Impact ANALYSIS
Risks and Opportunities

FY 2024-25

TECH mahindra

Climate Risks and Opportunities

Impact analysis – Risks

TECH mahindra

Revenue (FY 2024-25)	(USD) $ 6,264,000,000

Risk Identifier	Risk type	Potential Financial Impact (Min)	Potential Financial Impact (Max)	Potential Financial Impact (Avg.)	Financial Impact / Revenue (%) (A)	CASE 1: Risk Measure (Financial Impact)	CASE 2: Risk Measure (% Impact)	Risk Impact Status	Likelihood	Avg. Likelihood % (B)	Exposure (A*B)	Magnitude of Impact
Risk 1	Acute physical	$ 8,63,619.15	$ 9,54,526.43	$ 9,09,072.79	0.0145%	Insignificant	Insignificant	Insignificant	Most Probable	90.00%	0.0131%	Low
Risk 2	Chronic physical	$ 37,21,285.36	$ 41,12,999.60	$ 39,17,142.48	0.0625%	Minor	Insignificant	Insignificant	Probable	70.00%	0.0438%	Low
Risk 3	Market	$ 2,00,25,310.19	$ 2,21,33,237.57	$ 2,10,79,273.88	0.3365%	Severe	Minor	Minor	Probable	70.00%	0.2356%	Medium-low
Risk 4	Emerging regulation	$ 31,76,681.25	$ 35,11,068.75	$ 33,43,875.00	0.0534%	Minor	Insignificant	Insignificant	Possible	50.00%	0.0267%	Low

Impact analysis – Opportunities

Revenue (FY 2024-25)   (USD) $ 6,264,000,000

Identifier	Type of opportunity	Potential Financial Impact (Min)	Potential Financial Impact (Max)	Potential Financial Impact (Avg.)	Financial Impact / Revenue (%) (A)	CASE 1: Risk Measure (Financial Impact)	CASE 2: Risk Measure (% Impact)	Opportunity Impact Status	Likelihood	Avg. Likelihood % (B)	Realisation (A*B)	Magnitude of Impact
Opp1	Products and services	$ 82,78,402.60	$ 91,49,813.40	$ 87,14,108.00	0.1391%	Moderate	Insignificant	Moderate	Possible	50.00%	0.0696%	Low
Opp2	Energy source – RE	$ 4,94,259.91	$ 16,51,550.43	$ 15,72,905.17	0.0251%	Insignificant	Insignificant	Insignificant	Possible	50.00%	0.0126%	Low
Opp3	Energy source – Energy efficiency	$ 17,08,090.46	$ 18,87,889.46	$ 17,97,989.96	0.0287%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0201%	Low

Water Risks and Opportunities

Impact analysis – Risks

Revenue (FY 2024-25)   (USD) $ 6,264,000,000

Country/Area	River Basin	Location	Type of risk	Potential Financial Impact (Min)	Potential Financial Impact (Max)	Potential Financial Impact (Avg.)	Financial Impact / Revenue (%) (A)	CASE 1: Risk Measure (Financial Impact)	CASE 2: Risk Measure (% Impact)	Risk Impact Status	Likelihood	Avg. Likelihood % (B)	Exposure (A*B)	Mag. of Impact
India	Ganges - Bramaputra	Noida	Regulatory	$ 39,514.05	$ 43,673.43	$ 41,593.74	0.0007%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0005%	Low
India	Godavari	Nagpur	Chronic physical	$ 1,935.28	$ 2,139.00	$ 2,037.14	0.0000%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0000%	Low
India	Krishna	Hyderabad	Chronic physical	$ 2,03,310.07	$ 2,24,711.13	$ 2,14,010.60	0.0034%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0024%	Low
India	Pune	Pune	Chronic physical	$ 7,615.29	$ 8,416.89	$ 8,016.09	0.0001%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0001%	Low
India	India East Coast	Chennai	Acute physical	$ 38,446.53	$ 42,493.53	$ 40,470.03	0.0006%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0005%	Low
India	India East Coast	Bengaluru	Acute physical	$ 2,67,387.04	$ 2,95,533.04	$ 2,81,460.04	0.0045%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0031%	Low
India	Sabarmati	Gandhinagar	Chronic physical	$ 457.78	$ 505.96	$ 481.87	0.0000%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0000%	Low
India	Sabarmati	Chandigarh	Technology	$ 7,227.41	$ 7,988.19	$ 7,607.80	0.0001%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0001%	Low

