

EcoVadis Carbon Risk

Methodology disclosure document for the public, rating users and rated items

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This disclosure document is intended to ensure compliance with Annex III to the EU Regulation 2024/3005 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and the Delegated Regulation supplementing Regulation (EU) 2024/3005.

1. Rating Product Disclosure

1.1. Objective and approach to materiality

The objective of the Carbon Risk is to assess a rated company's carbon risk, based on its current carbon footprint (GHG intensity) and its capacity to decarbonize its operations over the medium term (Transition Risk). The rating is EcoVadis' own opinion and can differ from the assessments provided by other ESG rating providers.

The Carbon Risk is designed as a tool for users to identify which suppliers they should engage in priority on decarbonization action, based on a low-touch, high-volume mapping. The Carbon Risk calculation is not solicited by rated companies, and the methodology does not require the collection of company-specific information from rated entities.

To assess a company's Overall risk (Carbon), the Carbon Risk methodology considers both impact materiality and financial materiality dimensions: while the GHG intensity factor considers how a rated company's GHG emissions impact stakeholders ("inside-out perspective"), the Transition Risk considers how external factors impact the rated company ("outside-in perspective").

1.2. Scope

The Carbon Risk covers solely issues related to greenhouse gas ("GHG") emissions, a sub-topic within the Environment aspect of ESG. Social and Governance issues are not taken into account. In consequence, the results of the Carbon Risk fall solely within the "E" category which bears full weight in the final score.

The methodology is designed to assess the company's Overall risk (Carbon), based on two risk factors (see Section 2.3 "Risk factors and scoring" for additional details):

- Inherent risk, including:
 - Transition risk, based on the company's industry and country of operations
 - GHG intensity, based on the company's industry and country of operations
- Procurement Risk

The way the Carbon Risk addresses the aforementioned issue does not fully correspond to the topics from the Accounting Directive 2013/34/EU, amended by the Corporate Sustainability

Reporting Directive 2022/2464 (“CSRD”) and detailed in the European Sustainability Reporting Standards (“ESRS”). However, it overlaps to a degree and allows for comparison.

Although the Carbon Risk does cover environmental issues, it is not correlated with the percentage of taxonomy alignment under Regulation (EU) 2020/852 (“Taxonomy Regulation”).

1.3. Rating Scale Type

The Carbon Risk results are expressed in absolute values. All Carbon Risk indicators use a static 1 (very low risk) to 6 (very high risk) scale. They are combined with a weighted average formula into a 1 to 6 scale Overall Carbon Risk.

1.4. Coverage of international agreements

The Carbon Risk methodology aligns with the Paris Agreement objectives. In particular, the methodology integrates national decarbonization commitments into the Country Transition Risk calculation, specifically adjusting transition risk levels based on the ambition and timeline of each country’s climate targets.

The Carbon Risk does not collect the percentage of companies’ activities that are aligned or not with the EU Taxonomy. However, the EU Taxonomy classification is used to assess the industry transition risk, which is one of the Carbon Risk score components (see Section 2.3 “Risk factors and scoring” for additional details).

2. General Methodological Disclosures

2.1. Methodology overview

The Carbon Risk methodology is consistently applied to all eligible entities. The most recent version of the Carbon Risk Methodology is V1.0, applicable as of April 2024. Any changes to the methodology will be communicated via email.

a) Methodology governance principles

To deliver Carbon Risk results with the highest levels of quality and integrity, EcoVadis has designed a methodology governance framework ensuring our methodologies adhere to the following core principles:

i) Rigorous

Our methodologies are developed through a rigorous process including research, impact assessment and public consultation of proposed changes to ensure the framework is capable of capturing complex sustainability risks and accurately reflect the rated entity's sustainability performance.

ii) Systematic

We employ a structured, repeatable methodological framework that ensures every entity is evaluated against a consistent set of principles and requirements tailored to their specific context. This systematic approach eliminates ad-hoc subjectivity and ensures that the methodology provides a stable basis for comparison of rated entities.

