Mphasis
The Next Applied

Mphasis Task Force on
Climate-related Financial Disclosures
Report FY 2026–27

ENVIRONMENTAL STEWARDSHIP:

NAVIGATING THE GLOBAL CLIMATE TRANSITION

About Mphasis

At Mphasis, engineering has been in our DNA since inception. Mphasis is an AI-led, platform-driven company with human-in-the-loop intelligence, helping global enterprises modernize, infuse AI, and scale with agility. The Mphasis.ai unit and Mphasis AI-powered 'Tribes' are focused on client outcomes and embed artificial intelligence and autonomy into every layer of the enterprise technology and process stack. Mphasis built NeoIP™, a breakthrough AI platform that orchestrates a powerful pack of AI solutions and platforms to deliver impactful outcomes across the enterprise IT value chain, as we believe 'AI Without Intelligence Is Artificial™'. Mphasis NeoIP™ is powered by the Ontosphere, a dynamic and ever evolving knowledge base, delivering continuous and constant innovation through perpetual intelligent engineering—driving end-to end enterprise transformation. At the heart of our approach is customer-centricity—reflected in our proprietary Front2Back™ transformation framework, which uses the exponential power of cloud and cognitive to deliver hyper-personalized digital experiences ($C=X2C^{2}_{TM}=1$) and build strong relationships with marquee clients. Our Service Transformation solutions enable enterprises to pivot from legacy systems and operations to secure, adaptive, cloud-first operating models with minimal disruption. Continuous investments in platforms, such as the Neo series, enable enterprises to stay efficient, relevant, and ahead in a dynamic AI-first world. Mphasis is a Hi-Tech, Hi-Touch, Hi Trust company, rooted in a learning and growth culture.

Click here to know more. (BSE: 526299; NSE: MPHASIS)

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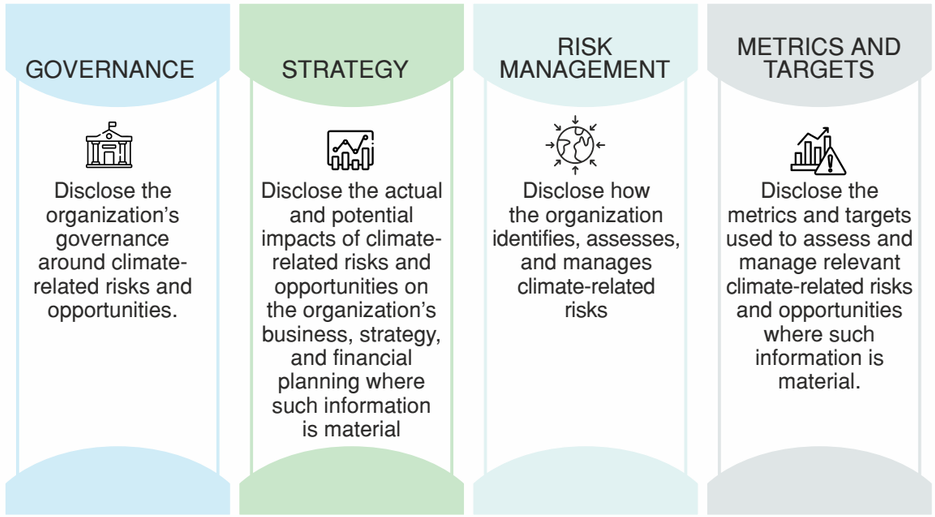
Executive Summary

Sustainability is not just a goal but a driver to shape our operations towards a low-carbon business model, enhance business resilience, and create stakeholder value. This report reflects our commitment to harmonizing environmental stewardship along with financial growth by enhancing our understanding of climate-related risks and opportunities, particularly those associated with weather/climatic shifts and global climate transition. This report is prepared based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework and is partially aligned with the IFRS S2 standard, underscoring our dedication to transparency, accountability, and continuous improvement in climate target setting, performance tracking, and data reporting.

Exhibit 1: Four pillars of TCFD



The report provides insights on our governance framework for climate strategy, potential climate-related risks to our assets (delivery centers and data centers) across the globe, robust risk management processes, and metrics and targets undertaken to drive sustainable business models.

We undertook a comprehensive climate risk assessment to understand our exposure to short-, medium, and long-term climate-related risks and opportunities and further strengthen our mitigation and adaptation plans.

We acknowledge that with climate change and global warming, climate risks present a unique and dynamic challenge to our organization, based on their non-linearity, geographic heterogeneity, and presence of potential localized amplifiers and mitigants impacting quantification and assessment of their impacts. In line with this commitment, we have conducted a climate risk assessment to evaluate our exposure to two key climate risks identified by the TCFD, namely physical and transition risks. The assessment covered our delivery centers/offices and data centers across the globe under different climate scenarios and time horizons.

About Mphasis Limited

Mphasis Limited (NSE: MPHASIS; BSE: 526299), incorporated in 1998 and headquartered in Bengaluru, Karnataka, India, is a publicly listed Indian multinational information technology service and consulting company and is among the leading contributors to India's digital ecosystem.

Our purpose is to be the "Driver in the Driverless Car" for Global Enterprises by applying next-generation design, architecture, and engineering services to deliver scalable and sustainable software and technology solutions. Customer centricity is foundational to us and is reflected in our Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide a hyper-personalized (C = X CTM = 1) digital experience to clients and their end customers. Our Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools; speed and innovation with domain expertise and specialization, combined with an integrated sustainability and purpose-led approach across its operations and solutions, are key to building strong relationships with marquee clients.

