Guidance 7d: Example output from asset-level transition risk assessment

British International Investment

* EDD = enhanced due diligence.

Client name (ID)	Puur Leather Co (client-2351)		*Project name (ID)*	proj-1532	
Sector	NACE C (or equivalent sector classification) (Manufacturing of leather goods)	*Transaction size (ZAR)*	2,500,000	*Last assessed*	12-03-2024
Transition risk drivers					
Policy risk	*Market risk*	*Technology risk*	*Absolute and relative emissions (to be completed after EDD)*	*Financed emissions impact (to be completed after EDD)*	*Client transition readiness (to be completed after EDD)*
Green	Amber	Amber	Amber	Green	Red
EDD triggered	YES		*Overall transition risk (to be completed after EDD)*	Amber	
Key vulnerabilities to monitor (to be completed after EDD)	▪ Higher than sector average emissions intensity ▪ Export volumes to EU could be impacted by CBAM policies ▪ Client transition plan lacks science-based targets ▪ Below 2°C scenario suggests adverse effect on profitability from carbon pricing in the short term See Module 13 on Scenario analysis		*Recommendations (to be completed after EDD)*	▪ Escalated for EDD ▪ Client engaged on transition planning – to be added as a clause for financing in loan agreement ▪ Client request for technical advisory for sector-specific transition plan recommendations	
Data quality remarks	Client disclosures covered till 2023; no peer benchmarking done				