY26 baseline, this 20% reduction equates to annual savings of about INR 1,067.4 million, or roughly USD 11.25 million at the reference exchange rate. The residual travel spend in this case is about INR 4,269.6 million, which becomes the "new normal" travel budget if optimization is sustained.

To reflect uncertainty around adoption and client needs, the CRA applies a ±33% sensitivity range around the base-case savings. This produces a minimum savings case of around USD 7.54 million and a maximum case of around USD 14.96 million in avoided annual travel costs. The cost of response - covering digital collaboration tools, policy systems and change management is assumed at approximately 3% of the avoided spend, based on global benchmarks and peer CDP disclosures. Even after this deduction, the net benefit remains significant and flows directly to operating results, while simultaneously reducing business-travel emissions.

Scenario-Based Sensitivity Analysis

For a knowledge-intensive business such as LTM, effective climate and ESG initiatives can support talent attraction and retention by strengthening employee engagement and purpose alignment. In the CRA, a scenario-based sensitivity is included to illustrate the potential financial upside from reduced attrition that could plausibly arise from initiatives such as green campuses, climate learning, and community engagement. This is not a forecast, and the outcomes will depend on program design, adoption, and broader labour-market conditions.

Indicatively, improved retention could deliver ~INR 576.7 million (≈USD 6.8 million) per year (range: INR 386.4–767.0 million / USD 4.6–9.1 million), against an illustrative program cost of ~INR 99.7 million (≈USD 1.2 million). These estimates are intended to support decision-making and prioritization; actual results should be validated through phased implementation, defined KPIs (e.g., attrition, engagement scores, internal mobility), and periodic review.



Overall EBITDA uplift from climate-related opportunities

Bringing the different opportunity streams together, this CRA estimates the combined EBITDA uplift from LTM's climate-related actions across new revenue, cost savings, and human-capital benefits.

In the base case, the incremental annual EBITDA comprises:

- New climate-aligned revenue (primarily data-center and digital services) contributing to INR 75.55 billion of EBITDA at a margin of ~17.9%.
- Operational savings from higher renewable electricity, avoided carbon tax and energy-efficiency measures together adding roughly INR 0.36 billion of EBITDA.
- Employee-retention benefits contribute a further INR 0.57 billion.

Taken together, the total incremental EBITDA opportunity is approximately INR 76.48 billion per year (≈USD 806 million). Applying the standard ±33% sensitivity band used elsewhere in the CRA results in a range of roughly USD 540–1072 million per year in additional EBITDA under minimum and maximum cases.

The aggregated cost to realize these opportunities, covering enablement, go-to-market, and program costs across all streams, is estimated at about INR 0.43 billion (≈USD 5.1 million), equivalent to roughly 1–2% of the total EBITDA uplift. This is consistent with external benchmarks on marketplace fees, marketing/ enablement spending, and program overheads (weighted midpoint around 7.4% of relevant revenues), and indicates that the net EBITDA impact remains strongly positive even after allowing for prudent implementation costs.

Illustrative savings profile from climate-related opportunities



The image on the right brings together all of LTM's quantified climate-related opportunities into a single view, showing how annual savings and EBITDA uplift build over the short, medium, and long term. In the short term, the profile is driven mainly by operational levers such as higher renewable-electricity share, energy-efficiency upgrades, water and waste measures, travel optimization, and early gains from employee retention. In the medium term, these savings are compounded by the scaling of climate-aligned data-centre and digital services, increasing the revenue-linked contribution. Over the long term, revenue opportunity becomes the dominant driver while operational and human-capital benefits continue to provide a stable efficiency base. The values are illustrative, not forecasts, but they show that across all horizons the combined effect of these opportunities is financially material and supports LTM's climate strategy and enterprise-value creation.

Overall Climate Impact

At present, LTM 's quantified Physical Risk Impact (INR 4,340 Cr) exceeds its Transitional Risk Impact (INR 590 Cr) due to its geographically dispersed physical assets and high service-continuity dependency.

However, over the next decade, as carbon-pricing, regulation, and digital-green transformation costs intensify, the balance will progressively tilt toward transitional risk, making it the more dominant driver of long-term financial exposure.

At the baseline (current-policies) horizon, physical risk exposure (INR 4,340 Cr) significantly exceeds transitional exposure for LTM. This is primarily because the company's operations depend on a large network of physical and digital infrastructure - offices, data centers, and delivery hubs - spread across high-exposure geographies such as coastal Karnataka, Maharashtra, and the NCR region.

Key drivers behind higher physical exposure:

- Geographic dispersion: All LTM office locations assessed under IFRS S2 / ISO 14091 span multiple hazard zones - including flood-prone, cyclone-exposed, and heat-stress regions.
- Asset concentration: Critical infrastructure such as data centers and offshore delivery hubs concentrates high replacement and downtime value, inflating both direct asset-damage and business-interruption costs.
- Climate-hazard amplification: WRI Aqueduct and IPCC AR6 projections show increasing frequency of urban floods, heatwaves, and extreme precipitation across India, directly raising potential loss estimates.
- Immediate financial materiality: Physical risk translates into direct, quantifiable financial loss (repairs, downtime, revenue loss) rather than deferred or policy-linked expenditure.