Impact analysis – Risks

Revenue (FY 2024-25)   (USD) $ 6,264,000,000

Country/ Area	River Basin	Location	Type of risk	Potential Financial Impact (Min)	Potential Financial Impact (Max)	Potential Financial Impact (Avg.)	Financial Impact / Revenue (%) (A)	CASE 1: Risk Measure (Financial Impact)	CASE 2: Risk Measure (% Impact)	Risk Impact Status	Likelihood	Avg. Likelihood % (B)	Exposure (A*B)	Mag. of Impact
Mexico	Río Verde	Verde	Chronic physical	$ 754.44	$ 833.86	$ 794.15	0.0000%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0000%	Low
China	Bo Hai - Korean Bay, North Coast	Dalian	Chronic physical	$ 539.21	$ 595.97	$ 567.59	0.0000%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0000%	Low
China	China Coast	Shanghai	Chronic physical	$ 178.65	$ 197.45	$ 188.05	0.0000%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0000%	Low

Impact analysis – Opportunities

Revenue (FY 2024-25)   (USD) $ 6,264,000,000

Type of opportunity	Potential Financial Impact (Min)	Potential Financial Impact (Max)	Potential Financial Impact (Avg.)	Financial Impact / Revenue (%) (A)	CASE 1: Risk Measure (Financial Impact)	CASE 2: Risk Measure (% Impact)	Opportunity Potential Status	Likelihood	Avg. Likelihood % (B)	Opp. Realisation (A*B)	Magnitude of Impact
Products and services	$ 12,41,317.74	$ 13,71,982.76	$ 13,06,650.25	0.0209%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0146%	Low
Products and services	$ 28,61,172.00	$ 31,62,348.00	$ 30,11,760.00	0.0481%	Minor	Insignificant	Minor	Probable	70.00%	0.0337%	Low
Markets	$ 1,17,013.92	$ 1,29,331.18	$ 1,23,172.55	0.0020%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0014%	Low
Resource Efficiency	$ 5,82,176.20	$ 6,43,457.90	$ 6,12,817.05	0.0098%	Insignificant	Insignificant	Insignificant	Probable	70.00%	0.0068%	Low

Methodology Risk and Opportunities

Impact analysis – Risks

Legend

LEGEND 1: RISK IMPACT		
Range	**Impact**	**Level**
0.80%-1.00%	Severe	
0.60% - 0.80%	Serious	
0.40% - 0.60%	Moderate	
0.20% - 0.40%	Minor	
0% - 0.20%	Insignificant	

LEGEND 2: LIKELIHOOD	
Range	**Likelihood**
80%-100%	Most Probable
60%-80%	Probable
40%-60%	Possible
20%-40%	Unlikely
0-20%	Rare

LEGEND 3: MAGNITUDE OF IMPACT		
Range	**Impact**	**Level**
1.00%	High	
0.80%	Medium-high	
0.60%	Medium	
0.40%	Medium-low	
0.20%	Low	

Risk Indicator

- Severe > 0.80% or > USD $10 M on revenue, whichever is lower
- Serious > 0.60% but ≤ 0.80% or > $USD 7.5 M but ≤ USD $10 M on revenue, whichever is lower
- Moderate > 0.40% but ≤ 0.60% or > USD 5 M but ≤ USD $7.5 M on revenue, whichever is lower
- Minor > 0.20% but ≤ 40% or > USD $2.5 M but ≤ USD 5 M on revenue, whichever is lower
- Insignificant ≤ 0.20% or ≤ USD $2.5 M on revenue, whichever is lower

Impact analysis – Risks

Matrices

MATRIX 1: RISK IMPACT

		Low → → High				
CASE 1 / CASE 2		Insignificant	Minor	Moderate	Serious	Severe
	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant
	Minor	Insignificant	Minor	Minor	Minor	Minor
	Moderate	Insignificant	Minor	Moderate	Moderate	Moderate
	Serious	Insignificant	Minor	Moderate	Serious	Serious
	Severe	Insignificant	Minor	Moderate	Serious	Severe

(Low → High on left axis)

MATRIX 2: RISK SEVERITY

PROBABILITY / IMPACT	Low → → High				
	0.20%	0.40%	0.60%	0.80%	1.00%
10.00%	0.02%	0.04%	0.06%	0.08%	0.10%
30.00%	0.06%	0.12%	0.18%	0.24%	0.30%
50.00%	0.10%	0.20%	0.30%	0.40%	0.50%
70.00%	0.14%	0.28%	0.42%	0.56%	0.70%
90.00%	0.18%	0.36%	0.54%	0.72%	0.90%

(Low → High on left axis)

Impact analysis – Risks

Steps

Step 1: The risks are categorized into various types based on their occurrence; e.g., acute physical, regulatory.