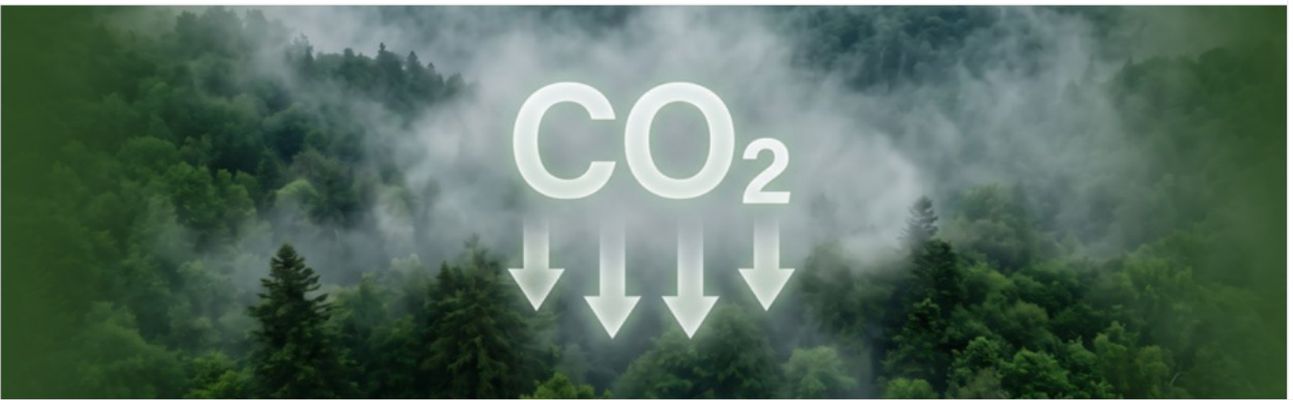
Climate Governance

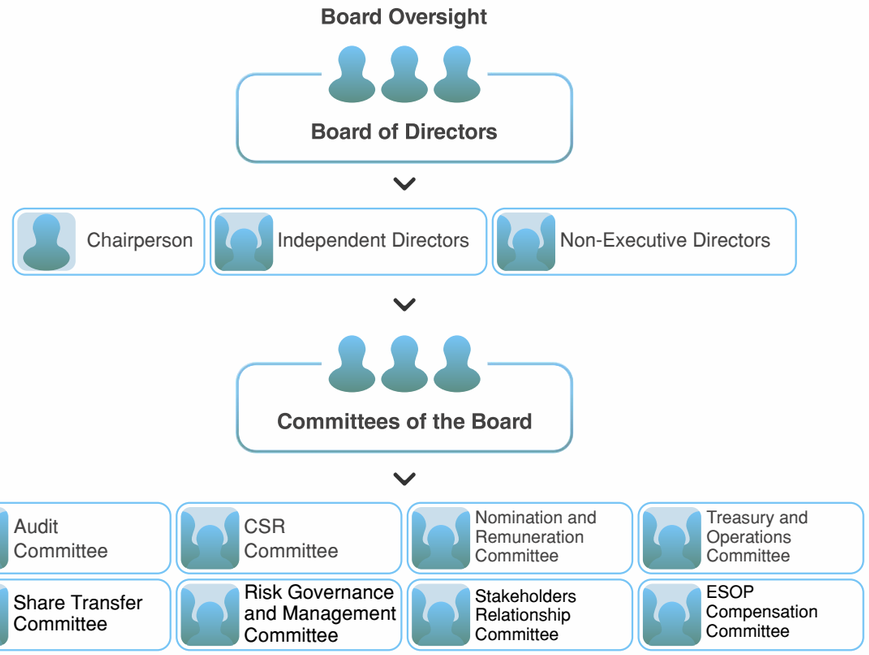
As responsible corporate citizens, we believe that the spirit of corporate governance is beyond statutory compliance, which aims to not only ensure compliance but also practice the highest standards of governance to meet the ethical, legal, economic, and social values, which are central to stakeholders' trust and confidence. Our governance practices are designed not only to meet regulatory requirements but also to exceed stakeholder expectations, fostering a culture of integrity, compliance, and long-term value creation. By embedding good governance principles into our corporate ethos, we continue to build trust, safeguard data privacy, and ensure responsible management of resources, positioning ourselves as a leader in sustainable business practices.

Board's Oversight of Climate-related Risks and Opportunities

At Mphasis, we have a multi-tiered governance framework to drive climate strategy. Our Board of Directors sets the tone for responsible leadership, oversees compliance, and ensures that ESG and climate-related priorities are embedded into our long-term strategy and risk management framework. By owning and guiding the sustainability agenda, the Board signals that ESG is central to how Mphasis creates value for stakeholders.

We treat climate change as a core business risk that requires governance at the highest levels. Our subcommittees of the Board—the Corporate Social Responsibility (CSR) Committee and the Risk Governance and Management Committee of the Board—are responsible for and driving ESG initiatives and climate strategy.





- **CSR Committee:** It is chaired by our Chairperson, an Independent Director and is responsible for overseeing the execution of Mphasis' ESG program, including climate strategy and the alignment of initiatives with broader corporate social responsibility (CSR) goals.
- **Risk Governance & Management Committee:** It is chaired by a Non-Executive Director and is responsible for overseeing climate change risks and opportunities and ensuring alignment with overall enterprise risk management processes.