Thus, the physical-risk quantum is a function of exposure × vulnerability × value-at-risk, which for LTM's asset-intensive delivery ecosystem yields a far larger rupee impact than transformation-related costs.

Transitional risks, though smaller in baseline financial magnitude, represent strategic, recurring investments rather than one-time shocks.

These include the cost of reskilling (~INR 563 Cr), policy-driven carbon-pricing exposure (~INR 18 Cr), and sustainability-linked financing sensitivities (~INR 0.02 Cr).

They are spread across functions, budgets, and fiscal years and therefore appear smaller per annum but accumulate steadily over time.

While physical losses depend on event occurrence, transitional expenditures are inevitable transformation costs, ensuring compliance, competitiveness, and decarbonization readiness.

Evolution Across Time Horizons

Horizon	Dominant Risk Type	Expected Change & Rationale
Short Term (0–5 yrs)	Physical >> Transitional	Acute hazards (floods, heatwaves, cyclones) remain immediate threats; transitional activities largely planned and budgeted.
Medium Term (5–20 yrs)	Convergence / Balanced Profile	Regulatory tightening (CCTS, CBAM-linked supply-chain disclosure, ESG-linked financing) increases transitional exposure; site-level adaptation begins to stabilize physical losses.
Long Term (20–50 yrs)	Transitional >> Physical	Under accelerated decarbonization pathways (Net Zero 2050, Sudden Wake-Up Call), carbon-pricing, skill-retraining, technology modernization, and capital-market expectations will surpass direct hazard losses in annualized financial impact.

- In the near term, LTM's financial exposure is hazard-driven; resilience planning should prioritize site-hardening, energy redundancy, and contingency continuity management.
- In the medium to long term, the company will experience a structural cost shift toward low-carbon transformation, making transitional risk the larger determinant of enterprise value and credit perception.
- This trend underscores the need for an integrated Climate-Resilience & Transition-Finance Strategy - linking physical-risk adaptation with transition-risk management through green bonds, sustainability-linked loans, and internal carbon pricing mechanisms.

Recommended Mitigation and Adaptation Roadmap



Recommendations and Way Forward

Based on climate risks screening, scenario narratives, and exposure patterns assessed in this Climate Risk Assessment (CRA), the following mitigation and adaptation measures are recommended for LTM. These actions are indicative and intended to inform management planning and prioritization; they do not represent current public commitments unless separately disclosed in LTM's official reports.

1. Cooling and energy-efficiency upgrades (heat resilience): Prioritize investment in advanced HVAC optimization, AI-enabled load management, improved airflow design, and building envelope/thermal insulation for heat-exposed campuses and data-centre-adjacent operations. These measures are recommended to reduce cooling energy intensity and sustain service continuity during heatwave conditions.
2. On-site renewables and storage for operational resilience: Expand on-site renewable options (e.g., rooftop solar, solar carports) and evaluate battery storage where grid reliability is a constraint. These measures are recommended to reduce exposure to electricity price volatility, improve backup resilience, and limit reliance on diesel generators during outages.
3. Water resilience measures (scarcity and continuity risk): Implement rainwater harvesting, greywater recycling, improved water-use monitoring (sub-metering), and recharge initiatives in water-stressed locations. These measures are recommended to reduce dependence on municipal supply, strengthen compliance readiness, and support long-term operational continuity.
4. Flood protection and site hardening (asset and downtime protection): For flood-exposed campuses (urban/coastal/river), implement drainage redesign, flood barriers, elevation of critical electrical infrastructure (e.g., substations), waterproofing of vulnerable areas, and strengthened emergency response plans. These measures are recommended to reduce asset damage, outage duration, and recovery costs.
5. Operational redundancy and geographic diversification (service continuity): Strengthen redundancy through distributed delivery capabilities (alternate sites, work-shift flexibility, distributed cloud delivery), and where feasible, diversify capacity across lower-hazard locations to reduce concentration risk in high-exposure hubs.
6. Supplier engagement and resilience integration (value-chain risk reduction): Embed climate and resource resilience expectations into supplier onboarding and contracting (e.g., mandatory disclosure of emissions and water risks, continuity arrangements, improvement plans). These measures are recommended to manage value-chain vulnerabilities and improve readiness for evolving client and regulatory expectations.

Investment Case

For the purposes of this CRA, an investment case has been developed to illustrate how selected mitigation and adaptation measures could be assessed financially. The analysis does not represent the company commitment or approved capex plan; rather, it demonstrates a decision-useful approach consistent with IFRS S2, using capital recovery factors (CRF) to annualize upfront expenditure and compare it with avoided losses and operational savings.

