Political Metrics

STRATEGIC POLITICAL INTELLIGENCE

POLITICAL RISK ANALYSIS

Navigate uncertainty. Anticipate change. Protect what matters.

Strategic political intelligence and risk advisory for businesses, investors and policymakers.

> **"Turning political complexity into strategic intelligence for informed decisions."**

POLITICAL METRICS

Political Intelligence | Risk Analysis | Strategic Advisory

Website: politicalmetrics.in

SECTION 01

Political Risk Is a Business Risk.

Political risk analysis is the structured assessment of how political decisions, events and instability can affect an organization's operations, investments and strategy.

Political decisions, election outcomes, government transitions, regulatory changes and security developments can each change the conditions a business was planned around. The effects typically show up in six places:

1 **Business operating costs**

2 **Investment timelines**

3 **Market access**

4 **Asset values**

5 **Business continuity**

6 **Corporate reputation**

FIGURE 1 HOW POLITICAL EVENTS REACH THE BALANCE SHEET



TABLE 1 POLITICAL RISK ANALYSIS VS COUNTRY RISK VS COMPLIANCE

	Political risk analysis	Country risk	Compliance
Focus	Government actions and political actors	The broader economic, financial and political environment of a market	Conformity with rules already in force
Orientation	Forward-looking	A broad assessment of market risk	Conformity today
Question answered	What may happen next, and how does it affect a specific sector, project or portfolio?	How risky is this market overall?	Is the organization meeting existing requirements?

> **Political risk analysis looks beyond the present environment to understand what could change, who may drive that change and what it means for your organization.**

SECTION 02

Political Developments Can Change Business Outcomes.

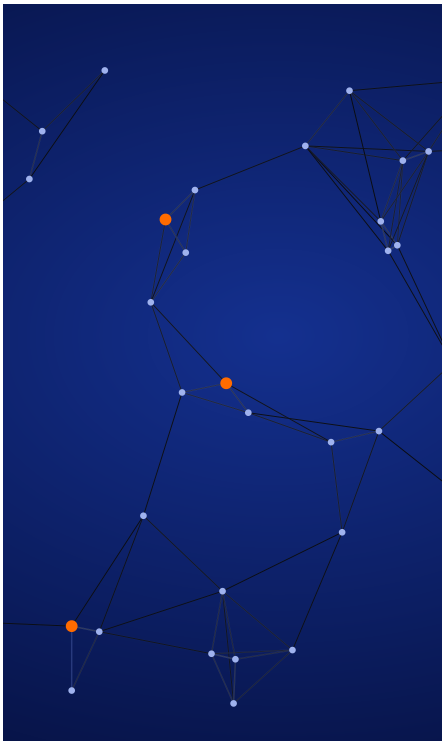
Political events are a direct input to capital allocation, market entry and operating cost. Four drivers matter most.

1. **Elections and Government Transitions**
   Changes in government, leadership or coalition arrangements can alter sector priorities, incentives and enforcement.

2. **Policy and Regulatory Shifts**
   Taxation, licensing requirements, sector regulations, policy reforms and reversals can change investment economics.