These committees of the Board — CSR and Risk Governance and Management Committees — review and discuss the sustainability plans, ESG and climate-related risks, and their progress and impacts as part of the Board's agenda quarterly, semi-annually, or at least once every year

Management's Role in Assessing and Managing Climate-related Risks and Opportunities

For effective management, implementation, and monitoring of ESG-related initiatives, including climate strategy at the management level, a dedicated ESG Steering Committee headed by the Executive Vice President (EVP), General Counsel and Chief Compliance, Risk & Ethics Officer and assisted by Chief Human Resource Officer (CHRO) helps through the identification and monitoring of ESG risks and opportunities, including climate-related risks and opportunities.

At the operational level, we have functional working groups across our organization - CSR & ESG, company secretary, finance, chief information security office, procurement and real estate/leasing, tasked with embedding and accelerating ESG, decarbonization, climate strategy, etc., and they are responsible for the day-to-day execution and handling of these initiatives by facilitating cross-functional collaboration and implementation across our organization.

Exhibit 3: Management-level Sustainability Reporting Chain

ESG Team

Drives the integration of ESG goals into business operations, develops ESG roadmap and monitor progress against the targets. Headed by the Executive Vice President (EVP), General Counsel and Chief Compliance, Risk & Ethics Officer, and assisted by Chief Human Resources Officer (CHRO).

Functional Working Groups

Manages day-to-day ESG activities, track performance, ensures compliance, and convert sustainability plans into projects that deliver measurable impacts.

- CSR & ESG Team
- Company Secretary
- Chief Information Security Office
- Procurement and Real Estate/Leasing

Climate Strategy

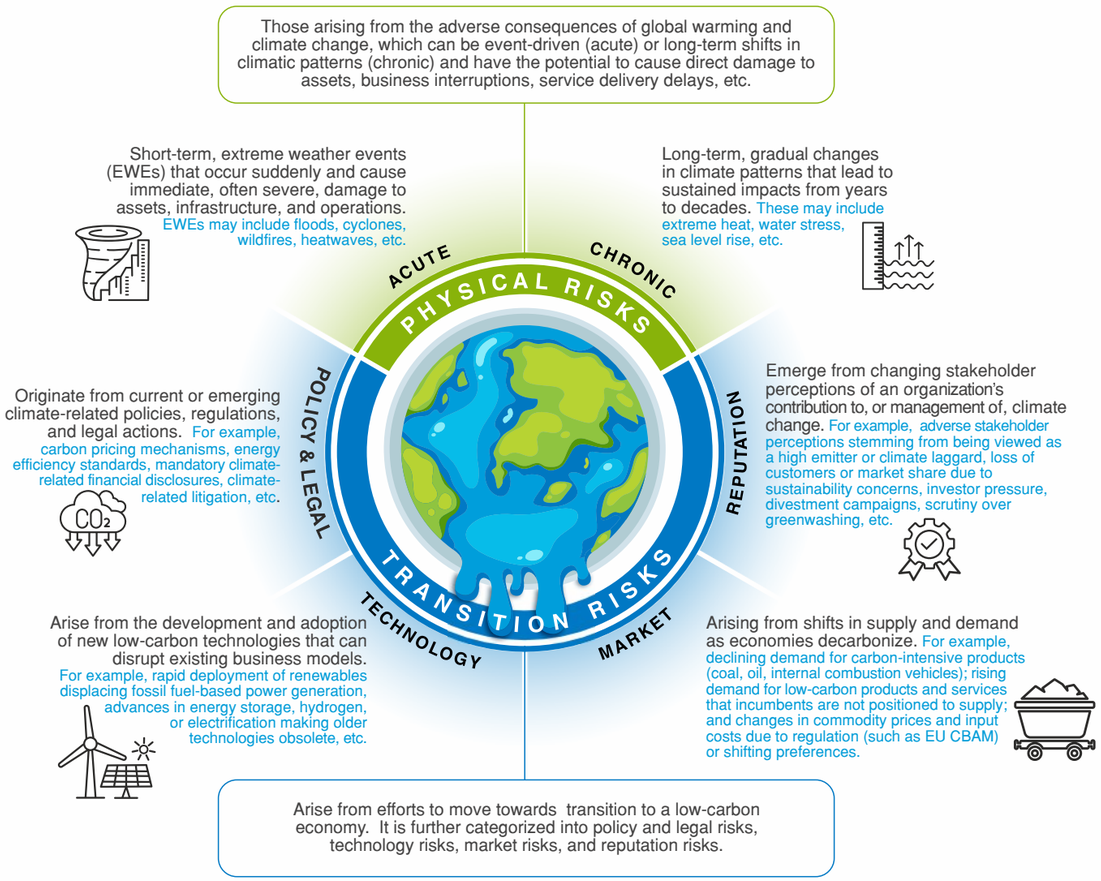
Overview

We undertook the climate risk assessment in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework and IFRS S2 standard to identify and assess the climate-related risks and opportunities relevant to our business. This assessment adopted a comprehensive and in-depth assessment through the incorporation of output from a proprietary tool, newer research findings, and an extensive review of external research and data sources to enhance our understanding of climate-related risks—physical risks and transition risks—over the short-, medium-, and long-term.

For each risk, we considered the potential impact (exposure and vulnerability) as well as the likelihood and timeframe for the risk to manifest under multiple integrated climate scenarios. Where possible, potential financial impacts were assessed at a high level

Exhibit 4: Overview of Climate Risks and Opportunities

The TCFD framework identifies two different types of climate-related risks, viz. **physical and transition risks**, along with climate-related opportunities.