- Cooling and efficiency upgrades (illustrative case): Assumes capex of ~INR 50 crore across five major campuses. Using a CRF-based annualization over ~12 years implies ~INR 5 crore/year. Indicative net OpEx savings are ~INR 7–8 crore/year, suggesting a positive investment case (positive NPV, payback <8 years) under the assumptions applied.
- On-site renewables and storage (illustrative case): Assumes capex of ~INR 180 crore for a ~50 MWp deployment by 2028. Annualized cost is estimated at ~INR 15–17 crore/year. Indicative OpEx savings are ~INR 20 crore/year from reduced grid reliance, with potential co-benefits from reduced carbon-related exposure (subject to policy design and applicability).
- Water resilience measures (illustrative case): Assumes capex of ~INR 40 crore, annualized to ~INR 3–4 crore/year. Benefits are modelled primarily as avoided downtime and productivity impacts valued at ~INR 8–10 crore/year, recognizing site-specific variability.

- Flood defenses (illustrative case): Assumes capex of ~INR 100 crore, annualized to ~INR 8–10 crore/year. Avoided disruption is modelled at ~INR 450–600 crore per severe event for the most exposed locations, which makes this a high-impact resilience measure in the event-driven case (ROI highly sensitive to event frequency and severity assumptions).
- Supplier engagement programs (illustrative case): Assumes recurring OpEx of ~INR 2–3 crore/year for supplier ESG audits, data collection, and digital enablement. Benefits are expressed as reduced value-chain exposure and improved client readiness (quantification dependent on supplier coverage, procurement leverage, and client requirements).

Potential financing pathways (illustrative): The CRA notes that, if management were to pursue such measures, financing could plausibly include a mix of internal accruals and external instruments (e.g., green bonds or sustainability-linked loans), with terms influenced by the strength of disclosures, governance, and target credibility. This section is included to demonstrate an analytical approach rather than to indicate an intended financing decision.

Financing is expected to be a blend of internal accruals, green bonds, and sustainability-linked loans, with access to concessional financing improved by LTM's alignment with science-based targets and IFRS S2 disclosures.

Implementation Timelines, Owners, KPIs

For the purposes of this CRA, an implementation construct is presented to illustrate how priority adaptation and mitigation actions could be sequenced, governed, and monitored over time. This is recommendatory and indicative - it is intended to support decision-making and does not represent an approved implementation plan or commitment.

Recommended Implementation timelines

- Short term (0–5 years): Prioritize "no-regrets" measures with near-term feasibility and clear resilience benefits, including initiation of on-site renewable procurement/installation where viable, water-harvesting and reuse interventions, targeted flood-defense upgrades for higher-exposure sites, and the establishment of a supplier ESG engagement and data-collection program.
- Medium term (5–20 years): Scale renewables and efficiency measures across the broader global footprint, deploy storage solutions selectively where reliability risk and economics support the case, and integrate advanced cooling technologies and optimization for data-centre and high-density IT operations.
- Long term (20–50 years): Evaluate structural adaptation options for locations exhibiting chronic risk trends (e.g., repeated flood exposure or long-term coastal risk), including asset hardening and, where warranted, retrofit/relocation decisions. In parallel, embed climate performance requirements more comprehensively into supplier contracting and performance management.

Owners and governance (accountability model)

- Facilities Management is positioned as the primary execution owner for site-level measures (cooling, water, flood resilience, energy efficiency, and on-site renewables).
- Procurement is positioned as the owner for supplier engagement, contractual requirements, and supplier data enablement.
- Enterprise risk governance (including the Risk Management Committee) provides oversight of climate-related implementation progress, monitors risk posture against scenarios, and supports escalation where material thresholds are exceeded.

KPIs and performance monitoring

Progress can be tracked through a balanced set of operational and financial indicators, including energy intensity (kWh/sq ft), renewable electricity share (%), water recycling rate (%), flood-related downtime days avoided, Scope 3 supplier disclosure coverage (%), and financial tracking of ROI/NPV realized for major interventions where business cases are developed.

Key dependencies and enabling conditions

The CRA notes that execution pace and cost-effectiveness are likely to be influenced by external enabling conditions, including renewable-energy policy and net-metering availability, water reuse permissions, and clarity on carbon pricing and related compliance mechanisms. These dependencies should be monitored to align the sequencing of investments with regulatory support and market readiness.

Controls, Data, and Assurance



Data Architecture, Sources, Estimation, and Uncertainty

Climate data is managed through an integrated Climate Data Architecture, combining internal facility-level monitoring with external datasets. GHG emissions are calculated under the GHG Protocol with activity data (energy meters, fuel consumption, travel logs) and emission factors (India CEA, DEFRA, EPA). Physical hazard data comes from IPCC AR6 downscaled scenarios, NGFS climate pathways, and ThinkHazard! indices.

