October 2025, Mumbai

Dear Leaders,

Welcome to the third edition of our **bi-monthly Climate Briefing**—a curated snapshot of developments shaping the global and Indian climate agenda. Each edition highlights key stories with a focus on **what's happening and why it matters**, helping you navigate the risks, opportunities, and imperatives emerging from the sustainability transition
Some insights may align directly with your current business priorities; others may appear more distant. However, we hope they help you better understand how climate change impacts us in ways that are not always visible and spark inspiration for solutions that address the challenge

We are now in the era of 'Climate chaos'

What are we talking about?

- Extreme weather is now a constant occurrence. In 2024, India recorded extreme weather on 322 out of 366 days (88% of all days). This was up from 318 days in 2023 and 314 days in 2022. Himachal Pradesh, for example, saw 45 cloudbursts, 91 flash floods, and 105 major landslides in just the 2025 monsoon season
- What counts as extreme weather - Floods, droughts, cyclones, heatwaves, cold waves, lightning, heavy rain, landslides, and cloudbursts
- The increased frequency is coupled with greater intensity, causing deeper damage.
    - Fatalities: The number of fatalities due to these events rose to 3,472 in 2024, marking a 15% increase in three years (from 3,026 in 2022)
    - Crop Damage: In 2024, at least 4.07 million hectares of cropped land were affected (a 108 % rise from 2022)
    - Industry Disruption: The fallout is devastating for specific sectors; for instance, the Rs 5,500 crore apple industry in Himachal Pradesh saw up to 40% of its harvest lost due to rotting crops and stranded goods on broken roads

Why does it matter?

- The documented damage translates directly into significant operational risks, supply chain disruptions, and market instability that should concern industry:
    - Supply Chain Disruption & Logistics Risk - Flash floods and landslides affect highways, bridges & may leave remote areas disconnected for days / weeks
    - Raw Material Availability & Cost - Industries relying on agricultural inputs (e.g., food processing, textiles, retail) face guaranteed shortfalls in raw materials, leading to price volatility and production delays
    - Human Capital & Labor Productivity - Extreme weather leads to losses in productivity at certain points in time (for e.g. during heatwaves or flash floods) and has severe negative impacts on health of workers over a period (e.g. long spells of extreme heat)
- The industrial sector's operational exposure to these pervasive threats necessitates proactive investment in adapting infrastructure and supply chains to withstand events that are now occurring at an increased frequency and intensity

You can go deeper into the topic at this Interactive atlas on weather disasters by CSE

The world is facing a shortage of natural rubber

What are we talking about?

- The global demand for natural rubber is likely to exceed supply for the 5th straight year
- Rubber production is concentrated in a few countries in Southeast Asia, mainly Thailand, Indonesia, Vietnam, and Malaysia. Overall global supply has remained stagnant with that from some countries like Vietnam and Indonesia declining
- The main reasons for the stagnant or declining production are:
    - Low prices over the last decade led to farmers abandoning rubber plantations for more lucrative crops such as palm oil
    - The geographical concentration makes the entire industry one fungus or cyclone away from a meltdown. For instance, currently, a leaf disease called Pestalotiopsis is hurting Indonesian plantations, reducing yields by almost half
    - Erratic rainfall & heat spikes triggered by climate change are impacting yields
- Increasing supply in response to demand is not easy in the short term, since
    - Rubber trees take six to seven years before they can be harvested
    - Expanding plantations by clearing more land may sound like an easy fix, except it runs straight into deforestation rules and will result in classic monocultures and a more concentrated supply

Why does it matter?

- Natural rubber is a key component in several industries, such as cars, trucks, roads, bridges, or medical devices. Industries like tyre manufacturers which had a great FY25 with exports topping ₹25,000 crore depend heavily on natural rubber.
- In 2023–24, India's rubber output was around 0.86 million tonnes against a consumption of 1.42 million tonnes. We import nearly 40% of what we need
- Synthetic rubber is already a major component of car tyres, footwear, washers, etc. But natural rubber still wins on resilience, elasticity, and heat dispersion and therefore some applications are still heavily dependent on natural rubber
- This does present an opportunity for India in 2 ways:
    - New rubber plantations: Tripura, Assam, and Meghalaya in the North east have been seeing new rubber plantations and they now contribute about 17% of domestic rubber output, up from just 7.8% a decade ago. Expansion in the North-East can happen even on degraded land through agroforestry, and new logistics corridors are enabling the region to be part of the national supply chain
    - Recycled rubber: India is already one of the largest dumping grounds for used tyres from around the world. The reclaimed rubber market was about $278 million in 2023 and could grow to $1.2 billion by 2035. Recycled rubber reduces import dependence and cushions volatility, while also reducing waste

You can read more about this here

What are countries' pre-COP climate targets looking like

More than 190 countries signed a United Nations agreement in Paris in 2015 to keep global heating "well below 2 deg C" and to "pursue efforts" to limit warming to 1.5 deg C above pre-industrial temperatures. Countries are required to announce their own climate targets or Nationally Determined Contributions (NDCs) to meet this goal
So far, just about 40 countries have submitted climate targets for the year 2035, with some revising climate targets in the last couple of months in the run up to COP 30 (which will take place in Brazil in November later this year):

- China announced what is characterised as its first economy-wide target to cut greenhouse-gas emissions by 7%-10% over the next decade, alongside increasing renewables to over 30% of its energy mix
- Australia has announced new targets saying it will aim to cut its carbon emissions by at least 62% -70% compared to 2005 levels over the next decade
- The UK has a 2035 target of cutting emissions by 78% compared with 2005 levels.
- Brazil announced its commitment to reduce emissions by 59% to 67% by 2035, as compared to 2005

- India: India's existing NDCs contain climate targets for the 2030 timeframe. It is expected to submit a new national climate target for 2035 in the run up to COP 30

Why does this matter?

- These announcements show rising political momentum: more countries are updating their targets, which is essential for the "ratchet mechanism" under the Paris Agreement.
- Large emitters (China, Brazil, UK, Australia) moving is especially meaningful given their global impact
- By focusing on a 2035 timeframe (rather than simply 2050) many of these targets attempt to fill a critical decade of action
- While these are national level targets, policy makers and industry players will have to work together to implement policies across sectors to achieve them in practice

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On a closing note, we bring to you a question on "to burst or not to burst" Check it out – The firecracker ban that made Delhi's air worse

We'd love to hear your thoughts on this newsletter - what did you like and what could be better! Until next time!

This newsletter is a joint initiative by the Mahindra Group Sustainability team in collaboration with Rainmatter Foundation. The newsletter is co-authored by Sailee Rane, strategy lead for ecosystem messaging at Rainmatter Foundation. The aim of this newsletter is to bring out climate news and its implications for corporates & employees in a simplified & fun manner! Do reach out with any feedback!