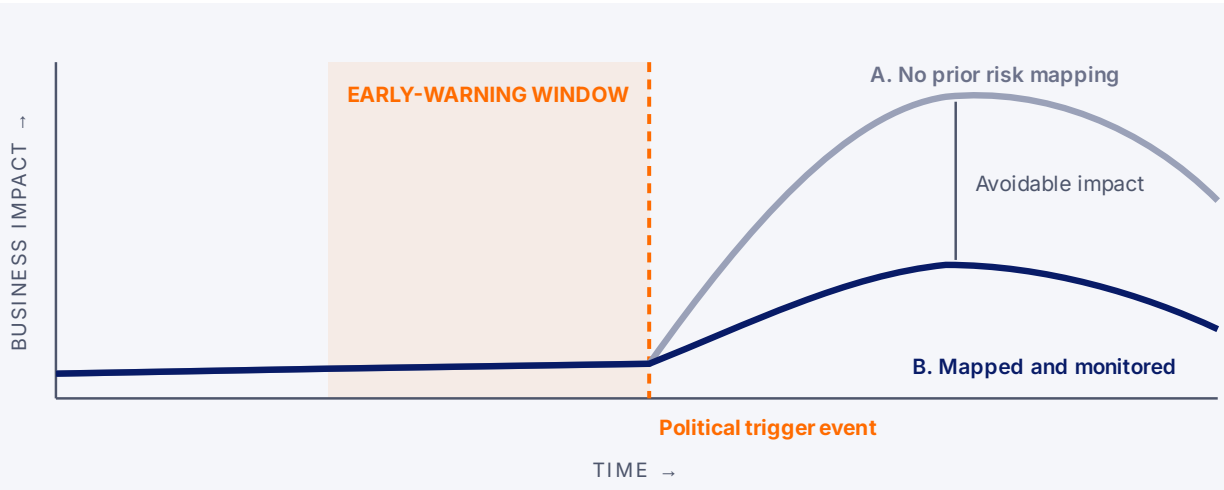
3. **Unrest and Security Events**
   Civil unrest, conflict and law-and-order disruptions can affect personnel, infrastructure, supply chains and operational continuity.

4. **Geopolitical Tensions**
   Trade restrictions, sanctions and diplomatic developments can affect companies even when their operations are primarily domestic.



Political intelligence visual. Illustrative image.

FIGURE 2 THE VALUE OF EARLY RISK IDENTIFICATION



Illustrative conceptual model – not client data or a measured performance result.

> **Organizations cannot predict every political development. They can, however, identify their exposure, monitor relevant signals and prepare strategic responses before disruption occurs.**

SECTION 03

Comprehensive Political Risk Intelligence Solutions.

Political Metrics provides political risk analysis and strategic intelligence services that turn data, policy records and on-ground intelligence into actionable strategy.

01

Country Risk Analysis

In-depth evaluation of political stability, governance, policy environment and socio-political dynamics at national and sub-national levels.

BUSINESS RELEVANCE
Gives a grounded view of the operating environment before capital or people are committed.

02

Policy & Regulatory Tracking

Monitoring policy changes, regulatory updates and legislative developments that may affect business operations and investments.

BUSINESS RELEVANCE
Surfaces rule changes early enough to plan for them.

03

Election & Political Forecasting

Data-driven forecasts and scenario analysis of elections and political events to help organizations anticipate potential outcomes and market implications.

BUSINESS RELEVANCE
Supports planning around outcomes rather than reacting to them.

04

Stakeholder & Sentiment Analysis

Assessment of key stakeholders, public sentiment and media narratives to understand political mood and reputational exposure.

BUSINESS RELEVANCE
Shows where a decision could become a political or reputational issue.

05

Crisis & Scenario Planning

Identification of potential political disruptions and development of scenario-based strategies to enhance resilience and business continuity.

BUSINESS RELEVANCE
Prepares leadership with options before disruption occurs.

06

ESG & Political Risk Integration

Integration of political risk factors into ESG frameworks to support sustainable and responsible business decisions.

BUSINESS RELEVANCE
Connects political exposure to sustainability and governance decisions.

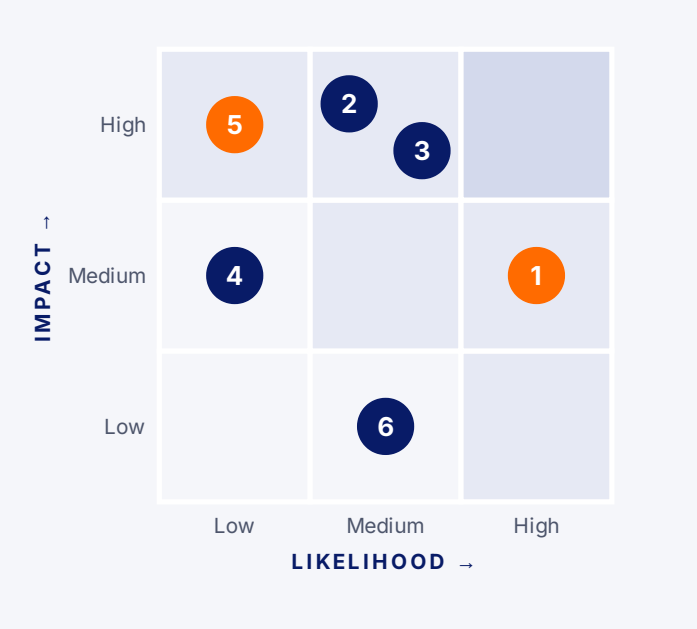
10+	500+	50+	24/7
Years of expertise	Clients served	Regions covered	Risk monitoring