Uncertainty is acknowledged explicitly: Scope 3 estimates carry higher uncertainty due to supplier reliance, while long-term hazard projections are sensitive to model variability. LTM discloses ranges (best/likely/worst case) to capture these uncertainties.

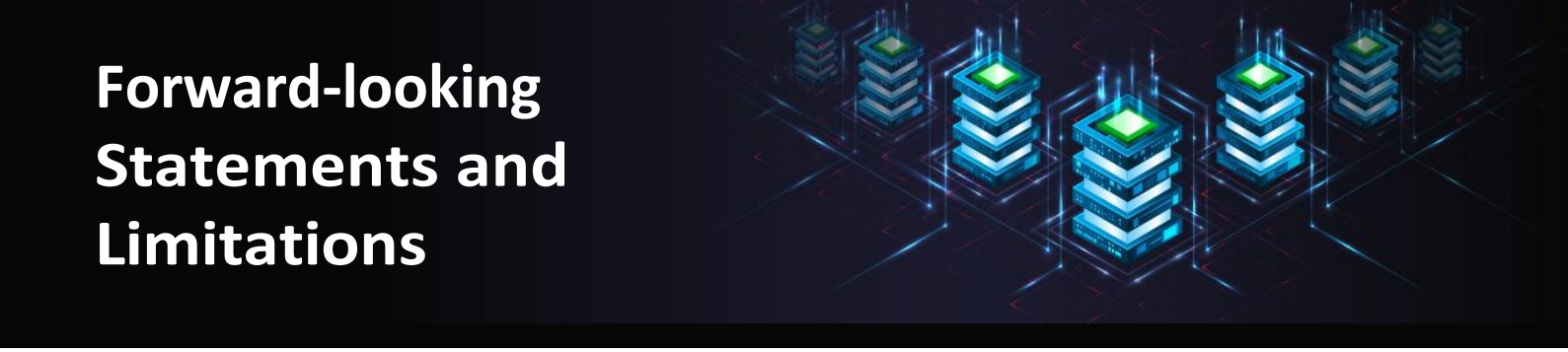
Controls and Management Review

LTM has established internal controls around climate-related data and metrics, aligned with its Management Review Mechanism (MRM) under ISO 9001 and ISO 14001 certified processes. Controls include:

- **Data validation at source:** Facility teams validate energy and water data before uploading.
- **Consolidation reviews:** Corporate sustainability teams reconcile GHG, energy, and risk data across geographies.
- **Internal audit:** Periodic audits validate completeness and accuracy, ensuring that climate data is given the same rigor as financial data.
- **Board oversight:** The Risk & CSR Committee reviews climate risk data quarterly.



Forward-looking Statements and Limitations



This Climate Risk Assessment report includes forward-looking statements on LTM's climate-related risks, opportunities, mitigation actions, and financial projections. These statements are based on assumptions drawn from authoritative sources such as the IPCC AR6, NGFS scenarios, WRI Aqueduct datasets, and LTM's own FY2025–26 financial disclosures. While the intent is to provide stakeholders with a clear view of the company's resilience, these forward-looking analyses are subject to significant limitations that must be explicitly acknowledged.

Data Limitations

- Physical Risk Data: Hazard mapping uses global and regional climate models (GCMs/RCMs), which are inherently uncertain at site level. Downscaled projections for Indian cities (e.g., Chennai flooding or Bangalore water scarcity) are probabilistic estimates and may diverge from actual future outcomes.
- Carbon Pricing: Current calculations use shadow prices (e.g., India CCTS pilot estimates, EU CBAM rates). Actual regulatory implementation, exchange rates, and enforcement timelines may deviate from assumptions.

Methodological Limitations

- Scenario Analysis: The six NGFS-aligned scenarios (Highway to Paris, Net Zero 2050, Sudden Wake-Up Call, Delayed Transition, Current Policies, Fragmented World) are not predictions but exploratory constructs. They illustrate a range of plausible futures, but none can be considered a "forecast."
- Financial Modeling: Revenue, EBITDA, and cash flow impacts are estimated using damage ratios, downtime assumptions, and transition multipliers. These calculations simplify complex second-order impacts (e.g., cascading supplier failures, client-side disruptions, macroeconomic feedback loops). Results should be interpreted as directional stress indicators, not precise forecasts.
- CRF Annualization: CAPEX investments are annualized using a fixed cost of capital (6–8%) and asset lives (10–15 years). Changes in financing conditions could materially affect ROI, NPV, and payback outcomes.

Scenario and Policy Uncertainty

- Policy Trajectories: Carbon pricing pathways, especially in India, remain highly uncertain. For example, a carbon price of INR 1,500/tCO_2e in 2030 could materialize under both orderly and disorderly transitions, but the market impacts differ dramatically depending on enforcement and liquidity of credits.
- Technology Assumptions: Projections assume declining renewable costs and improvements in data center efficiency (PUE). Unexpected technology lock-ins, delays in scaling storage, or geopolitical supply chain disruptions could alter cost curves.
- Physical Triggers: Frequency and intensity of extreme weather events (cyclones, floods, heatwaves) are modeled using statistical recurrence intervals. Actual events may occur with greater clustering or severity, producing impacts outside modeled bands.