Climate-related opportunities refer to the positive outcomes of actions taken to mitigate and adapt to climate change, encompassing efforts that include the adoption of low-emission energy sources, resource efficiency measures, development of sustainable products and services, newer market access and enhancing business resilience.

Forecast and Scenario Analysis

Scenario analysis helps us better understand and make strategic decisions in response to different plausible climate futures1. As the physical and transition risks differ in nature, we have used different scenarios for each type. For physical risk analysis, we have adopted the Shared Socioeconomic Pathway (SSPs) scenarios developed by Intergovernmental Panel on Climate Change (IPCC). For transition risk analysis, we have adopted the scenarios recommended from Network for Greening the Financial System (NGFS).

Exhibit 5: Overview of Climate Risks and Opportunities

	Physical Risk	Transition Risk
Low-Emissions Scenario	SSP 1-2.6	Orderly
Projected warming by 2100	~ 1.8°C	~ 1.4°C
Medium-Emissions Scenario	SSP 2-4.5	Disorderly
Projected warming by 2100	~2.7°C	~ 1.7°C
High-Emissions Scenario	SSP 5-8.5	Hot House world
Projected warming by 2100	~ 4.4°C	~ 3.0°C

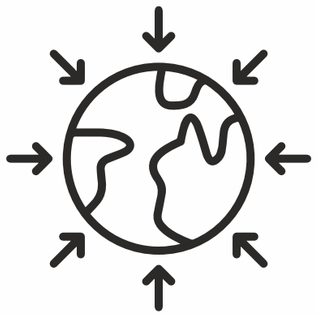
Climate-related scenario analysis involves assessing potential future developments under different climate scenarios. However, uncertainties and limitations in available data and scenario projections make this process complex, imprecise and subject to change particularly as public policy, technology, customer preferences and other factors continue to rapidly evolve. Thus, we aim to continuously evolve and update our analysis as new information, data and analytical tools become available.

Time horizons

Exhibit 5a: Overview of Climate Risks and Opportunities

We assessed the impact of climate-related risks across three different time horizons on our business operations.

Time Horizons	Physical Risk	Transition Risk
Short-term	2030	~ 1 year
Medium-term	2040	1-5 years
Long-term	2050	6+ years



Physical Climate-related Risks

TCFD Risk Category		Description	Risk level	Time horizons	Recovery and Adaptation Plans
Acute	Extreme Weather Events (EWEs)	Accelerating global warming and increasing frequency and intensity of extreme weather events (EWEs), such as urban floods, heatwaves, cyclones, and wildfires, may lead to business interruptions, service delivery delays, and can cause damage to infrastructure or property, etc.	Medium to High	Short to long-term	To mitigate the impacts of extreme weather events, we have located our critical assets, such as data centers and server rooms, on higher floors supplemented by waterproofing and backup power systems. To abate seasonal peaks of temperatures and heatwaves, we have ensured and deployed heating, ventilation, and air conditioning (HVAC) systems to maintain safe indoor temperatures during peak temperatures and power outages and have backup power systems across our facilities. Additionally, we also monitor indoor temperature and humidity level, especially in data center facilities. These measures are complemented through remote work enablement to ensure business continuity during extreme weather events (EWEs). We also monitor regularly the regional weather alerts and collaborate with local authorities and facility teams to enhance preparedness for EWE's emergencies. We also have a business continuity policy which mandates geographical spread for delivery teams over prescribed size so that business is not impacted due to regional conditions.
Chronic	Extreme Heat	Extreme heat could increase operating costs by enhancing the cooling needs and increasing the energy consumption to ensure processes and equipment operate efficiently.	High	Medium-to long-term	We are prioritizing the location of our offices and data center facilities across the assets that have energy-efficient building designs, incorporating passive cooling techniques, reflective roofing, and optimized insulation. We have deployed occupancy sensors, smart thermostats, and zoned cooling across dense seating areas and data center facilities.
	Water Stress	Water stress could lower efficiency of some of our processes, impact our operations, and increase our water procurement costs.	High	Medium-to long-term	To mitigate the water stress risks across our facilities, we are ensuring sustainable water sourcing and water reuse through wastewater recycling plants and installed low-flow fixtures. We also track our water consumption across the seasons and conduct periodic water audits and risk assessments to anticipate supply fluctuations and plan our requirements accordingly. We monitor rainfall patterns to anticipate supply shortfalls ahead of peak dry periods and maintain storage buffer capacity and alternate sourcing arrangements (tanker supply agreements, groundwater permits where applicable) at high-risk sites through coordination with local water authorities

Scope of the Physical Risk Assessment

We have undertaken the quantitative assessment and qualitative illustration of the physical risks of climate change for 14 critical assets, which include delivery centers/offices and data center facilities (deemed critical based on asset-wise annual revenue contribution, total content value, and employee strength) under SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5 scenarios for the short, medium, and long term in order to determine the risk levels (from lowest to highest level).

