Beyond Carbon Benefits Assessment methodology

BeZero Carbon Ratings



BeZero

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Introduction to BeZero's Beyond Carbon Benefits Assessments

Beyond Carbon refers to the broader environmental and socioeconomic impacts—both positive and negative—that may arise from carbon credit projects. BeZero Carbon believes the likelihood of the benefits associated with Beyond Carbon, often referred to in the market as "co-benefits", are an important aspect of carbon projects and that if not made transparent, they undermine confidence and investment in carbon markets.

BeZero assesses the negative and positive aspects of Beyond Carbon separately to adequately evaluate both a project's risk of harming communities and ecosystems (downside risk) and its likelihood of delivering co-benefits. As a result, BeZero has developed two distinct sets of Beyond Carbon offerings, each with its own methodology:

1. Beyond Carbon downside risk (Beyond Carbon Risk Assessment)
2. Co-benefits likelihood (Beyond Carbon Benefits Assessment)

This document outlines the analytical framework for Beyond Carbon Benefits Assessments. BeZero Carbon has published a separate methodology for its Beyond Carbon Risk Assessment.

A Beyond Carbon Benefits Assessment may only be conducted alongside a Beyond Carbon Risk Assessment (i.e., not as a standalone add-on to a BeZero Carbon Rating) to avoid showcasing only the more positive non-carbon aspects of a carbon project.

The approach applies across project types and sectors and can be used by all carbon market participants.

BeZero classifies projects by project type using the BeZero Carbon Sector Classification system issued by BeZero Carbon Ltd, a hierarchical sector classification system for verified carbon markets. The classification is periodically reviewed and the BeZero Carbon Sector Classification Methodology is publicly available.

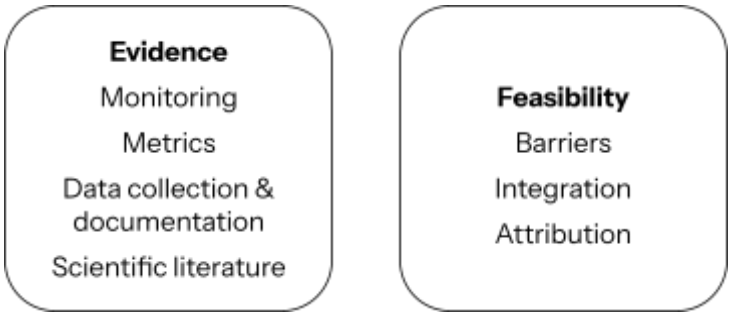
Beyond Carbon Benefits Assessment analytical framework and process

The Beyond Carbon Benefits Assessment evaluates the likelihood that a carbon project will deliver the socioeconomic and environmental benefits claimed by the project. In exceptional cases, BeZero may also include an unclaimed benefit where compelling evidence demonstrates its connection to project activities and supports its delivery. For example, as part of our assessment, we may identify that a project's payment of local taxes enables a community's investment in health programmes, and opt to include this benefit in our assessment, even if the project developer does not include it among its co-benefits claims. As part of the benefits assessment, BeZero also notes which benefits align with the United Nations' Sustainable Development Goals (SDGs) and whether the project has specifically claimed these SDGs in project documents.

The Beyond Carbon Benefits Assessment assesses positive impacts that a carbon project may generate for people and the environment. It therefore applies an impact-materiality perspective. It

does not assess the financial opportunities that these benefits may create for the project proponent, credit holder, or investor.

BeZero's Beyond Carbon Benefits Assessment



BeZero Carbon's Beyond Carbon Benefits Assessment applies the concept of likelihood. The assessment of likelihood in the context of Beyond Carbon benefits rests upon two pillars: evidence and feasibility. Together, these pillars evaluate both the strength of information to support the occurrence of a benefit and the practical likelihood that project activities will generate that benefit in reality.

Evidence

The evidence pillar assesses the strength and credibility of the information supporting the existence of a Beyond Carbon benefit. BeZero evaluates four key attributes:

1. **Approach to monitoring:** We assess the robustness of the project's monitoring system(s). This includes the frequency of monitoring activities, how comprehensive they are, and the extent to which they are underpinned by established scientific methods or prior trials. Strong monitoring systems provide regular, systematic measurement and demonstrate that the project actively tracks relevant outcomes.

2. **Use of appropriate metrics:** We evaluate whether the metrics used to measure the benefit are clearly defined, relevant to the outcome being assessed, and supported by scientific or methodological consensus. This includes assessing whether the metrics are suitable proxies for the benefit and whether they align with established measurement practices.