Figures as published on politicalmetrics.in/political-risk/. [Pending owner approval before final release.]

SECTION 04

Understand the Different Forms of Political Exposure.

FIGURE 3 INDICATIVE RISK CLASSIFICATION MATRIX



Indicative general positioning of the six risk types, as shown on the Political Metrics service page. Not a client-specific rating.

Political risk takes several distinct forms. Each affects an organization differently and calls for a different response.

Risk exposure varies by sector, geography, asset and political environment. Assessments must be tailored to each engagement.

The matrix shows general positioning only. It carries no probabilities or financial-loss estimates.

1 Regulatory & Policy Risk

Changes in laws, taxation, licensing, localization requirements or sector regulations that can alter operating costs or the viability of an investment.

2 Policy Reversal & Contract Risk

The possibility that governments revisit approvals, tariffs, concessions or contractual terms after investments have been committed, including disputes over enforcement.

3 Political Violence & Instability

Civil unrest, conflict, terrorism and deterioration in law-and-order conditions that threaten people, assets and continuity of operations.

4 Currency & Transfer Risk

Political decisions that restrict currency conversion or the movement of capital and profits across international borders.

5 Expropriation & Nationalization

Direct or indirect government measures that take, constrain or affect private ownership or control of assets.

6 Reputational & Stakeholder Risk

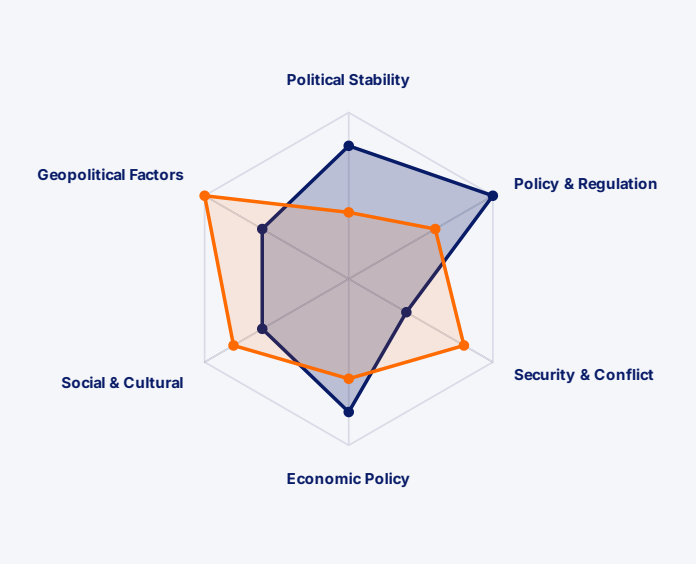
Public sentiment, media narratives and political positioning that may turn a business decision into a political or reputational issue.

SECTION 05

Six Analytical Lenses. One Integrated Risk Framework.

Where Page 5 describes the forms political risk can take, these six dimensions are the lenses used to monitor and assess a political environment.

FIGURE 4 ILLUSTRATIVE RISK PROFILES



■ Example profile A ■ Example profile B Scale: lower → higher concern

Illustrative profiles for explanation only. They are examples, not real client assessments.

1. **Political Stability**
   Government transitions, leadership shifts and coalition dynamics.

2. **Policy & Regulation**
   Policy reforms, regulatory frameworks, legislative developments and compliance-related changes.