iii) Independent

The development and approval of our methodologies are governed by an internal function that is structurally and functionally separate from commercial and sales activities. This ensures the design of the rating framework is driven solely by analytical integrity and is insulated from external business pressures.

iv) Capable of justification

The methodology is built upon a clear, evidence-based rationale that dictates the specific weighting and relevance of each sustainability issue. Every component of the framework is documented for traceability, ensuring the underlying theory assumptions are defensible under technical scrutiny.

v) Comparable over time

Our methodology is designed to provide a stable benchmark by maintaining consistent evaluation criteria over time. By ensuring the framework remains steady, we enable rating users to accurately compare year-on-year performance.

vi) Transparent

In alignment with transparency standards set by the EU ESG Rater regulation, we provide comprehensive public disclosures regarding the methodology scope, ranking system, key assumptions and models, data sources and processes, and its inherent limitations.

b) Eligibility for evaluation

The methodology allows for evaluation of corporate entities. To be eligible for a Carbon Risk calculation, an entity must meet two criteria:

- It must have a legal entity name or operate under the direct parent legal entity name. The legal entity name is the name under which a company is legally registered and operates in the country of operation.
- There must be a relevant level of scope of assessment in terms of carbon risks. This may for instance not be the case if the scope includes widely different business activities, making it inadequate for a single rating to provide a consolidated overview of risks the company is confronted to.

The following organizational and operational structures and items are not eligible for risk calculation: conglomerates (understood as groups offering a variety of divisions that differ in terms of activity), business units or divisions without any legal entity name, product names and commercial brands, and cooperatives.

The legal entity name is the name under which a company is legally registered and operates in the country of operation. EcoVadis acquires this name from a public database or relies on information provided by the users of the Carbon Action Manager (EcoVadis product that includes Carbon Risk calculation).

c) Validity and time horizon

The Carbon Risk methodology is primarily based on historical data regarding GHG emissions, captured in the GHG intensity factor. This risk factor relies on data sources typically published within the last two years, though older datasets may be utilized when recent global statistics are unavailable. Conversely, procurement-related information used for the Procurement Risk factor is based on current data, typically from the current or previous year of the assessment, provided by Carbon Risk users.

However, the Carbon Risk methodology also includes a forward-looking dimension through the evaluation of transition risks.

The methodology of the Carbon Risk allows users to effectively measure medium- to long-term risks, reasonably between 5 to 10 years in the future.

Carbon Risk results are updated on an annual basis, during the annual update of source data, and are therefore always considered valid.

2.2. Methodology assumptions and models

The Carbon Risk operates under the following assumptions:

a) Industry and geographical location serve as reliable proxies for carbon risk

The methodology assumes that a company's specific industrial activity and its geographic location are the strongest drivers of its potential carbon footprint. As a result, the methodology uses these two factors to calculate an inherent risk level, allowing Carbon Risk users to identify hotspots in their supply chain or portfolio and to engage suppliers on their carbon management practices.

b) External data provides a sufficient basis for initial risk screening

Carbon Risk assumes that high-quality secondary data, such as a country's energy grid mix or an industry's average carbon intensity, is accurate enough to estimate a company's exposure to climate transition hurdles. This allows for the effective prioritization of suppliers without requiring immediate primary data disclosure from the companies themselves.

The Carbon Risk does not employ any additional supporting models or speculative estimations.

