Guidance 7a: Example of a sectoral heatmap of transition risk drivers

British International Investment

Sector	*Emissions intensity*	*Policy sensitivity*	*Decarbonisation technology availability*	*Transition challenge for sector*	*Notes*
Electricity	**High (variable by type of fuel and efficiency of power plant)**	**Very high**	**Medium (variable by source)**	**Highest**	▪ Fossil power generation at highest risk, with gas afforded a slightly lower risk profile ▪ Expect rapid disruption from technology and policy
Automotive	**High (ICE) Falling (BEV)**	**High**	**High (BEV, hybrids)**	**Medium**	▪ Transition velocity varies by region ▪ Expect ICE industry disruption from BEV technology
Oil & Gas	**Very high**	**Very high**	**Low - Medium**	**Highest**	▪ Challenged by global net zero policies, cost of abatement and falling demand ▪ Expect stranding risk for new assets
Coal	**Very high**	**Very high**	**Very low**	**Highest**	▪ Extreme negative market sentiment ▪ Extremely sensitive to carbon pricing and import restrictions
Cement	**High**	**High**	**Low - Medium**	**High**	▪ Difficult to abate process emissions ▪ Sensitive to carbon pricing and import restrictions
Steel	**High**	**High**	**Medium**	**High**	▪ Emerging potential for green steel production but capex for technology is still prohibitively expensive ▪ Sensitive to carbon pricing and import restrictions
Aviation	**High**	**High**	**Low (biofuels and electrification not yet scalable)**	**High**	▪ Few near-term decarbonisation options ▪ Potential for regulatory shocks