3. **Security & Conflict**
   Internal conflict, unrest, security conditions and law-and-order developments.

4. **Economic Policy**
   Fiscal policy, taxation, trade and economic priorities.

5. **Social & Cultural**
   Social trends, public sentiment and cultural dynamics.

6. **Geopolitical Factors**
   External influences, diplomatic developments and international relations.

HOW THE LENSES INTERACT

Political Stability
A change of government or coalition

→

Policy & Economic Policy
Revised tax, licensing or trade priorities

→

Social & Security
Shifts in public sentiment and law-and-order conditions

→

Geopolitical
External reactions that reach the business

Risks rarely arrive one dimension at a time. Reading the dimensions together shows how a single political development can cascade through a business environment.

> **Six lenses, read together, give a more complete view of the political environment than any one alone.**

SECTION 06

From Intelligence to Strategic Decisions.

Five stages. One continuous cycle of political intelligence.

FIGURE 5 FIVE-STAGE RISK WORKFLOW

STAGE 1 **Identify**	Identify key risk factors across political, economic, social and regulatory dimensions.	**CLIENT OUTPUT** A mapped register of political exposures specific to the client's sector, assets and geographies.
STAGE 2 **Analyse**	Use intelligence tools and data models to analyse probability and impact.	**CLIENT OUTPUT** Evidence-based analysis drawing on data, policy records and on-ground intelligence.
STAGE 3 **Assess**	Evaluate risks using quantitative models and expert judgement frameworks.	**CLIENT OUTPUT** A prioritized assessment of each risk based on likelihood, impact and time horizon.
STAGE 4 **Advise**	Develop actionable recommendations tailored to operational priorities.	**CLIENT OUTPUT** Clear options, strategic recommendations and scenarios to support leadership decisions.
STAGE 5 **Monitor**	Continuously monitor political and regulatory developments.	**CLIENT OUTPUT** Ongoing updates and alerts as conditions change, keeping assessments current.

Monitoring feeds new intelligence into the next assessment cycle.

SECTION 07

Every Industry Faces a Different Political Risk Profile.

