

Firm Name: Wachtell, Lipton, Rosen & Katz

Report Date: December 2025 (first biennial report, covering FY 2024)

Next Report Due: December 2027

Executive Summary

Wachtell, Lipton, Rosen & Katz (WLRK) is committed to transparency regarding climate related financial risks. Pursuant to California's Climate-Related Financial Risk Act HSC 38533, this biennial report discloses the Firm's climate-related governance, strategy, risk management, and metrics & targets, and outlines actions taken to mitigate and adapt to such risks, following the Task Force on Climate-related Disclosure (TCFD) framework. With approval from the Firm's Executive Committee, this report has been compiled by Senior Management of the Firm.

The Company is an asset-light professional services partnership headquartered in New York City. Our operations occupy approximately ten floors (250,000 square feet of space) within a single office building, two small allocations of rack space at two separate data centers that serve production and back up IT processing, and the size of our workforce has remained stable for more than twenty years. We provide advisory and consulting services that rely primarily on professional expertise rather than physical assets, manufacturing, or supply-chain activities.

Accordingly, the Company's direct exposure to climate-related financial risk is limited. However, consistent with SB 261, we have undertaken a qualitative assessment of both physical and transition risks, potential financial implications, and measures to manage and mitigate such risks.

2. Governance

Oversight of climate-related financial risk resides with senior management within the Company's enterprise-risk-management framework. Climate and environmental factors are evaluated alongside operational, regulatory, and market risks.

The Executive Committee (which has all oversight and policy setting authority at WLRK) receives updates when appropriate regarding emerging regulatory developments—including those under CARB (California Air Resources Board) and other relevant authorities—and ensures that appropriate risk-mitigation and disclosure processes are in place.

3. Strategy and Risk Assessment

a. Physical Risks

The principal physical risks potentially affecting the Company relate to localized weather events in the New York metropolitan area (e.g., flooding, severe storms, or extreme heat) that could temporarily restrict access to our office facility or disrupt utilities.

The Firm has a diverse and varying client list, therefore a climate related issue occurring in a particular region or impacting an individual client would have minimal impact to the Firm's cashflows or ability to continue generating revenue.

Due to our experiences with the COVID-19 pandemic, the Firm has demonstrated that business operations can continue uninterrupted both in the short term and into long term situations (multiple years long, if necessary). We believe any physical risks from a climate related issue can be dealt with and not have a significant impact to our business operations.

We consider these risks manageable because:

- All employees are equipped to work effectively and securely from remote locations.
- Business-continuity and data-recovery systems ensure uninterrupted client service; and
- Our landlord maintains robust building resilience and emergency-preparedness measures.

As a result, no material financial exposure has been identified from physical climate risk. Therefore, no scenarios have been formally assessed from a financial perspective.

General statement on scenario analyses:

Given the limited scope of our operations, we do not believe that performing detailed quantitative scenario analyses under low- and high-carbon scenarios would yield meaningful insights. Our company leases office space in a single building and leases a modest footprint in two data centers; our business model is not asset intensive. In the event of physical or transition risks related to climate change, our continuity plan primarily relies on remote work, which can be sustained if employees have access to essential infrastructure—specifically internet, and phone services. While large-scale disruptions to telecom or cloud infrastructure could affect our ability to operate, those risks are more appropriately modeled and managed by the telecommunications and infrastructure providers themselves. Accordingly, we view our exposure as indirect and believe that extensive scenario analysis would not be proportionate to our size, operational complexity, or risk profile.

b. Transition Risks

Transition risks—stemming from evolving climate policy, carbon regulation, or market expectations—are immaterial to our core business model. Our operations are office-based, and greenhouse-gas emissions arise almost entirely from purchased utilities.

Potential policy changes may marginally influence reporting requirements or administrative costs but are not expected to alter profitability, liquidity, or capital allocation.

c. Climate-Related Opportunities

The Company views potential opportunities in the growing demand for sustainability-related advisory and reporting services among our clients. These opportunities may enhance revenue modestly but do not require strategic or capital adjustments.

4. Risk Management

Climate-related risks are integrated into our overall risk-management program. The CFO as part of the annual budget process conducts periodic reviews of:

- Facility resilience and remote-work capabilities;
- Energy consumption and efficiency opportunities within leased office space; and
- Regulatory and market developments that could affect compliance obligations.

Insurance coverage and business-continuity planning are maintained to mitigate potential financial losses associated with climate-related events.

5. Metrics and Targets

Given our limited emissions profile, the Company's key environmental metric is energy usage in our leased office space (Scope 2 emissions). Scope 1 emissions are

negligible. We collaborate with building management to promote efficient operations and responsible waste management.

At present, the Company has not established formal quantitative climate targets, as emissions are not material to our financial performance. We will reassess this position if operations expand or regulations change. We will evaluate our needs on at least an annual basis.

6. Financial Impacts and Outlook

Based on the CFO's assessment, no significant near- or medium-term financial risks are expected from climate-related factors. We have determined that:

- No material impairment, asset revaluation, or insurance-cost increase is anticipated;
- Operational continuity can be maintained through remote-work flexibility; and
- Any incremental compliance or reporting costs under evolving regulation are expected to be minor and absorbed within existing budgets.

7. Measures to Reduce or Adapt to Climate-Related Financial Risk

To maintain preparedness and compliance, the Company will:

- Continue to monitor CARB and other climate-disclosure developments;
- Periodically review facility resilience and emergency plans;
- Support employees' ability to operate remotely during climate-related or other types of disruptions; and
- Identify and pursue low-carbon efficiency measures where feasible within our leased space.

8. Conclusion

Consistent with SB 261 and TCFD principles, the Company has evaluated the potential financial effects of climate-related risks and opportunities on its operations, strategy, and planning. Based on current data and business conditions, climate-related risks are deemed to be not significant and not expected to materially affect the Company's financial results or business continuity.

We remain committed to an annual review and transparent disclosure as part of responsible risk governance.