3. **Data collection and documentation:** We examine the processes the project uses to collect, record, maintain, and share the data that underpin its activities and claims. This includes documentation showing how the project identified the need for specific interventions, such as baseline studies, stakeholder consultations, surveys, or other forms of due diligence conducted prior to implementation. We assess whether there is a clear and traceable documentation process ("paper trail") that explains how decisions were made, what information was used, and how the project substantiates its claims.

4. **Substantiation in the scientific literature:** We consider whether peer-reviewed scientific literature and/or other credible research demonstrate that a project's activities may achieve a specific benefit and under what conditions. This helps determine whether there is established evidence that similar interventions can produce the expected outcomes.

Feasibility

The feasibility pillar evaluates how realistic it is that project activities will generate a Beyond Carbon benefit in practice. BeZero assesses three key attributes:

1. **Implementation barriers:** We consider whether there are significant obstacles to implementing the activities that produce the benefit. This includes assessing whether the required interventions are technically feasible, financially sustainable, and proven in similar contexts. Projects relying on costly, complex, or untested approaches may face greater implementation barriers.

2. **Integration with project activities:** We assess the degree to which the Beyond Carbon benefit is embedded within the project design. Benefits that arise directly and inherently from core project activities—rather than requiring separate or optional interventions—are generally considered more feasible, as they are more likely to occur consistently as the project operates.

3. **Attribution of benefits to project activities:** We evaluate whether the project's activities are clearly responsible for generating the Beyond Carbon benefit. This involves assessing the project's theory of change and conditions with and without the project to determine whether the benefit can reasonably be attributed to the project, rather than to external factors or outcomes that would likely have occurred without the project.

BeZero's Beyond Carbon Benefits Assessment relies on a blend of qualitative and quantitative factors, social and environmental impact assessment techniques, and primary and secondary data sources, like information from project documents, external sources (e.g., news articles and journal publications), and internal expertise. This internal expertise is informed by our experience with BeZero Carbon Ratings and a growing number of Beyond Carbon Risk Assessments for ex ante projects.

Beyond Carbon Benefits Assessment definitions

A BeZero Carbon Beyond Carbon Benefits Assessment represents BeZero Carbon's opinion on the likelihood that a carbon project will result in benefits to people and/or the environment.

The Beyond Carbon Benefits Assessment is expressed on a five-point numerical scale using tiers, where Tier 1 indicates a high likelihood and Tier 5 indicates a low likelihood. The assessment is expressed on a relative, ordinal scale. The comparative reference is the population of projects assessed by BeZero under the Beyond Carbon methodology across sectors and geographies. Project activity and geographic context are considered when interpreting the project's likelihood of benefit delivery relative to this population, but do not define separate or fixed peer groups or distributions. The assessment does not represent a numerical probability or measure the magnitude of the benefit delivered.

Table 1. BeZero Carbon Beyond Carbon Benefits Tier scale and definitions.

Tier	Definition
Beyond Carbon Benefits **Tier 1**	The carbon project has a **high** likelihood of socioeconomic and/or environmental benefits.
Beyond Carbon Benefits **Tier 2**	The carbon project has a **moderately high** likelihood of socioeconomic and/or environmental benefits.
Beyond Carbon Benefits **Tier 3**	The carbon project has a **moderate** likelihood of socioeconomic and/or environmental benefits.
Beyond Carbon Benefits **Tier 4**	The carbon project has a **moderately low** likelihood of socioeconomic and/or environmental benefits.
Beyond Carbon Benefits **Tier 5**	The carbon project has a **low** likelihood of socioeconomic and/or environmental benefits.

Table 2. What the Beyond Carbon Benefits Assessment is and is not.

What the Beyond Carbon Benefits Assessment IS	What the Beyond Carbon Benefits Assessment IS NOT
An **evaluation** of the **likelihood** of a carbon project's **potential benefits**	An assessment of the non-carbon **downside risks** associated with a carbon project, which is covered by a **separate** risk assessment **product**
A **relative assessment** informed by the best available data and subject matter expertise	An **absolute assessment** based on a single metric, due to complex topics that are highly dependent on context, or a **binary pass-fail** label
An assessment of the likelihood of Beyond Carbon **benefits** based on the **evidence and feasibility**	A **finding** of the **project's performance** on the ground or an assessment of its **impact** based on **scale**
A **holistic assessment** that considers uncertainty driven by both the **project** and **exogenous factors**	An assessment of benefits focused purely on **project claims**

Introduction to the benefits factor framework

BeZero's Beyond Carbon Benefits Assessment employs a framework organised by two primary benefits factors. These factors largely parallel those used for the Beyond Carbon Risk Assessment, although the definitions differ between the risk and benefits assessments:

Socioeconomic: The likelihood of benefits to people in and/or near the project. This factor corresponds to the social component of ESG.