2.3. Risk factors and scoring

a) Risk factors considered in the Carbon Risk methodology

The Overall risk of a company is based on two risk factors, the Inherent risk and the Procurement Risk, which are broken down as follows:

i) Inherent risk

1) GHG intensity

This risk factor assesses the intensity of a company's GHG emissions, based on the average GHG emissions of both its industry and country of operation:

- Industry GHG intensity (75%)

The Industry GHG intensity is based on the weighted average of the following two risk factors:

- Observed Risk (35%) : Each industry is assigned an Observed Risk from 1-6, based on the industry's median Scope 1 and Scope 2 GHG emissions according to emission data collected by EcoVadis.
- Climate Intensity Factor (65%): Each industry is also assigned a Climate Intensity Factor on a scale from 1-6, based on the industry's ranking across all industries covered by EcoVadis, according to its baseline carbon footprint. This Climate Intensity Factor is based on qualitative research and academic data.

- Country GHG intensity (25%)

This factor assesses the carbon footprint of a country's total primary energy supply, encompassing all energy uses (e.g., transport, heating, industry), based on the country's GHG emissions per unit of primary energy consumption. Other factors such as economic carbon intensity (country's GHG emissions per unit of GDP) or electricity grid carbon intensity (GHG emissions per unit of kWh generated) are utilized as secondary proxies when energy data is unavailable.

2) Transition risk (25%)

This risk factor assesses the likelihood of a company succeeding in decarbonizing its operations, based on the decarbonization likelihood of both its industry and country of operation.

- Industry transition risk (75%)

The industry transition risk factor is based on a mix of qualitative research and quantitative indicators. Quantitative indicators considered for this risk factor include the industry's inclusion in the list of eligible activities of Regulation (EU) 2020/852 ("Taxonomy Regulation"). This is complemented by qualitative research assessing the industry's ability to successfully address transition risks outlined by the TCFD framework and related to policy and regulations, technology, as well as market and reputation.

- Country transition risk (25%)

The country transition risk factor is based on qualitative research regarding the ambition of a country's Net Zero commitments, supplemented by quantitative indicators, such as the share of renewable energy consumption out of the total national energy consumption.

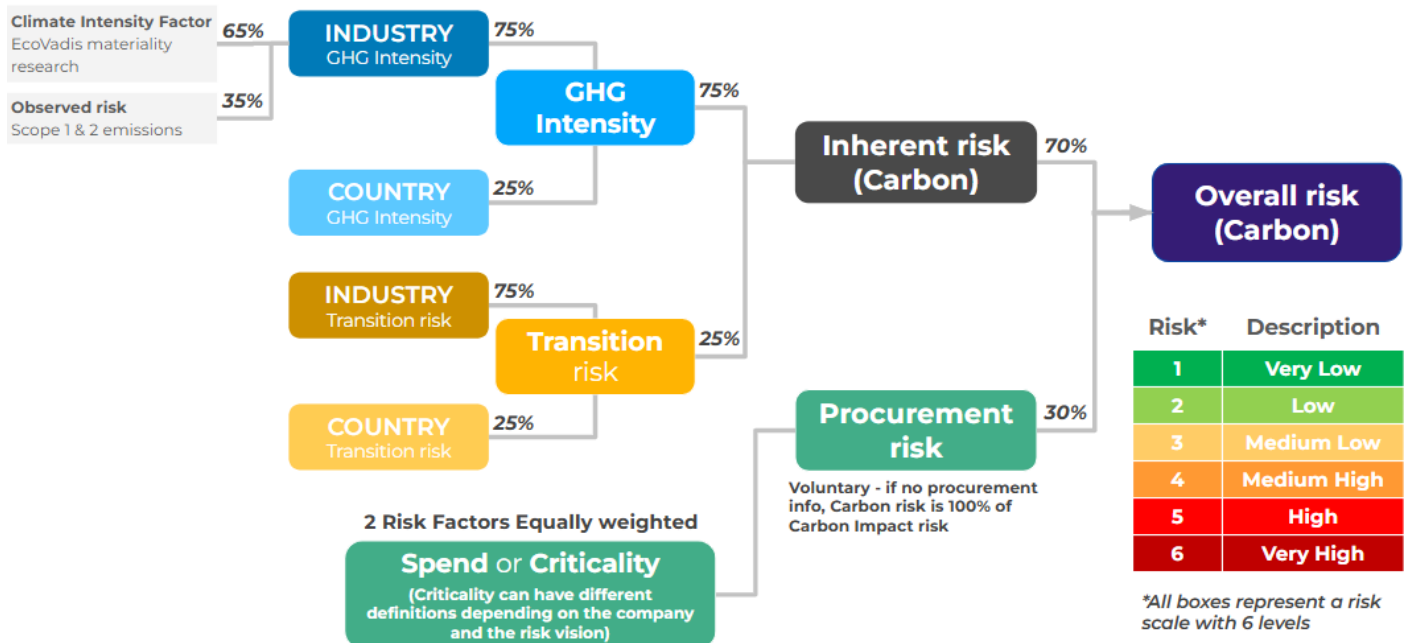
ii) Procurement risk (30%)

