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EcoVadis Inaugural Carbon Maturity Report: More than 15,000 Carbon Scorecards Issued in First Year Following Carbon Action Module Launch

Analysis Shows a New Phase of Supply Chain Decarbonization Efforts Accelerating Among Rated Companies of All Sizes Across the Globe

PARIS and NEW YORK – August 18, 2022 – EcoVadis, the leading provider of globally trusted business sustainability ratings, today released its <u>Carbon Maturity Report</u> exploring the state of climate action in the EcoVadis Network. The report – which outlines the EcoVadis Network Impact Model for supply chain decarbonization – shows that progress is being made on key early decarbonization phases among the companies EcoVadis has rated since launching its <u>Carbon Action Module (CAM)</u> in the spring of 2021.

Over the last year, EcoVadis has issued over 15,000 Carbon Scorecards, which are created within the EcoVadis Sustainability assessment process and platform. It provides a Carbon Maturity Rating (with five levels ranging from Insufficient to Leader), and strengths and improvement areas of a company's carbon management practices. The assessments and scorecards are customized based on a company's size and industry.

Proactive companies of all sizes are beginning to set at least a Scope 1 and/or 2 reduction target, but Scope 3 reduction targets are less common. While companies are starting to develop the various components of an effective carbon management system, only 3% of EcoVadis Carbon Scorecards indicate that a company was at an Advanced or Leader maturity level – most common among large companies with more than 10% falling into one of these two levels. Sixty-one percent of small and medium companies (SMEs) – which comprise more than 70% of global supply chains – currently fall into the Insufficient level, with most assessed as "first-time reporters".

"Organizations are deepening their commitments to science-based targets and realize that value chain action is essential to drive real impact and change," said Julia Salant, carbon solution director at EcoVadis. "Pioneering procurement leaders recognize that climate action is a journey, and given the urgency of the climate crisis they must act now. With the right tools and insights they can accelerate engagement and set foundations for collaborative climate programs that meet their suppliers where they are and help build knowledge and momentum for performance improvement."

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The Carbon Action Module is a comprehensive solution that empowers organizations to drive climate action at scale by engaging their value chain trading partners in a decarbonization journey. Key figures from the Carbon Maturity Report include:

- 8.8% of rated companies with a Carbon Scorecard have set at least one target for GHG emissions.
- 16% of companies provide intensity metrics alongside their broader GHG metrics.
- 14% are reporting publicly (e.g., website, sustainability report, etc.).
- Of the companies who have been rated with a Carbon Scorecard, 7,500 are reporting their GHG emissions.

As the CAM rollout gains momentum, EcoVadis is starting to see the first few companies being rated for a second time. Results indicate that 1 in 2 companies scored higher on their second assessment, while 1 in 3 improved enough to move up an entire maturity level (e.g., from Beginner to Intermediate). The strongest three actions companies are taking to reduce their carbon footprint are using renewable energy (26.5%), upgrading/using technology to improve energy efficiency (19.5%), and training employees on energy conservation and climate action (21.5%).

EcoVadis continues to innovate on CAM's offerings to empower companies to collect and analyze critical data points, optimize strategy, and collaborate with their value chain partners. Existing <u>CAM tools and resources</u> that organizations are currently using to transform their approach to decarbonizing supply chains and to meet their Net-zero commitments include Corrective Action Plans, Elearning Academy, and a Carbon Calculator.

For a complete look at the progress that rated companies in the EcoVadis Network are making on their carbon maturity, download the <u>2022 Carbon</u> <u>Maturity Report</u>.

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About EcoVadis

EcoVadis is a purpose-led company whose mission is to provide the world's most trusted business sustainability ratings. Businesses of all sizes rely on EcoVadis' expert intelligence and evidence-based ratings to monitor and improve the sustainability performance of their business and trading partners. Its actionable scorecards, benchmarks, carbon action tools, and insights guide an improvement journey for environmental, social and ethical practices across 200 industry categories and 175 countries. Industry leaders such as Johnson & Johnson, L'Oréal, Unilever, LVMH, Bridgestone, BASF and JPMorgan are among the 100,000 businesses that collaborate with EcoVadis to drive resilience, sustainable growth and positive impact worldwide. Learn more on <u>ecovadis.com, Twitter</u> or <u>LinkedIn</u>.

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