S. No.	Location Name	Asset Type	Location
1	Corporate Office	Office	Bangalore 560 093, Karnataka, India
2	Registered Office	Office	Bangalore, 560 048, Karnataka, India.
3	Bagmane Tech Park	Office	Bangalore, 560 093, Karnataka, India.
4	Bagmane World Technology Center (WTC)	Data Center	Bangalore, 560 048, Karnataka, India.
5	Global Village	Data Center	Bangalore, 560059, Karnataka, India
6	SEZ Pritech Park	Office	Bangalore, 560103, Karnataka, India
7	Delhi Land & Finance (DLF)	Office	Chennai, 600 089, Tamil Nadu, India
8	Mindspace	Office	Hyderabad, 500081, Telangana, India
9	Infinity	Data Center	Mumbai, 400097, Maharashtra, India
10	Cybercity	Data Center	Pune, 411013, Maharashtra, India
11	EON	Data Center	Pune, 411 014, Maharashtra, India
12	Alberta	Office	Calgary, Alberta, Canada
13	Jacksonville	Office	Jacksonville, Florida, 32256, USA
14	London	Office	London, UK

Critical asset-wise analysis outcome

Bengaluru Metropolitan Region (excluding Bengaluru South)

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest
Cold waves	Highest	Medium	High	Medium	Highest	Medium	High	Low	Highest	High	Medium	Lowest
Wildfire	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest
Flood	Medium	Medium	High	High	Medium	Medium	High	High	Medium	Medium	High	High
Wind/cyclone	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High
Extreme heat	High	High	High	High	High	High	High	High	High	High	High	High
Heat waves	Low	Low	Low	Medium	Low	Low	Low	Medium	Lowest	Low	Low	Medium
Water stress	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium

LEGEND: Lowest | Low | Medium | High | Highest

We have 4-critical assets located in the Bengaluru Metropolitan Region (excluding Bengaluru South) – Corporate Office, Registered Office, Bagmane Tech Park, and WTC, which are predominantly exposed to physical climate risks associated with extreme heat, and water stress across all time horizons and under all climate scenarios, exposed to floods in medium and long-term under all scenarios and exposed to winds in long-term under SSP 5-8.5 scenario.

Bengaluru South

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest
Cold waves	Highest	Medium	High	Medium	Highest	Medium	High	Low	Highest	High	Medium	Lowest
Wildfire	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest
Flood	Medium	Medium	High	High	Medium	Medium	High	High	Medium	Medium	High	High
Wind/cyclone	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Extreme heat	High	High	High	High	High	High	High	High	High	High	High	High
Heat waves	Low	Low	Low	Medium	Low	Low	Low	Medium	Lowest	Low	Low	Medium
Water stress	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium

LEGEND: Lowest | Low | Medium | High | Highest

We have 2 critical assets located in Bengaluru South – Global Village and GTV, which are predominantly exposed to physical climate risks associated with extreme heat, across all time horizons and under all climate scenarios and exposed to floods in medium and long-term under all scenarios.

DLF

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest
Cold waves	Medium	Low	Lowest	Lowest	Medium	Lowest	Lowest	Lowest	Medium	Low	Lowest	Lowest
Wildfire	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest	Lowest
Flood	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest
Wind/cyclone	High	High	High	High	High	High	High	High	High	High	High	High
Extreme heat	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest
Heat waves	Medium	Medium	High	High	Medium	Medium	Medium	High	Low	Medium	Medium	Highest
Water stress	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest	Highest

LEGEND: Lowest | Low | Medium | High | Highest

Our asset – DLF is located in Manapakkam, Chennai, Tamil Nadu, India, which is predominantly exposed to physical climate risks associated with extreme heat, floods, wind and cyclone-related events, and water stress across all time horizons and under all climate scenarios and exposed to occurrence of heatwaves in long-term under all scenarios.

Mindspace

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold												
Cold waves												
Wildfire												
Flood												
Wind/cyclone												
Extreme heat												
Heat waves												
Water stress												

LEGEND: Lowest | Low | Medium | High | Highest

Our asset – Mindspace is located in Cyberabad, Mindspace, Hyderabad, Telangana, India, which is predominantly exposed to physical climate risks associated with extreme heat, floods, and water stress across all time horizons and under all climate scenarios and exposed to wind and cyclone-related events in long-term under all scenarios, and exposed to occurrence of heatwaves in long-term under SSP 5-8.5 scenarios.

Infinity

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold												
Cold waves												
Wildfire												
Flood												
Wind/cyclone												
Extreme heat												
Heat waves												
Water stress												

LEGEND: Lowest | Low | Medium | High | Highest

Our asset – Infinity is located in Malad East, Mumbai, Maharashtra, India, which is predominantly exposed to physical climate risks associated with extreme heat, floods, and wind and cyclone-related events across all time horizons and under all climate scenarios and exposed to occurrence of heatwaves in long-term under SSP 5-8.5 scenarios.

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Pune

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold												
Cold waves												
Wildfire												
Flood												
Wind/cyclone												
Extreme heat												
Heat waves												
Water stress												

LEGEND: Lowest | Low | Medium | High | Highest

We have 2 critical assets located in Pune – Cybercity, and EON, which are predominantly exposed to physical climate risks associated with extreme heat, floods, and wind and water stress across all time horizons and under all climate scenarios.

Alberta

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold												
Cold waves												
Wildfire												
Flood												
Wind/cyclone												
Extreme heat												
Heat waves												
Water stress												

LEGEND: Lowest | Low | Medium | High | Highest

Our asset – Alberta is located in Calgary, Alberta, Canada, which is predominantly exposed to physical climate risks associated with extreme cold, and water stress across all time horizons and under all climate scenarios and exposed to occurrence of heat waves in long-term under SSP 5-8.5 scenario.