The user-specific procurement risk factors, such as spend amount and supplier criticality, while optional for generating the initial Carbon Risk rating, significantly improve the usefulness of the results for users. By integrating this additional layer of data, the Carbon Risk helps users more effectively prioritize their supplier engagement strategy. This enables them to focus their decarbonization efforts and Scope 3 emissions reduction initiatives on the most strategically important and impactful suppliers within their supply chain or portfolio. The factors help shift the focus from a purely inherent carbon risk perspective to a risk assessment that is contextualized by the user's business relationship with the supplier.

b) Scoring of risk factors

The Inherent risk results from the weighted average of the GHG intensity (75%) and the Transition Risk (25%).

The final Overall risk results from the weighted average of the Inherent risk (70%) and the Procurement Risk (30%). In case Carbon Risk users are not able to share supplier-specific information allowing EcoVadis to calculate the Procurement Risk, the weight of the Inherent risk is adjusted to 100%.



c) Ranking System

The Carbon Risk distinguishes six Overall risk levels (1 to 6). The lower the score, the lower the risk associated with a rated company. Overall risk levels are defined as follows:

i) Very Low (1)

This company presents negligible exposure to Overall risk, typically operating in low-intensity sectors within regions that have highly decarbonized grids.

ii) Low (2)

This company presents limited exposure to Overall risk, typically operating in efficient sectors or regions with favorable energy mixes.

iii) Medium Low (3)

This company presents moderate exposure to Overall risk, typically operating in sectors with identifiable operational hotspots or within regions with average grid intensities.

iv) Medium High (4)

This company presents significant exposure to Overall risk, typically operating in carbon-intensive sectors or regions facing transition challenges.

v) High (5)

This company presents severe exposure to Overall risk, typically operating in heavy industries or regions with high fossil fuel dependence.

vi) Very High (6)

This company presents extreme exposure to Overall risk, typically operating in the most energy-intensive sectors or regions with critical transition barriers.

2.4. Industry classification

The Carbon Risk uses the United Nations International Standard Industrial Classification of All Economic Activities (ISIC), Revision 5, as a basis to classify the economic activities of rated companies.

The official full document is available on the United Nations Statistic Division [website](#).

2.5. Data sources

The Carbon Risk uses different types of data sources depending on the risk factor.

a) Data used by EcoVadis to define the Inherent risk (Carbon)

EcoVadis defines the GHG Intensity and Transition Risks by leveraging a selection of publicly available data sources. These sources include, but are not limited to:

- IPCC
- Our World in Data
- Climate Watch
- Net Zero Tracker
- International Energy Agency, etc.

In addition to this public data, EcoVadis integrates its own proprietary data, which reflects actual emission metrics derived from EcoVadis Sustainability Ratings and EcoVadis Carbon Ratings (see Section 2.3 “Risk factors and scoring” for additional details).

b) Data used by EcoVadis to define the Procurement Risk

EcoVadis uses data supplied by Carbon Risk users to determine the Procurement Risk. Users can provide their own non-public data related to supplier spend and criticality. This user-provided information allows EcoVadis to contextualize the Overall risk results by factoring in the supplier's strategic importance to the user.