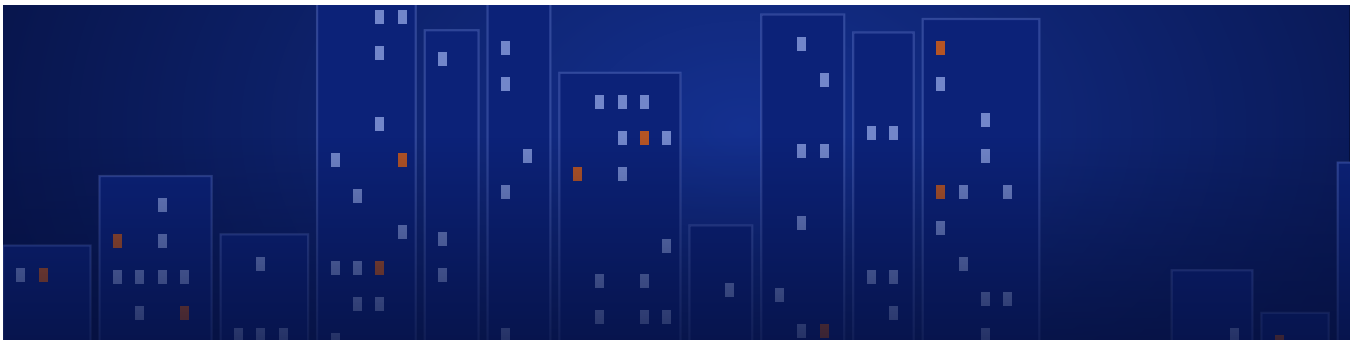


FIGURE 6 INDICATIVE INDUSTRY SENSITIVITY HEATMAP

INDUSTRY	Political Stability	Policy & Regulation	Security & Conflict	Economic Policy	Social & Cultural	Geo-political
Infrastructure & Construction	Medium	Higher	Medium	Higher	Higher	Lower
Energy & Utilities	Medium	Higher	Medium	Higher	Medium	Higher
Financial Services	Medium	Higher	Lower	Higher	Lower	Medium
Manufacturing & Industrial	Lower	Higher	Lower	Higher	Medium	Higher
Technology & Telecommunications	Lower	Higher	Lower	Medium	Medium	Higher
Healthcare & Pharmaceuticals	Lower	Higher	Lower	Medium	Higher	Lower
FMCG & Consumer Businesses	Lower	Medium	Lower	Higher	Higher	Lower
Real Estate & Urban Development	Medium	Higher	Lower	Higher	Higher	Lower
Consulting Firms	Lower	Medium	Lower	Medium	Lower	Medium

Sensitivity ■ Higher ■ Medium ■ Lower

Indicative industry sensitivity framework published on the Political Metrics service page. It is not a measured assessment of any particular company, asset or market.

> Actual exposure varies by company, asset, geography, operating model and political environment. The framework is indicative and intended to illustrate the dimensions of industry-specific assessment.

SECTION 08

Political Intelligence for Different Decision-Makers.

INVESTORS

KEY QUESTION

"Is this market, sector or asset exposed to political or policy changes that are not adequately reflected in its valuation?"

CORPORATES

KEY QUESTION

"How will new regulation, an election outcome or regional instability affect our operations, supply chain and expansion plans?"

POLICYMAKERS

KEY QUESTION

"How will stakeholders and the public respond to a proposed measure, and what does the political landscape allow?"

CONSULTING FIRMS

KEY QUESTION

"What political context should shape the advice we give our clients in a particular market?"

GEOGRAPHICAL COVERAGE

FIGURE 7 DEPTH OF COVERAGE



INDIA – DEEP NATIONAL AND SUB-NATIONAL COVERAGE

Deepest area of coverage

Central government and national developments · State governments · Local political dynamics · Regional regulatory differences · Project- and sector-relevant developments

OTHER MARKETS – COUNTRY-LEVEL ANALYSIS

Supports organizations with international exposure

Political and governance conditions · Country risk analysis · Policy and regulatory tracking · Political forecasting · Scenario planning

GLOBAL – GEOPOLITICAL INTELLIGENCE

Outer layer of analysis

International relations · External political influences · Geopolitical developments · Cross-border political exposure

India is the deepest market. Analysis of other markets supports organizations with exposure in those regions and does not imply uniform on-ground coverage in every country.

SECTION 09

Make Informed Decisions in an Uncertain World.

WHAT CLIENTS RECEIVE

1. **Political Exposure Register**
   A mapped record of relevant political risks across sectors, assets and geographies.
2. **Evidence-Based Risk Analysis**
   Research based on data, policy records and on-ground intelligence.
3. **Prioritized Risk Assessment**
   An assessment of likelihood, impact and time horizon.
4. **Strategic Recommendations**
   Options and scenario-based advice for leadership decisions.
5. **Continuous Intelligence Updates**
   Ongoing developments, monitoring and alerts.

FREQUENTLY ASKED QUESTIONS

What is political risk analysis?

A structured assessment of how political decisions, events and instability affect an organization's operations, investments and strategy.

Why is it important for businesses and investors?

Political changes can alter costs, market access, investment value and operational continuity. Early assessment supports better preparation and more informed decisions.

Is it different from country risk?

Yes. Country risk covers a broader market environment, while political risk focuses on the actions of governments and political actors and their implications for a specific sector, project or portfolio.

Do you cover India only?

India is the deepest area of coverage, including national and sub-national political intelligence. The service also supports organizations with exposure to other international markets.

How often should political risk be reviewed?

Political conditions change continuously. Ongoing monitoring and reassessment around elections, policy announcements and major events help keep the assessment current.

Stay Ahead of Uncertainty. Make Smarter Decisions.

Partner with Political Metrics to understand political developments, assess business exposure and translate complex intelligence into strategic decisions.

Political Metrics

Website: politicalmetrics.in
Political Risk Analysis: politicalmetrics.in/political-risk