Organizational and External Dependencies

- Supplier Engagement: LTM's Scope 3 reduction pathway depends on supplier transparency and willingness to decarbonize. Weak regulatory enforcement in certain geographies may limit suppliers' progress, slowing LTM's own transition.
- Client Expectations: A portion of LTM's opportunity projections) assumes accelerated client adoption of ESG-aligned IT solutions. Should client sectors deprioritize or delay their net-zero commitments, these opportunities may underperform.
- Geopolitical Risks: Fragmented or protectionist trade regimes may affect renewable procurement, carbon credit integrity, and IT service demand, compounding uncertainty in modeled outcomes.

Accordingly, all figures presented in this CRA - whether related to carbon cost exposure (INR 18.07 Cr baseline), physical disruption estimates (INR 450–600 Cr per severe flood event), or investment paybacks (5–10 years) - must be interpreted as scenario-based approximations, not financial forecasts. They intend to inform strategic resilience planning, capital allocation, and risk oversight, not to provide deterministic guidance on LTM's future earnings or share performance.

Conclusion

This Climate Risk Assessment (CRA) provides a structured, IFRS S2–aligned view of how climate-related risks and opportunities could affect LTM's strategy, operations, and financial performance over the short, medium, and long term. The assessment combines scenario analysis (NGFS-aligned transition pathways and climate-physical narratives) with portfolio-level screening across LTM's operating footprint and translates the outputs into decision-useful insights for governance, risk management, and capital planning. The results should be read as scenario-based indications of resilience and exposure.

LTM's starting position is strengthened by a demonstrable sustainability foundation reflected in its public disclosures - anchored in long-term climate ambition (including a Net Zero pathway), continued progress on operational decarbonization (renewable electricity and efficiency initiatives), and disciplined resource stewardship (water and waste programs). These achievements provide a credible platform to scale resilience actions through targeted site hardening in higher-exposure locations, accelerated clean-energy sourcing where feasible, and deeper value-chain engagement to improve Scope 3 readiness and client alignment. With governance in place and a clear direction of progress, LTM is well positioned to turn climate resilience into a durable advantage for stakeholders.

IFRS S2 Content Index



IFRS S2 Topic	Summary of IFRS S2 Requirement	CRA LTM 2026 Section(s)	Page No.
S2.1–4 – Objective and Scope	Explain that the disclosure covers climate-related risks, opportunities and their effects on the entity's prospects.	4.1 Purpose and Scope; Executive Summary; Leadership Message	3-4, 8
S2.3 – Physical & Transition Risks; Opportunities	Identify that the report covers physical risks, transition risks and climate-related opportunities.	2. Executive Summary; 6. Climate Risk & Opportunity Assessment; 7. Climate Risks & Opportunities Quantification	3-4, 15-19, 27
S2.5–6 – Governance: Board / Committee Oversight	Describe governance bodies responsible for climate-related risks and opportunities and how they oversee them.	5. Governance – Board and Committee Oversight of Climate Risk; cross-reference to Integrated Annual Report / BRSR	12
S2.6 – Governance: Management's Role	Describe management's role, responsibilities, skills and processes for managing climate-related risks and opportunities.	5. Governance – Management Roles & Responsibilities; 10. Recommended Mitigation & Adaptation Roadmap – Owners & Governance	41
S2.8–9 – Strategy: Climate-Related Risks & Opportunities	Identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	6. Climate Risk & Opportunity Assessment (physical and transition risk registers); 7. Climate Risks & Opportunities Quantification	12, 41
S2.10(a–c) – Effects on Business Model & Value Chain	Explain current and anticipated effects of climate risks and opportunities on the business model and value chain.	3. Executive Summary – Business Model Implications; 6. Strategy – Business Model & Value Chain; 7.1 Physical & Transition Pathways	15-19, 27
S2.10(d–e) – Effects on Financial Position, Performance & Cash Flows	Describe impacts on financial position, performance and cash flows over short, medium and long term.	7. Climate Risks & Opportunities Quantification; financial effect tables and scenario overlays	3-4, 13-14, 17
S2.11–13 – Climate-Related Opportunities	Describe significant climate-related opportunities and how they support revenues, costs, resilience and access to capital.	7.2 Climate-Related Opportunities (revenue, efficiency, resilience, capital-markets profile)	27
S2.14–16 – Transition Plan & Strategic Response	Explain the climate transition plan, levers, milestones and how it is integrated into overall strategy and decision-making.	9. Recommended Mitigation & Adaptation Roadmap; 6. Strategy – Transition Levers & Roadmap; Executive Summary – Key Themes	35-38
S2.17–23 – Climate Resilience & Scenario Analysis	Disclose use of climate-related scenario analysis and conclusions about resilience of strategy and business model.	6. Scenario Analysis Approach (NGFS Phase V); Scenario-based heat maps; 7. Quantification and Stress Testing	3-4, 14, 40-41