Jacksonville

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold												
Cold waves												
Wildfire												
Flood												
Wind/cyclone												
Extreme heat												
Heat waves												
Water stress												

LEGEND: Lowest | Low | Medium | High | Highest

LowestLowMediumHighHighestOur asset – Jacksonville is located in Florida, USA, which is predominantly exposed to physical climate risks associated with floods, extreme heat, and water stress across all time horizons and under all climate scenarios and exposed to occurrence of heat waves in long-term under SSP 5-8.5 scenario.

London

Climate Risks	SSP 1-2.6				SSP 2-4.5				SSP 5-8.5			
	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term	Base -line	Short -term	Medium -term	Long -term
Extreme cold												
Cold waves												
Wildfire												
Flood												
Wind/cyclone												
Extreme heat												
Heat waves												
Water stress												

LEGEND: Lowest | Low | Medium | High | Highest

One of our asset is located in London, the United Kingdom, which is predominantly exposed to physical climate risks associated with water stress across all time horizons and under all climate scenarios.

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Transition Climate-related Risks

These risks pose a critical threat to our business operations and strategic planning. As climate change is taking a central stage, numerous governments across the globe are implementing policies on climate mitigation and adaptation, net zero targets, and ESG regulations, which are crucial in shaping our strategy in the jurisdiction where we operate.

Across the landscape of transition risks encompassing policy, technology, market, and reputation, we are vulnerable to a host of risks. As the information technology (IT) sector progresses towards lower-carbon, more sustainable offerings and services, and sustainability is becoming a centerpiece for investors and customers, we are determined to keep our product offerings and operations in line with market and customer expectations.

TCFD Risk Category		Description	Risk level	Time horizons	Risk Mitigation
Policy and legal risks	Tightening carbon regulations (direct cost)	As we operate and function in the IT sector, we rely on electricity for our business operations and have direct exposure, especially through purchased electricity (Scope 2) across offices and data centers. Thus, increased energy costs could translate into higher facility OPEX and reduce operating margins, particularly if costs cannot be passed through to clients.	High	Medium-term	We already have 58.58% renewable share with a target of achieving ~90% renewable share in our energy mix by 2030. Furthermore, we are undertaking accelerated Scope 1+2 emissions reduction through scaling of renewable energy and efficiency.
	Tightening carbon regulations (indirect cost)	We have high indirect exposure to indirect cost from our supply chain because Scope 3 dominates our GHG emission profile and includes cloud/ software subscriptions, subcontracting, and other purchased services. We acknowledge that this may increase vendor and service costs, and raise the overall cost of IT service delivery, putting pressure on margins if not fully passed on to clients through pricing adjustments.	High	Medium-term	We have a supplier governance mechanism in place (ESG screening + assessments), and a roadmap toward supplier engagement for Scope 3 intensity reduction under the science-based targets initiative (SBTi) pathway.
	Multi-jurisdictional climate disclosures	We face increasing climate-related disclosure expectations across stakeholders, including assurance-ready data and Scope 3 transparency. Thus, we anticipate higher compliance costs and resource allocation toward ESG systems, and an increase in operating expenses, with limited direct revenue offset.	High	Short and Medium-term	We are already using structured ESG reporting and third-party assurance practices for non-financial information. We are further progressing on the double materiality assessment and SBTi alignment which increase reporting robustness but also expand data needs.
Techno-logy risks	AI-driven energy demand	The scaling of artificial intelligence (AI) can increase compute intensity, raising electricity demand and associated costs across offices/data centres and cloud ecosystems. This can lead to higher operating costs and potential margin pressure if not offset by efficiency gains.	High	Medium-term	We have energy management initiatives in place (including data center optimization/consolidation) and a growing renewable energy share. We are undertaking SBTi-aligned reduction trajectories which require efficiency gains to keep pace with AI- driven demand growth.

Market risks	Rising customer demand driving sustainable business solutions	We acknowledge that procurement-related expectations are increasingly linking vendor selection to ESG performance and low-carbon delivery credibility. We anticipate that mitigating this risk can help us to capture new revenue streams and improve competitiveness, while failure to do so can lead to revenue loss and reduced deal wins.	Medium	Medium-term	We have a Sustainability Services portfolio and operational efficiency initiatives that can be positioned to deliver client value. Additionally, strengthening SBTi alignment and quantifiable climate metrics supports differentiation in RFPs.
Reputational risks	Failure to meet sustainability commitments	Public commitments to ESG and net zero and disclosures, and external ratings enhance scrutiny. Additionally, Scope 3 greenhouse gas (GHG) emission dependency heightens execution risk. We acknowledge that failure to meet these commitments may result in reputation risk and hence impacting revenue, deal wins, investor confidence and ESG ratings.	High	Medium-term	We have set climate targets (including carbon neutrality ambitions), growing renewable energy share, and assurance/governance mechanisms. Going ahead, we are undertaking the process of setting SBTi targets, creating a clearer pathway and milestones, which will improve credibility if executed.

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Risk Management

Our Enterprise Risk Management (ERM) program ensures that we abide by the regulatory expectations and fulfill the client requirements consistently in an environment defined by complexity and change. We have a clearly defined governance and management framework that makes risk ownership and oversight part of day-to-day business operations. The risks we manage span beyond financial and operational categories; they extend to cybersecurity threats, talent dependencies, third-party relationships, and the resilience of our delivery models, including climate risks and opportunities. Thus, by embedding a robust risk management mechanism in every function, it strengthens our operational resilience and positions us to scale responsibly in an environment where risks evolve as quickly as technology itself.