Environmental: The likelihood of benefits to environmental attributes in and/or near the project. This factor corresponds to the environmental component of ESG.

The concept of benefits likelihood is less applicable to public sentiment, so we have not included that factor here, as we have for the Beyond Carbon Risk Assessment.

The Beyond Carbon Benefits Assessment does not assess governance as a standalone benefit factor. Governance-related information may nevertheless inform the assessment where it affects the evidence for, or feasibility of, socioeconomic or environmental benefits.

The Beyond Carbon Benefits Assessment does not assess EU Taxonomy alignment under Taxonomy Regulation (EU) 2020/852. Its driver scores, factor-level results and overall Benefits Tier should not be interpreted as indicators of Taxonomy alignment.

Beyond Carbon benefits drivers

Beneath the Beyond Carbon benefits factors is a set of benefits drivers encompassing all aspects of BeZero's Beyond Carbon assessment. The same overarching structure applies for both Beyond Carbon risks and benefits, although fewer drivers are relevant to the Beyond Carbon Benefits Assessment. Specifically, our assessment of benefits does not include Benefit sharing or Stakeholder engagement, both of which are mechanisms as opposed to specific benefits. Furthermore, benefit sharing mechanisms typically deliver benefits to communities through the benefits drivers we do assess (e.g., Labour and livelihoods, Diversity and Equity) and so assessment of the mechanisms specifically is redundant. Because the Beyond Carbon Benefits Assessment does not include Public Sentiment, Stakeholder commentary and Media coverage are not included as benefits drivers, although public comments and news articles may factor into our assessment of Socioeconomic and/or Environmental benefits.

Table 3. Socioeconomic benefits drivers and definitions.

Benefits driver	Definition
Land and resource rights	Benefits concerning secure land tenure, inhabitation, access to resources and/or cultural heritage
Labour and livelihoods	Benefits concerning alternative livelihoods, employment, wages, and/or improved working conditions
Diversity and equity	Benefits concerning inclusiveness of gender, race, income, and/or other vulnerable or marginalised populations, including Indigenous

	Peoples and local communities
Health and education	Benefits concerning the health and education of the involved stakeholders (e.g., new programmes, improved access)

Table 4. Environmental benefits drivers and definitions.

Benefits driver	Definition
Ecosystems and biodiversity	Benefits concerning native habitat, species, and/or connectivity within or surrounding the project area.
Climate resilience	Benefits concerning the availability and/or use of natural resources, such as water and soil, and the reduction of natural hazards, such as fire, drought, and flooding.
Pollution	Benefits concerning the quality of environmental attributes such as air, soil, water, and noise.

Driver-level scoring

BeZero assigns an ordinal likelihood score from 1 to 5 to each relevant benefits driver, where 1 represents High likelihood and 5 represents Low likelihood. The driver score reflects an overall judgement of the evidence for and feasibility of the benefit, using the criteria described above. Evidence and feasibility are considered jointly and are not separately scored or assigned fixed numerical weights.

Relevant driver scores are averaged within each factor to produce Socioeconomic and Environmental results. The Socioeconomic and Environmental likelihood levels are disclosed separately in the assessment report, alongside the overall Benefits Tier. Where no drivers within a factor are applicable, no numerical score or likelihood level is assigned and the factor is reported as not applicable. Factor results are calculated for separate reporting and are not used as inputs to the overall Benefits Tier, which is calculated directly from the relevant driver scores. Governance is not separately scored and therefore has no standalone result.

Where a project claims more than one benefit within a driver, analysts consider the evidence and feasibility supporting those claims together when assigning the driver-level score. The accompanying analysis identifies material differences in support for the individual claims and explains the resulting judgement. Individual claims are not automatically treated as separate numerical inputs to the overall Tier calculation.