Since no company-provided data is used, sustainability statements required under Directive 2013/34/EU ("Accounting Directive"), information disclosed under Regulation (EU) 2019/2088 ("Sustainable Finance Disclosure Regulation"), or transition plans are not taken into account.

2.6. Data processes

The Carbon Risk uses a streamlined data process occurring in a secure and organised digital platform provided by EcoVadis. The process includes:

a) Data collection

Evaluated entity data is collected from the Carbon Risk user, and no primary data is collected from evaluated companies themselves. Users upload the list of entities to evaluate to the EcoVadis platform, including the company's unique identifier and the country (optional). Evaluated entity's country & industry are defined by a proprietary matching algorithm. Optionally, users can provide their own data regarding spend amount or company criticality to provide input for the Procurement risk factor (see Section 2.3 "Risk factors and scoring" for additional details).

b) Data processing

The data collected from the Carbon Action Manager (including Carbon Risk) users enables EcoVadis to match the company to a given industry and country. A risk level is then automatically assigned to the company based on an established scoring methodology (see Section 2.3 "Risk factors and scoring" for additional details).

c) Data output

The aggregation of individual risk factor scores (see section 2.3 "Risk factors and scoring") results in a final Overall risk level, expressed on a scale from 1 (Very Low) to 6 (Very High), which serves as the primary metric for prioritization of company engagement on decarbonization.

In addition to the overall risk level, the Carbon Risk displays a granular breakdown of the underlying risk factors, including the following:

- GHG intensity
- Transition Risk
- Procurement Risk, including spend or criticality

d) Data storage & historical data updates and revision

Data from users regarding rated companies is stored in the system for traceability. Users have the ability to edit country information for unidentified evaluated companies, which will prompt an automatic recalculation of the risk level.

Apart from user edits, changes to the Carbon Risk levels occur only after the annual update of quantitative indicators that underpin the risk factors. The datasets currently in use incorporate the most recent data source update, implemented in April 2024.

2.7. Data quality

To secure the quality of Carbon Risk results, EcoVadis implements the following data quality control mechanisms:

a. Selection of authoritative data sources

To ensure the rigor and relevance of our risk calculations, EcoVadis' external sources must adhere to stringent criteria. These criteria guarantee the data is based on authoritative, up-to-date consensus and maintains high scientific rigor and global coverage.

b. Input standardization (ISIC & ISO Codes)

To ensure a standardized and rigorous risk assessment, the methodology mandates the use of specific classification systems for input data. All company profiles are mapped against the ISIC classification for industries (refer to Section 2.4 "Industry classification" for further details) and ISO codes for countries. This strict adherence to standardized codes prevents ambiguity and misclassification errors, which are essential to avoid distortions in the final risk assessment.

c. Traceable and standardized calculation

Carbon Risk employs a deterministic computation model with standardized calculation rules. This approach guarantees full traceability and consistency of results throughout the entire database, bypassing the unpredictability associated with "black box" prediction methods.

The data on rated companies collected for the Carbon Risk, primarily focused on a company's industry and country of operation, is not subject to systematic assurance engagement.

2.8. Monitoring availability of new information in between assessments

The Carbon Risk does not involve screening for additional data between assessments.

2.9. Engagement with rated companies

Companies for which a contact mail has been identified receive a notification for a 2 business days grace period to review and submit any factual error¹. After the grace period ends, the Carbon Risk score is delivered to Carbon Action Manager (commercial product including Carbon Risk tool) users. Any company can access their score and submit a factual error claim at any time via EcoVadis dedicated page (<https://portal.ecovadis-survey.com/registration/#/>)

The rating process does not involve any off-site or on-site engagement with the rated companies, as it relies primarily on externally-sourced data.

As the Carbon Risk does not take into account company-specific information, no management system documentation or relevant internal documents of the rated company are used for the purpose of the rating.

