


Impact	Mitigation/response	Financial impact	Inherent likelihood
Transition risk: Regulation ramping up of internal combustion engine ('ICE') vehicle taxation			
<ul style="list-style-type: none"> Cost of ownership increases, making ICE vehicles less appealing. Consumers stop buying petrol or diesel vehicles, demand switches over to electric. If EVs remain expensive some consumers could be priced out of the market presenting a risk to demand. 	We will continue with our strategy to adapt our marketplace to meet changing preferences of all car buyers. It is likely that used car prices will continue to move in line with supply and demand dynamics such that lower demand will make vehicles more affordable.		Low/Medium
Transition risk: Demand for sustainable products & services			
<ul style="list-style-type: none"> Risk: Consumers' preferences shift away from ICE vehicles; steep decline in purchase of petrol or diesel vehicles in favour of EVs. Opportunity: Help our audience to find the sustainable options they are seeking. 	We will continue with our strategy to adapt our marketplace to meet changing preferences of all car buyers and continue to be the largest marketplace for EVs.		Low/Medium
Transition risk: Increased reputational risk associated with the automotive industry and misrepresenting environmental claims			
<ul style="list-style-type: none"> As consumer consciousness around climate change rises, there is increased scrutiny on our industry's role on the environment. Failure to appropriately demonstrate that as a business we are committed and moving towards net zero carbon emissions could negatively impact our brand and also impact our ability to operate and/or remain relevant to our customers and consumers. 	As part of our goal to be net zero by 2040 we will focus not only on our own operational footprint but also on how we can positively support our industry. We have set clear reduction targets for our own operations and report progress to stakeholders. We work with customers, suppliers and the industry on education and policy.		Low
Transition risk: Achieving resource efficiency through cutting our carbon footprint and improving energy efficiency			
<ul style="list-style-type: none"> Reduced costs associated with energy use and avoid increased costs associated with carbon taxation. 	Reduction initiatives to reduce our absolute carbon usage, including moving our technology infrastructure to the cloud.		Medium
Transition risk: Increase in towns and cities introducing pedestrian zones/Ultra Low Emission Zones ('ULEZs') supported by government scrappage schemes and/or improvements in public transport			
<ul style="list-style-type: none"> Risk: Consumers stop buying ICE vehicles as they no longer require a vehicle. Opportunity: Consumers' desire/need to switch to EV. 	Likely the risk and opportunity would be taken together, and stock/demand would be maintained as the desire for personal transportation/vehicle ownership remains strong. We will continue with our strategy to adapt our marketplace to meet changing preferences for all car buyers and continue to be the largest marketplace for EVs.		Low/Medium
 Minor  Moderate  Major			

We intend to periodically review the scenarios and timeframes we choose to apply in our analysis and refine them as needed. The risk management recommendations arising from our climate change scenario analysis were:

- Policy/regulation:** it is likely that increased policy and regulation will have the most significant financial impact on Auto Trader over the longer term. The most significant action we can take is to reduce our exposure to this risk and continue with our strategy to adapt our marketplace to meet the changing preferences of all car buyers. We also need to make sure we continue to remain abreast of regulatory requirements to ensure we are compliant with all relevant reporting obligations.
- Market:** climate change is expected to impact the supply and demand for ICE vehicles and EVs. Auto Trader can mitigate this risk by continuing to develop its strategy to be the destination of choice for consumers searching for a more environmentally friendly vehicle.