Table 5. Benefit driver-level scoring

Score	Likelihood	Driver-level interpretation
1	High	Strong, relevant evidence supports the benefit. The activities needed to deliver it are credible and feasible, with limited unresolved implementation or attribution concerns.
2	Moderately high	Credible evidence supports the benefit, and the activities needed to deliver it are feasible. Some gaps or uncertainties remain, but these do not materially undermine its expected delivery.
3	Moderate	Project activities could plausibly deliver the benefit, but material gaps in supporting evidence, implementation arrangements or attribution leave its delivery uncertain.
4	Moderately low	Evidence provides limited support for delivery, and/or significant implementation or attribution constraints substantially weaken the likelihood of the benefit occurring.
5	Low	The available evidence provides little credible basis for expecting delivery, and/or fundamental feasibility constraints make the benefit unlikely to occur.

Weighting and aggregation

The Beyond Carbon Benefits Assessment gives each relevant benefits driver an equal weight in the overall calculation. It does not assign separate fixed weights to Socioeconomic and Environmental factor results. Governance is not assessed as a standalone benefits factor and has no separate weighting.

A driver is relevant where the project claims a benefit within that driver, or where BeZero exceptionally includes an unclaimed benefit supported by compelling evidence, as described in the analytical framework. Where no relevant benefit is identified, the driver is marked not applicable and excluded from the calculation. A relevant benefit with weak supporting evidence remains subject to scoring; it is not marked not applicable solely because the evidence is limited.

Calculating benefits factor levels

For each benefits factor, the numerical score is the simple arithmetic mean of the relevant driver scores:

$$B_f = \frac{\sum_{i \in f} b_i}{n_f}$$

where b_i is the numerical score assigned to a relevant benefits driver and n_f is the number of relevant drivers within that factor.

The Socioeconomic factor includes up to four relevant drivers, and the Environmental factor includes up to three. Drivers marked not applicable are excluded from both the sum of scores and the number of drivers used in the calculation. Each factor score is mapped to a qualitative likelihood level using the boundaries below.

Where no drivers within a factor are applicable, no numerical score or likelihood level is assigned to that factor.

Factor results are intermediate analytical outputs. They are not used as inputs to the overall Benefits Tier calculation.

Calculating the overall Benefits Tier

The overall numerical benefits score is calculated directly from the simple arithmetic mean of all relevant benefits-driver scores:

$$B = \frac{\sum_{i=1}^{n} b_i}{n}$$

where n is the total number of relevant benefits drivers across both factors.

Each relevant driver therefore receives a weight of $\frac{1}{n}$. Where all seven drivers are relevant, the four Socioeconomic drivers represent approximately 57% and the three Environmental drivers approximately 43% of the overall calculation. These proportions vary with the number of relevant drivers within each factor.

Drivers marked not applicable are excluded from both the numerator and denominator. They are not assigned a numerical score and do not directly raise or lower the result. Where no benefits drivers are applicable, no mean or overall Benefits Tier is calculated.

The overall mean is mapped to a Benefits Tier using the following boundaries. The same boundaries determine the qualitative likelihood level of each factor.

Table 6. Benefits numerical scoring tiers

Mean score	Overall Benefits Tier	Benefits likelihood
1 ≤ score < 1.75	Tier 1	High
1.75 ≤ score < 2.55	Tier 2	Moderately high
2.55 ≤ score < 3.35	Tier 3	Moderate
3.35 ≤ score < 4.15	Tier 4	Moderately low
4.15 ≤ score ≤ 5	Tier 5	Low

The mean is a calculation used to assign an ordinal likelihood classification. It does not represent a numerical probability or measure the magnitude of benefits delivered.

The overall Benefits Tier represents an aggregate assessment of the likelihood of the benefits included in the assessment. It does not represent the magnitude, relative significance or number of benefits generated by the project, and the same overall Tier may reflect different combinations of relevant benefits drivers. The overall Tier should therefore be considered alongside the driver-level results and accompanying analysis.

Benefits evidence quality

Evidence-quality levels are presented in the benefits tables at the front of each assessment report to communicate the strength of the evidence supporting the assessed benefits. This reflects the strength, specificity, and traceability of the information supporting an identified Beyond Carbon benefit. It helps explain how much confidence there is in the evidence behind a benefit, which is used to determine the benefit's overall likelihood. Evidence-quality classifications are descriptive and are not converted into numerical scores or used as separate inputs to the aggregation calculation. The underlying evidence is considered alongside feasibility when assigning the driver-level likelihood score.

A benefit may have strong evidence but still receive a moderate likelihood where delivery, attribution or long-term outcomes remain uncertain. Equally, a benefit may have a credible pathway but weaker evidence where the project has not yet provided enough detail on scale, implementation, monitoring or outcomes.