2.10. Scientific basis

The Carbon Risk methodology is based on key climate science concepts.

The methodology calculating a company's GHG intensity accounts for the full spectrum of greenhouse gases defined by Kyoto Protocol and uses the IPCC Global Warming Potential (GWP) factors, ensuring scientific robustness & comparability.

The accuracy of GHG intensity calculations is ensured by supplementing academic research on industry GHG emissions with benchmarks of verified emissions data from tens of thousands of companies within the EcoVadis Network.

The methodology assessing a company's Transition Risk is aligned with the Paris Agreement and integrates national Net Zero commitments compatible with 1.5°C mitigation pathways.

2.11. Usage of AI-based tools

EcoVadis does not leverage machine learning technologies or any other AI-based solutions to produce the Carbon Risk.

3. Limitations in data sources, methodologies and information

3.1. Methodology limitations

¹ This notification will be live with the launch of EcoVadis upgraded buyer's platform by the end of December 2026

The Carbon Risk methodology includes the following limitations:

a. Exclusion of physical climate risks

TCFD's Climate risk definition encompasses both transition and physical risks. The Carbon Risk methodology focuses exclusively on Transition Risk (regulatory, market, and technological shifts) and GHG Intensity. Consequently, it does not assess a company's vulnerability to acute or chronic physical climate hazards, such as extreme weather events, changing temperature patterns, or rising sea levels.

b. Reliance on inherent risk proxies

The Carbon Risk utilizes industry and country-level proxies which, while providing a standardized baseline, are not designed to capture company-specific nuances. Because the model relies on statistical averages rather than primary company disclosures, it isn't designed to distinguish the actual performance of companies within the same sector and region.

The Carbon Risk is intended primarily as a screening tool for managing risks across an entire portfolio. The deliberate exclusion of company-specific data from its methodology is addressed by the fact that the EcoVadis product suite offers other tools to assess a company's specific carbon management. Suppliers flagged as high-risk by the Carbon Risk are subsequently recommended for the EcoVadis Carbon Rating. This two-step process ensures that initial risk estimations, based on industry and country proxies, are ultimately validated and refined through an evidence-based assessment of the company's actual management maturity.

3.2. Data source limitations

Data sources leveraged for the Carbon Risk include the following limitations:

a) Availability and consistency of data used

Constructing granular benchmarks across 240+ industries and 210+ countries requires extensive data, leading to gaps in niche sectors.

Furthermore, the methodology utilizes aggregated data from the EcoVadis Network, resulting in benchmarks that are inherently skewed toward the performance of companies already participating in sustainability reporting.

Finally, the consolidation of global datasets entails an inherent time lag between the publication of raw statistics and their integration into the risk methodology.

b) Completeness of country-level metrics

The Country GHG intensity methodology relies on primary energy consumption metrics. These national-level statistics may not fully account for cross-border energy flows or technical

inefficiencies in electricity transmission and distribution. Consequently, for countries with significant energy imports/exports or highly inefficient grid infrastructure, the standard primary energy metrics may result in a marginal distortion of the calculated carbon intensity.

3.3 Means of addressing limitations in data sources

To address limitations in data sources for the Carbon Risk, EcoVadis implements a number of measures and processes aimed at reducing related risks to a minimum. These include:

a) Scientifically rooted proxy hierarchy

To address potential gaps in global data coverage, the methodology employs a strictly defined hierarchy of reliability. Missing primary data points are substituted with the next most statistically correlated proxy (e.g., carbon intensity of electricity or regional clusters), ensuring that risk calculations remain grounded in the best available scientific evidence rather than default assumptions.

b) Transparency and ongoing review

To ensure users correctly interpret the predictive nature of the results, EcoVadis provides extensive documentation detailing the data sources and calculation logic. Furthermore, the risk models undergo rigorous testing and user feedback loops to verify that the theoretical risk levels align with observed realities in the Carbon Rating database, ensuring the tool's continued relevance and accuracy.