IFRS S2 Topic	Summary of IFRS S2 Requirement	CRA 2026 LTM Section(s)	Page No.
S2.24–26 – Risk Management: Processes for Risks	Describe processes to identify, assess, prioritise and monitor climate-related risks and how they are integrated with ERM.	7. Risk Management – Processes and Integration with ERM; 7.2 Changes from Prior Period; 4.5 Methods, Data Sources & Approach	17-18, 27-34
S2.25(b) – Processes for Opportunities	Describe processes used to identify, assess and monitor climate-related opportunities.	7.2.1 Opportunities; 7. Quantification methodology for upside pathways	8, 20-24
S2.27–28 – Metrics & Targets: Overall Objective	Provide metrics and targets that explain performance in relation to climate-related risks and opportunities.	8. Metrics & Targets – Overview; 8.1 Cross-Industry Climate Metrics; 8.2 Industry-Based Metrics; 8.3 Targets	16, 35-38
S2.29 – Cross-Industry Metric: GHG Emissions (Scopes 1, 2, 3)	Disclose Scope 1, Scope 2 and relevant Scope 3 GHG emissions measured in line with the GHG Protocol.	8.1 Cross-Industry Climate Metrics – Scope 1, Scope 2 and relevant Scope 3; 11.1 Data Architecture, Sources & Estimation	25-26
S2.29 – Cross-Industry Metrics: Energy, Renewables, Carbon Pricing, Finance Exposure	Disclose energy use, renewable share, internal carbon price and other cross-industry climate metrics as relevant.	8.1 Cross-Industry Climate Metrics – energy, renewable share, internal carbon price simulations; 7. Quantification Sections	25, 42
S2.30–32 – Industry-Based Metrics (Software & IT Services)	Disclose industry-specific metrics linked to the business model and sector.	8.2 Industry-Based Metrics (Software & IT Services) – data centre energy, commute & travel intensity, digital-first policies	25-26, 32-34
S2.33–36 – Climate-Related Targets & Progress	Disclose climate-related targets, baseline, trajectory and progress, including any legally required targets.	8.3 Targets – Net zero by 2040, carbon-neutral operations by 2030 (Scopes 1 & 2), renewable energy, water-positive & waste targets	25
S2.29(b)/App. A – Financed/Insured Emissions (if applicable)	Disclose financed/insured emissions metrics where relevant to the business model.	8.1 Cross-Industry Climate Metrics – Statement on financed/insured emissions relevance and internal preparedness	5, 25-26
S2.27–29, IFRS S1 link – Uncertainty, Estimation & Data Quality	Explain methods, estimation techniques, uncertainty and controls over climate-related data and metrics.	4.5 Methods, Data Sources & Estimation Approach; 4.8 Assumptions, Uncertainty & Changes from Prior Period; 11. Controls, Data & Assurance	25
Effective Date / Transition – IFRS S2 Appendix C	Disclose application period and any transition reliefs or phased adoption decisions.	4.3 Alignment with IFRS S2 and interoperability with TCFD/CDP; Forward-looking Statements & Limitations	8, 11, 42
Materiality & Connectivity (IFRS S1 & S2 link)	Explain how climate-related information is determined to be material and connected to general-purpose financial reporting.	4.7 Materiality and Connectivity of Information; 4.9 Cross-References to FY 2024–25 Public Disclosures	8, 43

TCFD Content Index



TCFD Pillar	TCFD Disclosure	CRA LTM 2026 Section(s)	Page No.
Governance	Describe the board's oversight of climate-related risks and opportunities	5.1 Board oversight of climate-related risks and opportunities	12
Governance	Describe management's role in assessing and managing climate-related risks and opportunities	5.2 Management's roles and responsibilities; 5.3 Integration into governance	12
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	3 Executive Summary; 6.2 Climate-related Risks and Opportunities; 6.3 Time Horizons and Triggers	3-4, 15-18
Strategy	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	3 Executive Summary; 6.1 Business Model and Value Chain Exposure; 6.4 Strategic Insights	3-4, 13, 18
Strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	4.5 Methods and estimation approach; 6.3 Time Horizons and Triggers; 6.4 Strategic Insights	9-11, 17-18
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	7.1 Processes to Identify, Assess, Prioritize, & Monitor Climate Risks	20
Risk Management	Describe the organization's processes for managing climate-related risks	7.1 Processes to Identify, Assess, Prioritize, & Monitor; 6.5 Strategic Recommendations	18-19
Risk Management	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	5.3 Integration into enterprise governance; 7.1.3 Integration with ERM	12, 23
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	8.1 Cross-Industry Climate Metrics; 8.2 Industry-Based Metrics (Software & IT Services)	25
Metrics & Targets	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	8.1 Cross-Industry Climate Metrics; 8.4 Use of Carbon Credits	25-26
Metric & Targets	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	8.3 Targets; 8.5 Performance Versus Targets	26
Cross-cutting (support)	Quantification of climate risks and opportunities (financial effects and scenarios)	9 Climate Risks & Opportunities Quantification	27
Cross-cutting (support)	Mitigation, adaptation roadmap and controls / assurance for climate-related disclosures	10 Recommended Mitigation & Adaptation Roadmap; 11 Controls, Data & Assurance	40-42