Table 7. Beyond Carbon Benefits evidence quality levels.

Evidence quality	**Definition**
Substantial	Strong, relevant, and traceable evidence provides a clear basis for confidence that the benefit claim is well substantiated.
Partial	Some relevant evidence supports the benefit, but gaps remain in its completeness, transparency, directness, or relevance to the project context.
Limited	Evidence is high-level, general, anecdotal, or insufficiently documented, providing limited support for the benefit's delivery.
N/A	No benefit within this driver is included in the assessment.

Data sources and analytical process

Data sources

The Beyond Carbon Benefits Assessment uses qualitative and quantitative information from public and non-public sources. The evidence reviewed varies according to the project type, sector, geography, activities and benefits drivers being assessed.

Public sources may include project documentation published by standards bodies, registries or project proponents; applicable laws and policies; government data and publications; peer-reviewed scientific literature; technical and industry research; civil-society publications; stakeholder statements; and media reporting. Non-public sources may include documents, data and written responses provided by the project proponent through the BeZero Carbon Rating and Beyond Carbon Assessment process; information obtained during meetings with the project proponent or other stakeholders; and information gained while on a project site visit associated with the rating, if applicable.

BeZero's preference is for information to be publicly available where possible, to reduce information asymmetries and promote transparency. However, non-public information may be considered where it improves the accuracy of the assessment and must remain confidential for legal, data-protection, commercial or other legitimate reasons. Where non-public information materially informs the assessment, the report explains its relevance without disclosing confidential details.

Information disclosed under Directive 2013/34/EU or Regulation (EU) 2019/2088 is not ordinarily used because the rated items are carbon projects rather than entities typically subject to those disclosure regimes. If relevant information is available through such disclosures, it may be considered as a public external source.

Data processing and source assessment

Analysts identify and organise information according to the Beyond Carbon benefit factors and drivers. Sources are assessed based on their relevance to the project and benefits driver under consideration, the credibility and traceability of the source, the date of the information, and its consistency with other available evidence. Material claims are corroborated using multiple sources where possible.

Project-provided and non-public information is assessed using the same principles as publicly available evidence. The assessment does not automatically give precedence to information provided by the project proponent. Where sources provide conflicting accounts, analysts consider the basis, relevance and credibility of each source and explain material uncertainty or disagreement in the assessment where relevant.

Internal subject-matter and geographic expertise is used to identify relevant benefits, interpret the available evidence and support comparison with similar project types and contexts. Internal experts may have knowledge of specific topics, e.g., Indigenous Peoples, land rights, human rights, and geographies.

Unavailable information and contextual evidence

BeZero does not estimate or impute missing project information. Where project-specific information is unavailable, analysts may consider relevant scientific literature and evidence from comparable activities, sectors or geographic contexts. The relevance and transferability of this evidence are considered as part of the evidence pillar, and contextual evidence is not treated as equivalent to evidence of project-level implementation or outcomes. Information limitations are reflected in the assessment of evidence quality and may reduce the likelihood assigned to the relevant driver.

Gaps in monitoring, measurement, documentation or outcome data are reflected in the assessment of evidence quality and may reduce the assessed likelihood of the relevant benefit. The assessment is limited to conclusions supported by the information available at the time it is conducted.

Engagement with the project

As part of the information review, BeZero may request additional documents or written responses from the project proponent, or hold meetings with the project proponent or other stakeholders. Information obtained through engagement with the proponent is considered alongside other available evidence and is subject to the same assessment of relevance, credibility and consistency.

Engagement does not give the project proponent approval or veto rights over the analytical opinion or the resulting Beyond Carbon Benefits Tier.

Data cut-off, time horizon, and updates

The Beyond Carbon Benefits Assessment is a point-in-time, forward-looking assessment. Each assessment is time-stamped and reflects the information available by the applicable data cut-off date. It is not subject to scheduled or ongoing data updates after publication. The assessment remains BeZero's opinion as at its assessment date and is not reviewed or reaffirmed thereafter unless a further review is commissioned. Where a client commissions a subsequent review, BeZero considers relevant new information and assigns a new assessment date and data cut-off.

The assessment is a forward-looking evaluation of the likelihood of benefits, informed by relevant backwards-looking evidence of implementation to date. The analysis considers the relevant periods of project activities and benefit delivery, rather than individual carbon credit vintages.