4. Methodology revision

The revision of the methodology of the Carbon Risk follows the steps outlined in the Methodology Revision Procedure.

Methodological development and application are independent of all political, economic, or other external influences, and led by a dedicated methodology team, which handles prioritization of methodology developments, research and execution. The methodology team is separate from commercial functions, is managed by the Head of Methodology and reports to the Chief Ratings Officer.

a) Methodology Revision Procedure

The methodology revision process is structured in six phases. Some phases are optional for methodology changes that are not classified as high impact, but can still be considered where relevant.

- **Initiation**
The methodology owner within the methodology team identifies the need for a revision, which is approved by the Head of Methodology during the Quarterly Planning. The methodology owner then drafts a project charter detailing the project's description, purpose, rationale, objectives, scope, team and risks, using either a Research or Implementation template. Where needed, a dedicated Methodology Research phase may be initiated first to investigate and justify the need for a formal revision before proceeding to implementation.
- **Methodology Revision Proposal**
The methodology owner formalizes a detailed revision proposal, including rationale, research findings and the proposed specific changes. The proposal is reviewed and discussed with the project's steering committee to ensure rigor, consistency, and alignment with market and regulatory needs. The steering committee is composed of relevant methodology team members and may involve representatives of other departments (e.g. Product & Tech, Marketing, Frontline) if necessary. The project manager integrates feedback from the steering committee to adjust the proposal accordingly.
- **Impact Assessment**
A quantitative assessment of the potential impact on the current score or risk level distribution is performed.
- **Stakeholder Consultation (if high impact)**
If the change is determined to be high impact, a formal stakeholder consultation is conducted. EcoVadis directly engages a targeted selection of rating users, rated entities and external stakeholders to ensure a representative feedback loop.
- **Methodology Oversight Review by Ethics & Compliance Team**
The Ethics & Compliance team conducts an independent review of the final methodology revision proposal, as part of its methodology oversight responsibilities. This body is responsible for identifying potential concerns, raising issues, or requesting further clarification. If any highlighted problems remain unresolved, the Ethics & Compliance team escalates the matter to the ESGR Governance Council for final arbitration and decision-making.
- **Approval & Implementation**
The final methodology revision proposal is approved by the Head of Methodology for regular changes, and by the Chief Rating Officer for high impact changes, and officially implemented. Methodology changes are communicated to rating users and rated entities in the quarterly methodology change communication. The methodology

disclosure documents are updated accordingly.

All methodologies are subject to a mandatory internal effectiveness review on an annual basis to ensure they remain fit for purpose. Methodology revisions are communicated to rating users and rated entities via the quarterly methodology change communication, which is released in January, April, July and October.

b) Initiation of methodology review process:

A methodology revision process may be initiated upon the occurrence of any of the following conditions:

- Regulatory Changes: Introduction of new or amended international or national regulations that directly impact sustainability issues.
- Market or Industry Evolution: Significant changes in market practices, technological advances, or the emergence of new, globally accepted voluntary sustainability reporting or due diligence standards.
- Monitoring of Effectiveness: Results from effectiveness reviews and quality control processes, and feedback received from rating analysts indicating an opportunity to enhance the methodology's rigor, robustness, or consistency.
- Stakeholder Feedback: Formal, substantiated feedback received from rating users, rated entities, civil society, academia or regulators, indicating opportunities or improvement areas in the current methodology.

c) Stakeholder consultation on material methodology changes

Whenever a proposed methodology change is classified as high impact, a formal stakeholder consultation is conducted.

EcoVadis directly engages a targeted selection of stakeholders, determined on the basis of two criteria. Stakeholders are selected according to the extent to which they are affected by the proposed change, with priority given to rated entities and rating users from the most impacted industry, country or size segments. Stakeholders are also selected on the basis of their subject-matter expertise, including thematic experts such as non-governmental organizations, worker organizations, academic institutions, regulators and industry associations able to provide technical validation of the proposed changes.