TNFD Content Index



TNFD Pillar	TNFD Disclosure	CRA LTM 2026 Section(s)	Page No.
Governance	Describe the Board's oversight of nature-related dependencies, impacts, risks and opportunities	5.1 Board oversight of climate-related risks and opportunities	12
Governance	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	5.2 Management's roles and responsibilities; 5.3 Integration into governance	12
Governance	Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	3 Executive Summary (community and stakeholder commitments); 5.1 Board oversight of climate-related risks and opportunities; 5.2 Management's roles and responsibilities; 5.3 Integration into governance; 10 Recommended Mitigation & Adaptation Roadmap (Supplier engagement and resilience integration)	4-7, 12, 40-41
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term	3 Executive Summary; 6.2 Climate-related Risks and Opportunities; 6.3 Time Horizons and Triggers	3-4, 15-18
Strategy	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	3 Executive Summary; 6.1 Business Model and Value Chain Exposure; 6.4 Strategic Insights	3-4, 13, 18
Strategy	Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios	4.5 Methods and estimation approach; 6.3 Time Horizons and Triggers; 6.4 Strategic Insights	9-11, 17-18
Strategy	Disclose the locations of assets and/ or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	4.2 Reporting Boundary, Entities Covered and Linkage to Financial Statements; 6.1 Business Model and Value Chain Exposure; Geographical Concentration of Risks and Opportunities; Supplier and Vendor Exposure; Downstream Value Chain and Clients	8, 13-16
Risk Management	Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations	7.1 Processes to Identify, Assess, Prioritize, and Monitor Climate Risks	20

Risk Management	Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	7.1 Processes to Identify, Assess, Prioritize, and Monitor; 6.5 Strategic Recommendations	18-19
Risk Management	Describe the organization's processes for monitoring nature-related dependencies, impacts, risks and opportunities	7.1 Processes to Identify, Assess, Prioritize, and Monitor; 6.5 Strategic Recommendations	18-19
Risk Management	Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes	5.3 Integration into enterprise governance; 7.1.3 Integration with ERM	12, 23
Metrics & Targets	Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	8.1 Cross-Industry Climate Metrics; 8.2 Industry-Based Metrics (Software & IT Services)	25
Metrics & Targets	Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature	8.1 Cross-Industry Climate Metrics; 8.4 Use of Carbon Credits	25-26
Metrics & Targets	Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	8.3 Targets; 8.5 Performance Versus Targets	26



Glossary



Abbreviation	Key Terms	Definition
AI	Artificial Intelligence	Algorithms and systems used for analytics/automation within digital services and climate solutions.
AR5 / AR6	Assessment Report 5 / 6	IPCC assessment cycles referenced for climate science and transition/economic assumptions.
ATB	Annual Technology Baseline	NREL dataset used as an input reference for technology cost/finance parameters.
BCMS	Business Continuity Management System	ISO-aligned system to plan, test and maintain organisational continuity during disruptions.
BCP	Business Continuity Plan	Site/service recovery plan covering response, remote-work salvage, failover, and restoration.
BRSR	Business Responsibility and Sustainability Reporting	India regulatory ESG disclosure referenced for data connectivity and assurance context.
BRSR Core	BRSR "Core"	Enhanced set of BRSR metrics (India) referenced as a tightening disclosure driver under transition risk.
CAPEX	Capital Expenditure	One-time investment spend (e.g., resilience upgrades) treated separately from recurring operating costs.
CBAM	Carbon Border Adjustment Mechanism	EU mechanism that may create downstream reporting/ cost pass-through pressures via client/supplier chains.
CDP	CDP (global environmental disclosure system)	Referenced as an input lens for transition-risk drivers and peer comparability.
CRA	Climate Risk Assessment	This report's enterprise-wide assessment of climate-related risks/opportunities and financial effects.
CRF	Capital Recovery Factor	Factor used to annualize resilience CAPEX into an equivalent annual cost using WACC and asset life.
CSO	Chief Sustainability Officer	Senior executive role referenced in leadership messaging and sustainability governance.
CSRD	Corporate Sustainability Reporting Directive	EU sustainability reporting directive referenced as a transition policy/legal driver.
CXO	CXO / C-suite executives	Senior leadership group referenced in enterprise governance and risk oversight forums.
ERM	Enterprise Risk Management	Enterprise risk framework into which climate risk and continuity processes are integrated.
ESG	Environmental, Social and Governance	Umbrella term for sustainability governance, risk, metrics, targets, and disclosures.
EU	European Union	Region referenced for transition regulation drivers (e.g., CSRD/CBAM).