Analytical process

The analytical process for the Beyond Carbon Benefits Assessment mirrors that of the Beyond Carbon Risk Assessment and BeZero Carbon Rating and involves four distinct steps.

Step 1: Information and data review
During the information and data review conducted for a carbon rating, BeZero reviews the information provided and requests additional information needed to assess the evidence for and feasibility of the benefits. The Beyond Carbon information and data review does not impose the same eligibility criteria and restrictions as the carbon rating data review.

Step 2: Information and data processing
BeZero aligns on information relevant to both the carbon rating and the Beyond Carbon assessments (risks must be conducted alongside benefits). Analysts leading Beyond Carbon assessments

collaborate with internal experts who have knowledge of specific topics, e.g., Indigenous Peoples, land rights, human rights, and geographies.

Step 3: Benefits driver assessment
BeZero conducts top-down and bottom-up analyses of a project's Beyond Carbon benefits. For the top-down analysis, Beyond Carbon analysts leverage internal knowledge of Beyond Carbon benefits for specific sub-sectors, project activities, and geographies. For the bottom-up analysis, BeZero assesses the benefits level of each benefit driver to formulate a view of the likelihood of Beyond Carbon benefits for a specific project.

Step 4: Assigning a Beyond Carbon Benefits Tier
BeZero analyses all the information provided. BeZero may also meet the project proponent and/or other stakeholders and visit the project site, if necessary. The analyst leading the analysis of Beyond Carbon benefits will prepare a draft report on the Beyond Carbon benefits, which includes assigning the numerical benefits tier and accompanying narrative. This report will be reviewed by peers and Beyond Carbon leadership (on the Ratings leadership team), similar to the BeZero Carbon Rating. BeZero assigns the Beyond Carbon Benefits Assessment a time stamp to indicate the date the decision was reached. The Beyond Carbon Benefits Assessment is included as a distinct section of the carbon rating report and must be accompanied by a Beyond Carbon Risk Assessment.

How BeZero Uses AI in Beyond Carbon Assessments

BeZero uses artificial intelligence (AI) to support defined tasks in the production of Beyond Carbon Risk and Benefits Assessments, including information collection, research and analytical preparation.

AI may assist with extracting and organising information from project documentation and other sources, identifying and synthesising relevant evidence, supporting preliminary analysis and preparing draft content for analyst review.

Core principles for AI usage

- **Analyst-led assessment:** Beyond Carbon Assessments are conducted by analysts applying BeZero's published methodologies. Analysts are responsible for evaluating evidence, interpreting project-specific circumstances, exercising analytical judgement and determining assessment conclusions. AI supports these processes but does not independently determine driver-level scores or overall Risk and Benefits Tiers. Assessments are subject to the relevant peer and leadership review processes.
- **Source traceability and verification:** Information identified or produced using AI is assessed against its underlying sources. Analysts are responsible for verifying relevant evidence, evaluating source credibility and considering its applicability to the project context. AI-generated outputs do not constitute an independent source of evidence.
- **Limitations of AI:** AI outputs may be incomplete, inaccurate or inconsistent, may not capture relevant context or nuance, and depend on the availability and quality of underlying information. BeZero treats AI-generated content as supporting material and does not rely on it as the sole basis for an assessment decision.
- **Data security and confidentiality:** BeZero limits assessment-related AI use to approved services and configurations subject to security, privacy and contractual controls. Providers are not permitted to use BeZero inputs to train their models.

Scientific evidence

The Beyond Carbon Benefits Assessment is grounded in scientific and other empirical evidence where relevant to the evidence for a benefit and the conditions under which the project activity is likely to generate it.

Analysts undertake a general review of evidence relevant to the project activity, geography and benefit. Sources may include peer-reviewed literature, government and academic publications, and credible technical or industry research. The review is proportionate to the benefit and does not constitute a formal systematic literature review.

Analysts consider relevance to the activity, geography, ecosystem or intended beneficiaries; similarity to the project's activities; methodological quality and transparency; source credibility and traceability; recency; consistency with other research; and limitations affecting transferability.

Highly relevant evidence may provide substantial support where it concerns the same or a closely comparable activity and context. Less directly applicable, geographically distant, methodologically limited or conflicting evidence may provide only partial support. Scientific evidence does not replace project-specific evidence of implementation, monitoring or outcomes. Material limitations are reflected in evidence quality and may reduce the assessed likelihood of the benefit.

Correspondence with external frameworks

Correspondence with European Sustainability Reporting Standards

The topics that may be covered by the Beyond Carbon Benefits Assessment correspond in part to topics addressed by the European Sustainability Reporting Standards (ESRS) developed pursuant to Article 29b of Directive 2013/34/EU.