Scope of the Physical Risk Assessment

Climate Risk Management Framework (within ERM)

To discover, monitor, mitigate, and minimize risks, we have a strong and robust risk management framework that also identifies business opportunities. This framework is comprehensive, ensuring adequate escalation channels to elevate issues to the appropriate levels of senior management. With respect to embedding climate risk into our ERM, we entail refining and enlarging the scope of climate risk assessment with a biennial review cycle, continuous engagement with vendors and trade associations, collaboration with experts, continuous monitoring of regulatory changes and technological advancements related to climate, and material ESG disclosures globally.

We conduct a comprehensive Climate Risk Assessment (CRA), which enabled us to identify and assess risks and plan our mitigation measures. The CRA is conducted in three parts.

Risk Identification

Our risk identification process for climate-related risks involves two steps:

1. **Internal engagement across teams:** At Mphasis, the functional groups of the CSR Committee and Risk Governance and Management Committee of the Board hold regular meetings to assess our enterprise risks, including climate-related risks.

2. **Climate Risk Assessment (CRA):** The process starts with a discussion involving senior leadership and key management personnel (KMPs) on potential encountering of climate risks over the business operations, along with their associated responses. With this documented, we expand our study using climate scenario analysis to understand the probability of future risks across our delivery centers/offices and data centers across the globe. We access climate projection databases to project the physical risks for each of our assets. For identifying transition risks to our business, we conduct thorough secondary research, including examination of industry reports, press and journal articles, peer disclosures, and trend analysis in the industry. For climate scenario analysis, we identified 3 scenarios each for physical and transition risks as suggested by the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS).

Risk assessment

Through our climate scenario analysis methodology, we assess all identified risks and opportunities. We narrow down the actionable items and create strategic mitigation plans after determining the possible effects of each risk and opportunity. As a result of this exercise, we are able to envision the potential impact (both risks and opportunities) of climate-related events on our assets and business operations.

Risk Mitigation

As a final step of this exercise, we have undertaken mitigation measures and adaptation initiatives to handle each risk and opportunity. Furthermore, we focus on establishing quantitative goals that will allow us to track our short-, medium-, and long-term success on climate strategy. Additionally, we engage in strategic partnerships, investing in research and adopting adaptive measures through which we proactively manage these risks. In tandem, we are strengthening our internal mechanism on mitigation and adaptation at an organizational level to improve our understanding of physical climate risks by undertaking composite climate risk scoring.

Processes for Managing Climate-Related Risks

Our management process for climate-related risks follows a disciplined step-by-step approach, aligning with our commitment to continuously evolve and advance our climate strategy.

1. **Integration with Enterprise Risk Management (ERM)**
   Climate and ESG risks are embedded in our ERM risk register, ensuring high visibility in the discussions of the Board Committees and providing clarity on their interaction with other enterprise risks. Additionally, cross-functional mapping across functional groups ensures that appropriate investments and mitigation controls are implemented.

2. **Monitoring and Reporting**
   We continuously monitor our progress made on various ESG goals and initiatives, covering climate, energy, and water consumption, which is consistently tracked using Key Risk Indicators (KRIs). Results and progress made are reported internally by the ESG team to the Steering Committee? CSR Committee and Risk Governance and Management Committee of the Board. Reporting is also conducted to ensure transparency and regulatory compliance for external stakeholders.

Integration into Organization's Overall Risk Management

We incorporate material ESG risks, including climate-related risks, into our enterprise risk management (ERM) framework, which is benchmarked to the COSO ERM framework, adheres to the ISO 31000 Risk Management Standard and complies with the Indian Companies Act, 2013, and Securities and Exchange Board of India (SEBI) directives. Given the dynamic nature of climate risks, a dedicated focus allows us to fully comprehend, mitigate, and capitalize on these risks while maintaining robust overall risk management. We have embedded the ESG and climate risks within the ERM risk register and assessed them using methodologies aligned with the broader risk management programme. This ensures that climate-related risks are evaluated alongside other enterprise risks, aiding risk treatment actions, ensuring consistent visibility, accountability, and strategic alignment across the organization. Furthermore, climate-related risks are overseen through established governance structures, with oversight of committees of the Board and senior management responsible for the execution.

Metrics and Targets

Climate-related operational metrics and targets

We recognize that meaningful climate action requires more than ambition; it requires a structured, science-aligned, and data-led approach to reducing emissions, strengthening operational efficiency, and supporting the transition to a low-carbon economy. As part of our ESG and sustainability journey, we have undertaken several targets across different time horizons. As part of our TCFD disclosures, we have highlighted the environment and climate-related targets and progress.