Abbreviation	Key Terms	Definition
FY	Financial Year	Reporting period convention used throughout the report (e.g., FY 2024–25).
GHG	Greenhouse Gas(es)	Emissions that underpin climate transition metrics, targets, and carbon-cost stress testing.
GFDRR	Global Facility for Disaster Reduction and Recovery	World Bank-linked initiative associated with ThinkHazard! used in hazard screening.
IAR	Integrated Annual Report	LTM public report referenced for connectivity with financial/governance disclosures.
IEA	International Energy Agency	Source referenced for transition/energy-system context (e.g., World Energy Outlook).
IFRS	International Financial Reporting Standards	Reporting framework under which IFRS S1/S2 climate disclosure standards sit.
IFRS S1	IFRS S1 General Requirements	Standard setting general sustainability disclosure requirements (materiality/connectivity/reporting entity).
IFRS S2	IFRS S2 Climate-related Disclosures	Climate disclosure standard structuring this CRA (governance, strategy, risk management, metrics/ targets).
IPCC	Intergovernmental Panel on Climate Change	Scientific reference used for climate assumptions and supporting evidence.
ISSB	International Sustainability Standards Board	Standard setter for IFRS S1/S2; referenced for interoperability context.
IT	Information Technology	Digital infrastructure and services whose continuity and uptime are affected by climate disruption.
KPI	Key Performance Indicator	Metric used to monitor performance, implementation progress, and governance oversight.
LTM	LTM	Organization name used in this report.
NGFS	Network for Greening the Financial System	Scenario suite used for forward-looking physical and transition pathway analysis.
NREL	National Renewable Energy Laboratory	Source referenced for ATB inputs supporting finance/ technology assumptions.
OPEX	Operating Expenditure	Recurring operating costs (kept separate from CAPEX/ annualized CAPEX).
PPA	Power Purchase Agreement	Renewable electricity procurement mechanism referenced under transition levers.
RCP	Representative Concentration Pathway	Climate forcing pathway label used alongside scenarios (linked to warming trajectories).
REC	Renewable Energy Certificate	Instrument used to support renewable electricity claims/procurement strategies.
ROC	Risk Operating Committee	Management risk forum referenced in governance and escalation pathways.
SASB	Sustainability Accounting Standards Board	Basis for ISSB/IFRS S2 industry-based guidance referenced for Software & IT Services indicators.

Abbreviation	Key Terms	Definition
SLA	Service Level Agreement	Contractual service commitments; disruptions can lead to penalties and client impacts.
SR	Sustainability Report	Public sustainability disclosure referenced for performance context and data linkage.
SSP	Shared Socioeconomic Pathway	Socioeconomic storyline label used in scenario framing.
tCO_2e	tons of CO_2 equivalent	Standard unit for aggregating and reporting GHG emissions.
TCFD	Task Force on Climate-related Financial Disclosures	Legacy framework noted as interoperable with IFRS S2 structure and disclosures.
WACC	Weighted Average Cost of Capital	Cost of capital used in discounting/annualization logic and financing sensitivity framing.
WEO	World Energy Outlook	IEA publication referenced for energy/transition context.
WRI	World Resources Institute	Source organization for Aqueduct water risk analytics referenced in hazard screening.
	Acute physical risk	Event-driven hazards (e.g., cyclones, floods, extreme heat episodes) that can cause direct damage and disruption.
	Chronic physical risk	Long-term shifts (e.g., rising temperatures, sustained water stress) that progressively affect operations and resource needs.
	Consequence	Severity of impact when a risk event occurs (e.g., downtime, productivity loss, health & safety impacts, asset damage).
	Likelihood	Expected frequency/probability of a risk event occurring within the defined horizon.
	Physical risk	Risks arising from climate hazards, including both direct asset effects and indirect business disruption (continuity, workforce, IT/SLA).
	Transition risk	Risks arising from the shift to a low-carbon economy (policy/legal, technology, market, reputation, and liability drivers).
	Scenario analysis	Method used to test resilience and financial exposure under alternative plausible climate-policy futures.
	Orderly scenario	A pathway where policy tightening and market adjustment occur earlier and more predictably, reducing disruption risk.
	Disorderly scenario	A pathway where action is delayed then tightened abruptly, creating cost spikes and operational/market volatility.
	Baseline / Current policies	Reference case aligned to today's policy trajectory against which other scenario outcomes are compared.
	Annualized resilience investment	Converting one-time resilience CAPEX into an equivalent annual cost (e.g., via CRF) to compare against avoided losses and OPEX.



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