The socioeconomic benefits drivers principally correspond to topics addressed under the social standards, including ESRS S1 Own Workforce, S2 Workers in the Value Chain and S3 Affected Communities and, where relevant, S4 Consumers and End-users.

The environmental benefits drivers principally correspond to ESRS E2 Pollution, E3 Water and Marine Resources, E4 Biodiversity and Ecosystems and E5 Resource Use and Circular Economy; benefits relating to resilience to climate-related natural hazards may also overlap with E1 Climate Change.

The correspondence is not one-to-one, as the Beyond Carbon benefits drivers are defined for project-level assessment and may span more than one ESRS topic. Only benefits identified as relevant to the project are assessed, so not all drivers or corresponding ESRS topics apply to every assessment.

This correspondence describes topical overlap and does not constitute an assessment of compliance with ESRS reporting requirements.

International agreements and reference frameworks

The Beyond Carbon Benefits Assessment covers socioeconomic and environmental factors but does not assess whether a project’s commitments or activities are aligned with the targets and objectives of

the Paris Agreement, adopted under the United Nations Framework Convention on Climate Change in 2015. The carbon efficacy claims of a project are considered separately under the applicable BeZero Carbon Rating methodology.

The assessment identifies where an assessed benefit corresponds to the United Nations Sustainable Development Goals, adopted as part of the 2030 Agenda for Sustainable Development. It also records whether the project has claimed the relevant SDG. SDG mapping provides contextual information and does not, by itself, affect the assigned benefit-driver level or overall Benefits Tier. The assessment does not determine whether a project's commitments are formally aligned with the SDGs, their targets or indicators.

Other international agreements, declarations and associated frameworks may be used as reference points where relevant to a project benefit. These may include instruments concerning human rights, Indigenous Peoples, labour rights and biodiversity, such as the United Nations Declaration on the Rights of Indigenous Peoples, relevant International Labour Organization conventions and the Convention on Biological Diversity.

These instruments inform the interpretation of relevant benefit pathways and recognised good practice. The Beyond Carbon Benefits Assessment does not assign a separate alignment assessment against their objectives.

Methodological limitations and verification

The Beyond Carbon Benefits Assessment is subject to uncertainty and imperfect information. This is particularly relevant for pre-issuance projects, where activities may not yet be fully implemented and evidence of realised outcomes may be limited. The assessment may therefore depend in part on project documentation and information provided by the project proponent. BeZero assesses the relevance, credibility, traceability, date and consistency of the information considered and seeks corroboration from independent or external sources where possible. Material information gaps and uncertainty are reflected in the assessment of evidence quality and may reduce the likelihood assigned to the relevant benefit. BeZero does not validate or audit the underlying information.

Assessment of the evidence and feasibility supporting a project benefit also requires analyst judgement, particularly where evidence is incomplete, conflicting or not directly transferable to the project context. To support consistency, analysts apply common benefits-driver definitions and evidence and feasibility criteria, and assessments are subject to peer and Beyond Carbon leadership review.

The assessment is limited to benefits claimed by the project and benefits with compelling evidence identified by BeZero. It does not seek to identify or assess all potential positive impacts associated with a project. Projects may therefore differ in the number and type of benefits included in the assessment. The overall Benefits Tier should be interpreted with reference to the specific benefits drivers assessed and the accompanying driver-level analysis.

The Beyond Carbon Benefits Assessment is an independent analytical opinion and is not a substitute for project validation, verification, assurance, or due diligence. The Beyond Carbon Benefits Assessment is also not a finding of socioeconomic and/or environmental impacts on the ground.

Appendix I: Methodology review policy

All BeZero methodologies are live and current, with versioning logs at the end of each document.

The methodology is subject to periodic review, and at least once annually. The need for revisions will consider a range of factors including:

- Methodology review and evaluation. BeZero reviews relevant emerging evidence and experience from applying the methodology, including indications that the framework, scoring criteria or aggregation rules may not adequately capture differences in the likelihood of benefit delivery.
- Changes in project activities and market practice. Developments in the types of projects assessed or the information available may require clarification or refinement of the framework.
- Regulatory and external-framework changes. Relevant changes in regulation, disclosure requirements or reference frameworks may warrant revisions.
- Periodic review. All active frameworks are reviewed periodically (at least annually) to ensure continued robustness and effectiveness and to make analytical refinements.