Step 2: The potential financial impact from the risk is then, calculated based on the company metrics.

Step 3: The metric (financial impact /revenue) shows the % of financial impact on the company's revenue arising out of the risk.

Step 4: **Risk measure** identifies the impact of the risk based on 2 cases, i.e., the % impact of risk and the actual financial impact of the risk on the company's revenue, whichever is lower:
- *Risk measure (% impact): This signifies the avg. risk appetite of the organization w.r.t the provided risk in terms of % financial impact on its revenue*
- *Risk measure (financial impact): This signifies the avg. threshold of a particular risk's financial impact value*

Step 5: Based on value of the risk measures, the magnitude of impact can be concluded through 'Matrix 1' which will decide the potential impact of the risk.

Step 6: Based on the guidance provided by CDP on climate, the risks are categorized based on the likelihood of occurrence for the organization, i.e., rare, unlikely, possible, and so on, along with their range of probabilities. An average of the range of probabilities is then, deduced to obtain a possibility of likelihood of occurrence of the risk.

Step 7: **Risk exposure** is a product of the average likelihood of occurrence and the % impact on revenue (financial impact/revenue). Additionally, 'Matrix 2' shows a range of corresponding severities of these risks.

Step 8: The severity of the risks is decided, based on historical analysis, to measure the consequences or impact of the same on the organization, i.e., high, medium-high, and so on, as can be seen from the legend '*magnitude of impact'*.

Impact analysis – Risks

Illustration

If the annual revenue of the company is USD $6277.37535 million and the potential financial impact from risk is USD $0.13 million, then, the proportion of potential financial impact with respect to annual revenue is 0.0021%

$$p = \frac{0.13}{6277.37535} \times 100 = 0.0021\%$$

where, p = percentage loss on revenue

Based on *'risk indicators'* depicted below, the potential financial figure can be used to deduce the **risk measure** as well.

Now, if the likelihood of occurrence of this risk is 'most probable' and its corresponding probability of occurrence is 95%, then, the risk measure can be calculated as

$$Exposure = p \times 90\% = 0.00196\%$$

where, p = percentage loss on revenue

We will compare this value to the risk severity matrix and categorize the risk in accordance with the risk indicator depicted below which states that 0.00196% is low risk and is highlighted with the corresponding color.

Similarly, this analysis may be performed for potential financial impact on the gross profit of the organization.

Impact analysis – Opportunities

Legend

LEGEND 1: OPPORTUNITY POTENTIAL		
Range	Impact	Level
0.80% - 1.00%	Material	
0.60% - 0.80%	Significant	
0.40% - 0.60%	Moderate	
0.20% - 0.40%	Minor	
0% - 0.20%	Insignificant	

LEGEND 2: LIKELIHOOD	
Range	Likelihood
80%-100%	Most Probable
60%-80%	Probable
40%-60%	Possible
20%-40%	Unlikely
0-20%	Rare

LEGEND 3: MAGNITUDE OF IMPACT		
Range	Impact	Level
1.00%	High	
0.80%	Medium-high	
0.60%	Medium	
0.40%	Medium-low	
0.20%	Low	

Opportunity Indicator
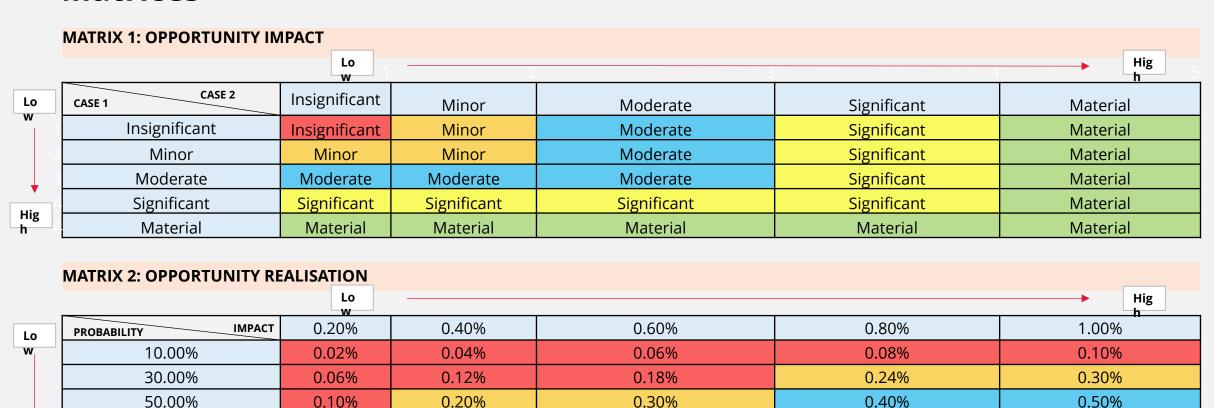
- Material > 0.80% or > USD $10 M on revenue, whichever is higher
- Significant > 0.60% but ≤ 0.80% or > USD $7.5 M or ≤ $10 M on revenue, whichever is higher
- Moderate > 0.40% but ≤ 0.60% or > USD $5 M or ≤ $7.5 M on revenue, whichever is higher
- Minor > 0.20% but ≤ 40% or > USD $2.5 M or ≤ $5 M on revenue, whichever is higher
- Insignificant ≤ 0.20% or ≤ USD $2.5 M on revenue, whichever is higher

