

Appendix 18A  
Risk Framework

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## APPENDIX 18A: RISK FRAMEWORK

The risk framework provided is based on the framework detailed in the EU Technical Guidance on climate proofing (2021). The risk matrix, likelihood analysis and consequence analysis are provided in Table 18A.1, Table 18A.2, and Table 18A.3, respectively.

**Table 18A.1: Impact Criteria to establish Significance**

LIKELIHOOD	MAGNITUDE OF CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Catastrophic
Rare	Low	Low	Medium	High	Extreme
Unlikely	Low	Low	Medium	High	Extreme
Moderate	Low	Medium	High	Extreme	Extreme
Likely	Medium	High	High	Extreme	Extreme
Almost certain	High	High	Extreme	Extreme	Extreme

**Table 18A.2: Assessment of Likelihood**

Likelihood term	Qualitative	Quantitative
Rare	Highly unlikely to occur	5%
Unlikely	Unlikely to occur	20%
Moderate	As likely to occur as not	50%
Likely	Likely to occur	80%
Almost certain	Very likely to occur	95%

**Table 18A.3: Assessment of Consequence**

RISK AREAS	MAGNITUDE OF CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Catastrophic
<b>Asset damage, engineering, operational</b>	Impact can be absorbed through normal activity	Adverse event that can be absorbed by taking business continuity actions	A serious event that requires additional emergency business continuity actions	A critical event that requires extraordinary / emergency business continuity action	Disaster with the potential to lead to shut down or collapse or loss of the asset / network
<b>Health and safety</b>	First aid case	Minor injury, medical treatment	Serious injury or lost work	Major or multiple injuries, permanent injury or disability	Single or multiple fatalities
<b>Environment</b>	No impact on baseline environment. Localised in the source area.	Localised within site boundaries. Recovery measurable within one	Moderate harm with possible wider effect	Significant harm with local effect Recovery longer than one year. Failure to comply with	Significant harm with widespread effect. Recovery longer than one year. Limited prospect of full

	No recovery required	month of impact	Recovery in one year	environmental regulations / consent	recovery
<b>Social</b>	No negative social impact	Localised, temporary social impacts	Localised, long-term social impacts	Failure to protect poor or vulnerable groups. National, long-term social impacts	Loss of social licence to operate. Community protests
<b>Financial</b>	x % IRR < 2% of turnover	x % IRR 2-10% of turnover	x % IRR 10-25% of turnover	x % IRR 25-50% of turnover	x % IRR > 50% of turnover
<b>Reputational</b>	Localised, temporary impact on public opinion	Localised, short-term impact on public opinion	Local, long-term impact on public opinion with adverse local media coverage	National, short-term impact on public opinion. negative national media coverage	National, long-term impact with potential to affect the stability of the government
<b>Cultural Heritage and cultural premises</b>	Insignificant impact	Short term impact. Possible recovery or repair.	Serious damage with wider impact to tourism industry	Significant damage with national and international impact	Permanent loss with resulting impact on society