Revisions to the methodology will be deemed material or non-material.

Non-material changes typically refer to minor updates such as administrative fixes, editorial clarifications that do not alter the underlying analysis. Other potential non-material changes may reflect an elaboration of the benefits assessment framework. Non-material revisions are published routinely as needed.

Material changes typically refer to a fundamental shift in the analytical framework, scoring models, assessment scope and definitions, or key assumptions that could reasonably alter an existing benefits assessment outcome.

Any change to the Beyond Carbon methodologies are led by our Beyond Carbon Senior Director and approved by a formal Analytical Committee composed of senior personnel from the analytical team. We also consult with our external advisory board on such matters as required.

Beyond Carbon Benefits Assessments are point-in-time opinions and are not subject to ongoing monitoring or systematic reassessment following methodology revisions. Existing assessments continue to reflect the information available and the methodology applied at their assessment date; their driver-level scores, factor-level results and overall Benefits Tiers are not retrospectively updated. Where a subsequent review is commissioned, BeZero applies the methodology in force at the time of that review, considers relevant new information and assigns a new assessment date and data cut-off.

Changes to methodologies are tracked and logged. The version history of this methodology is available at the end of this document.

Stakeholder consultation

BeZero engages regularly with a wide range of market stakeholders. Feedback is welcome and will be considered as part of the periodic review process. BeZero in some cases may consult with stakeholders via ‘request for comment’ or equivalent processes when considering material methodology revisions.

Appendix II: EU ESG ratings regulatory disclosures

The following summarises where in this document to find the minimum disclosure requirements under Regulation (EU) 2024/3005 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities. Information referenced below relates to the disclosures described in point 1 of Annex III to Regulation (EU) 2024/3005*.

Disclosure type	Disclosure requirement	Location(s)
Rating Product Disclosures	Ratings objectives	Introduction to BeZero's Beyond Carbon Benefits Assessments (p3); Beyond Carbon Benefits Assessment analytical framework and process (pp3–5); Beyond Carbon Benefits Assessment definitions (pp5–6)
	Considering E/S/G factors	Introduction to the benefits factor framework (p7); Beyond Carbon benefits drivers (pp7–8)
	Weighting E/S/G factors	Driver-level scoring (pp8–9); Weighting and aggregation (p9); Calculating benefits factor levels (pp9–10); Calculating the overall Benefits Tier (p10)
	Topics included in E/S/G factors	Introduction to the benefits factor framework (p7); Beyond Carbon benefits drivers (pp7–8); Correspondence with European Sustainability Reporting Standards (p15)
	Ratings values	Beyond Carbon Benefits Assessment definitions (pp5–6); Calculating the overall Benefits Tier (p10)
	Considering international agreements (including the Paris Agreement)	International agreements and reference frameworks (pp15–16)
General Methodological Disclosures	Overview of methodologies, models, assumptions, and revisions	Beyond Carbon Benefits Assessment analytical framework and process (pp3–5); Driver-level scoring (pp8–9); Weighting and aggregation (p9); Calculating the overall Benefits Tier (p10); Benefits evidence quality (p11); Analytical process (pp13–14); Appendix I: Methodology review policy (pp16–17); Updates and reviews (pp19–20)
	Industry classifications	Introduction to BeZero's Beyond Carbon Benefits Assessments (p3); BeZero Carbon Sector Classification Methodology
	Overview of data sources, data processes, updates, and project engagement	Data sources (pp11–12); Data processing and source assessment (p12); Unavailable information and contextual evidence (p12); Engagement with the project (p13); Data cut-off, time horizon, and updates (p13)
	How scientific evidence is used	Evidence (p4); Scientific evidence (pp14–15); Unavailable information and contextual evidence (p12)
	How we use AI	How BeZero Uses AI in Beyond Carbon Assessments (p14)
Limitations in data sources, methodologies and information	Limitations in data sources and methodologies	Benefits evidence quality (p11); Unavailable information and contextual evidence (p12); Scientific evidence (pp14–15); Methodological limitations and verification (p16)

	Limitations on information available to BeZero	Unavailable information and contextual evidence (p12); Data cut-off, time horizon, and updates (p13); Methodological limitations and verification (p16)

*Note: Other disclosure requirements can be found here.

Updates and reviews

Version number	Date	Description
1.00	14/04/26	Initial release
2.00	27/10/26	Formatting updates, edits and revisions to align with ESMA regulatory requirements including methodology review policy and required disclosures.

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