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Metrics	Our progress and targets
Science Based Targets initiative (SBTi) 	In FY 2026-27, we have submitted our emissions reduction targets to be validated by the Science Based Targets initiative (SBTi), strengthening our commitment to advance science-aligned climate action. Under the submission we have considered base year as FY2024-25, with near-term target by FY2035, and net zero target by FY2050. The proposed pathway applies the absolute contraction approach for Scope 1 and Scope 2 emissions, aligned with the global ambition to limit warming to 1.5 C, while Scope 3 is addressed through an economic intensity and supplier engagement-led approach, reflecting the nature of our business and the significance of indirect emissions in our overall footprint.
Decarbonization 	Our decarbonization strategy is anchored on reducing emissions from our own operations while progressively strengthening our influence across the value chain. Given that electricity-related emissions form the majority of our Scope 1 and Scope 2 footprint, Scope 2 decarbonization remains central to our climate strategy. Our approach focuses on improving energy efficiency, increasing the share of renewable electricity, optimizing infrastructure, and adopting lower-emission technologies across offices and data centres. Furthermore, we continue to pursue its commitment to become carbon neutral for facilities and operations by 2035. For the purpose of the carbon neutral strategy, this commitment is interpreted as covering Scope 1 and Scope 2 emissions. The decarbonization levers identified include energy efficiency improvements, phased renewable electricity adoption through mechanisms such as iRECs and green tariffs, refrigerant transition, transition of fire extinguisher systems to lower-emission alternatives, electric vehicle transition for company-owned vehicles, and the use of carbon credits for residual emissions. Looking ahead, we continue to strengthen our decarbonization roadmap through disciplined emissions monitoring, energy efficiency measures, renewable energy procurement, supplier engagement, and integration of climate considerations into business planning.
Waste management 	In FY 2025-26, we generated 184.55 tonnes of total waste, compared with 198.43 tonnes in FY 2024-25. Of this, 124.40 tonnes were recycled, reused, or sold, while 50.70 tonnes were disposed. Waste streams included 87.64 tonnes of paper and food waste, 51.17 tonnes of non-hazardous waste, and 45.73 tonnes of hazardous waste. Recovery operations in FY 2025-26 included 19.13 tonnes of hazardous waste recycled offsite and 86.78 tonnes of non-hazardous waste recycled offsite. Waste directed to disposal included 2.06 tonnes of hazardous waste through incineration without energy recovery and 48.62 tonnes of non-hazardous waste through landfilling. The approach which we adopt focuses on reducing waste at source, improving segregation, promoting reuse and recycling, and ensuring that all regulated waste streams are managed through authorized channels. Across our facilities, waste is segregated into categories such as food waste, paper waste, hazardous waste, e-waste, and battery waste. This enables more efficient handling, responsible disposal, and improved recovery of materials wherever feasible. In pursuit of adopting the circular economy approach, we continue to work with authorized recyclers and waste management partners to ensure that waste is processed in accordance with applicable environmental regulations. E-waste, batteries, and other hazardous waste streams are disposed of through State Pollution Control Board-authorized recyclers and vendors, helping ensure safe and compliant end-of-life management. Construction debris, wherever generated, is also disposed of through authorized channels in accordance with applicable regulatory requirements.
Water stewardship 	In FY 2025-26, we had total water consumption across our facilities of 96,775 kL and water discharge of 96,775 kL with 100% data coverage for both indicators. Across our facilities, we have installed water aerators at restroom locations to reduce water flow without affecting user experience. We also promote the use of recycled and treated water wherever feasible. Treated water from in-house effluent treatment plants and building-level treatment systems is used for non-potable applications such as flushing, gardening, and landscape maintenance, thereby reducing reliance on freshwater sources. Furthermore, employee awareness remains an important part of our water conservation efforts. As part of our ESG awareness and engagement initiatives, we continue to communicate the importance of responsible water use through internal campaigns and observances such as World Water Day and World Ocean Day. Water-saving posters and awareness messages across facilities further encourage mindful consumption and reinforce sustainable workplace practices.

GHG emissions profile

For FY 2025-26, the total Scope 1 greenhouse gas (GHG) emissions (stationary combustion + fugitive emissions + mobile combustion) is 1,427.04 tCO2eq and the total Scope 2 GHG emissions (grid electricity at office + electricity from diesel generator sets + electricity at data centre) is 7,316.02 tCO2eq, and the total Scope 3 GHG emissions is 54,268.21 tCO2eq.

Emission Category	Total emission (tCO2eq)	Share of total (%)
Scope 1	1,427.04	2.26%
Scope 2	7,316.02	11.61 %
Scope 3	54,268.21	86.12%
Total	**63,011.27**	**100.00 %**

Scope 3 emission Categories			
Emission category	**Emission category name**	**Total emission (tCO2eq)**	**Share of total Scope 3 emissions (%)**
Category 1	Purchased goods and services	24,095.13	44.40 %
Category 2	Capital goods	2,674.56	4.93 %
Category 3	Fuel and energy related activities	3,632.95	6.69 %
Category 4	Upstream transportation and distribution	130.63	0.24 %
Category 5	Waste management	30.84	0.06 %
Category 6	Business travel	7,996.61	14.74 %
Category 7	Employee commute to office	12,364.30	22.78 %
Category 8	Upstream leased assets	3,343.20	6.16 %
Total Scope 3		**54,268.21**	**100.00 %**

Additional climate-related disclosures

As a top 1000 listed company in India, we comply with the Securities and Exchange Board of India (SEBI)'s Business Responsibility and Sustainability Reporting (BRSR) mandate.

We have been a signatory to the CDP (formerly Carbon Disclosure Project) since 2022 and provide an annual response. We have undertaken Dow Jones Sustainability Indices (DJSI) reporting since 2019

Additionally, we have declared all our sustainability-linked targets, initiatives and goals in our ESG Report 2026.

Information on our ESG journey and reporting is available on our website.

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Conclusion

In conclusion, we are committed to addressing and enhancing our resilience towards climate-related risks and continuously developing governance mechanisms to address ESG and climate-related issues aligning with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), IFRS S2 (Climate-related), and other material climate and ESG disclosures. By fostering effective governance, robust risk management, and transparent reporting, we aim to navigate the complexities of climate change while contributing positively towards a sustainable future.