The consultation is based on a standardized template comprising the detailed rationale for the change, a description of the current methodology, the proposed adjustments, simulated quantitative impacts, and consultation questions. Stakeholders submit formal feedback via a standardized response form.

Engagement is conducted through direct written communication to targeted stakeholders and, where appropriate, through dedicated focus group meetings with key strategic stakeholders. Focus group meetings are conducted in accordance with the EcoVadis Conflict of Interest Policy and minutes are recorded.

The consultation period is a minimum of 30 calendar days. Upon its conclusion, the methodology team reviews all submissions received. Where feedback is contradictory or diverges from internal research conclusions, responses are evaluated against three arbitrage criteria: scientific and regulatory alignment, controlled score stability, and feasibility and proportionality. Each substantive submission is classified as adopted, acknowledged for future consideration, or rejected, with a documented justification in each case.

d) Quantitative impact assessment of material methodology changes

Prior to the final approval of methodology changes, EcoVadis conducts a quantitative impact assessment to evaluate the effects of a proposed revision on existing rating or risk assessment outcomes, in order to maintain score and risk level stability and comparability over time.

The proposed revised methodology is applied to a representative sample of rated or screened entities, and results are compared with those produced under the existing methodology.

The analysis examines two metrics: score volatility, defined as the share of entities with a potential score change and the average and maximum score shift; and segment impact, comprising an assessment of whether the proposed revision disproportionately affects entities of specific sizes, industries or geographies.

The impact assessment report establishes whether the revision meets the criteria for a high impact classification and whether transition or communication measures are required. The complete report, including underlying data and findings, is documented and submitted to the Head of Methodology for approval.

e) Conditions for determining material changes to the methodology:

A methodology revision is classified as material, or high impact, where it is reasonably expected to result in a significant shift in final rating outcomes for a substantial portion of the rated universe, thereby affecting the decision-making of rating users. A revision meets this threshold if it satisfies either of the following criteria:

- Issue coverage: The introduction or removal of an entire sustainability theme or criterion covered by the methodology.
- Expected score volatility: The impact assessment indicates that the revision will cause more than 10% of the impacted rated universe to experience a significant change in their final score, i.e. a shift of 2 risk levels or more.

f) Update to a Rating due to a methodology change:

Upon the implementation of a methodology update, the Overall risk (Carbon) levels for all mapped rated companies are systematically recalculated to align with the reviewed methodology. Carbon Risk users are notified in advance, before the update goes live, for them to consider implications for their ongoing programs.

The version number and the date of the last revision of the Carbon Risk methodology is communicated publicly on the EcoVadis website and to the Carbon Risk users directly by means of quarterly methodology change communication.

5. Organisational Disclosures

To ensure comprehensive transparency and full compliance with European ESG Rating Regulation standards, this methodology document is published on the official EcoVadis website page dedicated to regulatory disclosures: <https://ecovadis.com/trust-center/esma/>.

This page includes all required organisational disclosures in a dedicated section: Ownership structure, Business Model & Pricing, Conflict of Interest, and Complaint management & External stakeholder reasoned concern: <https://ecovadis.com/trust-center/esma/?active-tab=organisational-disclosures>

6. Legal notices

The Carbon Risk is published by Ecovadis SAS, headquartered at 43 avenue de la Grande armée 75116 Paris, a privately-held Société à Actions Simplifiée incorporated in France under trade and companies register number 497 842 914 - R.C.S. Paris.

This document is aligned with disclosure requirements applicable to EcoVadis SAS as per the Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities ('**the Regulation**'), in particular, Articles 23 and 24 of the Regulation setting out requirements on disclosures to users of ESG ratings, rated items and issuers of rated items, as well as applicable Regulatory Technical Standards of 15th October 2025.

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