Impact analysis – Opportunities

Matrices

MATRIX 1: OPPORTUNITY IMPACT

CASE 1 \ CASE 2	Insignificant	Minor	Moderate	Significant	Material
Insignificant	Insignificant	Minor	Moderate	Significant	Material
Minor	Minor	Minor	Moderate	Significant	Material
Moderate	Moderate	Moderate	Moderate	Significant	Material
Significant	Significant	Significant	Significant	Significant	Material
Material	Material	Material	Material	Material	Material

Low → High (1 2 3 4 5) across top; Low → High down the left side.

MATRIX 2: OPPORTUNITY REALISATION

PROBABILITY \ IMPACT	0.20%	0.40%	0.60%	0.80%	1.00%
10.00%	0.02%	0.04%	0.06%	0.08%	0.10%
30.00%	0.06%	0.12%	0.18%	0.24%	0.30%
50.00%	0.10%	0.20%	0.30%	0.40%	0.50%
70.00%	0.14%	0.28%	0.42%	0.56%	0.70%
90.00%	0.18%	0.36%	0.54%	0.72%	0.90%

Low → High across top; Low → High down the left side.

Impact analysis – Opportunities

Steps

Step 1: The opportunities are categorized into various types based on their occurrence; e.g., efficiency, resilience.

Step 2: The potential financial impact from the opportunity is then, calculated based on the company metrics.

Step 3: The metric (financial impact / revenue) shows the % of financial impact on the company's revenue arising out of the opportunity.

Step 4: **Opportunity measure** identifies the impact of the opportunity based on two cases, i.e., the % impact of opportunity and the actual financial impact of the opportunity on the company's revenue, whichever is higher:

- Opportunity measure (% impact): This signifies the avg. opportunity appetite of the organization w.r.t the provided opportunity in terms of % financial impact on its revenue
- Opportunity measure (financial impact): This signifies the avg. threshold of a particular opportunity's financial impact value

Step 5: Based on value of the opportunity measures, the magnitude of impact can be concluded through 'Matrix 1' which will decide the potential impact of the opportunity.

Step 6: The opportunities are categorized based on the likelihood of occurrence for the organization, i.e., rare, unlikely, possible, and so on, along with their range of probabilities. An average of the range of probabilities is then, deduced to obtain a possibility of likelihood of realization of the opportunity.

Step 7: Opportunity realization is a product of the average likelihood of occurrence and the % impact on revenue (financial impact/revenue). Additionally, 'Matrix 2' shows a range of corresponding realization of these opportunities.

Step 8: The realization of the opportunities is decided, based on historical analysis, to measure the consequences or impact of the same on the organization, i.e., high, medium-high, and so on, as can be seen from the legend 'magnitude of impact'.

Impact analysis – Opportunities

Illustration

If the annual revenue of the company is USD 6277.37535 million and the potential financial impact from an opportunity is USD 0.13 million, then, the proportion of potential financial impact with respect to annual revenue is 0.0021%

$$p = \frac{0.13}{6277.37535} \times 100 = 0.0021\%$$

where, p = percentage gain on revenue

Based on '*opportunity indicators*" depicted below, the Potential financial figure can be used to deduce the **opportunity measure** as well.

Now, if the likelihood of realization of this opportunity is "most probable" and its corresponding probability of occurrence is 95%, then, the opportunity measure can be calculated as

$$realization = p * 90\% = 0.00196\%$$

where, p = percentage gain on revenue

We will compare this value to the opportunity matrix and categorize the opportunities in accordance with the opportunity Indicator depicted below which states that 0.00196% is a Low Opportunity and is highlighted with the corresponding color.

Similarly, this analysis may be performed for Potential financial impact on the gross profit of the organization.

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