

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

Table of contents

1. Rating Product Disclosure	3
1.1. Objective and approach to materiality	3
1.2. Scope	3
1.3. Ranking system	5
1.4. Coverage of international agreements	7
2. Basic Methodological Disclosures	8
2.1. Methodology overview	8
2.2. Methodology assumptions and models	10
2.3. Management system indicators and scoring	11
2.4. Industry classification	16
2.5. Data sources	16
2.6. Data processes	17
2.7. Data quality	20
2.8. Assessment process quality	21
2.9. Monitoring availability of new information in between assessments	23
2.10. Engagement with rated companies	24
2.11. Scientific basis	26
2.12. Usage of AI-based tools	27
3. Limitations in data sources, methodologies and information	28
3.1. Methodology limitations	28
3.2. Data source limitations	29
3.3 Means of addressing limitations in data sources	30
4. Methodology revision	31
5. Legal notices	35

1. Rating Product Disclosure

1.1. Objective and approach to materiality

The objective of the Sustainability Rating is to assess the level of adequacy and comprehensiveness of a rated company's ESG management system to address material sustainability impacts on stakeholders. The rating is EcoVadis' own opinion and can differ from the assessments provided by other ESG rating providers.

The Sustainability Rating is designed as a tool for rating users to integrate ESG factors into their procurement or investment decisions. It is always solicited and never performed without knowledge, consent and involvement of a rated company. Companies can always refuse to undergo an assessment.

To assess the quality of a company's management system and its ability to prevent or minimize impacts on company stakeholders, EcoVadis identifies material issues based on an impact materiality approach (the "inside-out" perspective identifying external impacts that a company's operations, products, and services have on the environment and society). EcoVadis is progressively evolving its methodology to align with global double materiality standards. Our latest updates introduce resilience-based data points that assess a supplier's operational preparedness to external environmental hazards. By evaluating a company's capacity to detect and mitigate these disruptions, we provide vulnerability proxies that can support partners in performing their own financial materiality assessments and managing value chain business continuity.

The specific impacts covered by the assessment are grouped into 4 themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement, which together encompass 21 specific criteria (see section "1.2 Scope" for additional details).

1.2. Scope

The Sustainability Rating is an aggregated rating covering four core themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. These four themes cover the following sustainability issues:

- Environment
 - Energy Consumption & Greenhouse Gas Emissions
 - Water
 - Biodiversity
 - Air Pollution
 - Materials & Chemicals & Waste

- Product Use
- Product End-of-Life
- Customer Health & Safety
- Environmental Services & Advocacy
- Labor & Human Rights
 - Employee Health & Safety
 - Working Conditions
 - Social Dialogue
 - Career Management & Training
 - Child Labor, Forced Labor & Human Trafficking
 - Discrimination & Harassment
 - External Stakeholder Human Rights
- Ethics
 - Corruption
 - Anticompetitive Practices
 - Responsible Information Management
- Sustainable Procurement
 - Supplier Environmental Practices
 - Supplier Social Practices

The aforementioned issues do 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, they overlap to a degree and allow for comparison.

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

The Rating provides both a global aggregated score, and granular, disaggregated scores for each of the four themes.

Each theme score is presented on a scale of 0-100, allowing for comparability between each theme, and is based on a weighted average of the seven management indicator scores (see section 2.3 “Management system indicators and scoring” for additional information), which are designed to assess the quality of the company’s management approach on each of the four themes.

The overall score is based on a weighted average of the four theme scores and is also presented on a scale of 0-100. The weight of each theme is determined for each assessment depending on the materiality of the theme for the rated company, based on its industry, size and risk profile, and may range from 1 to 4.

1.3. Ranking system

a) Scores expressed in absolute values

The Sustainability Rating score is expressed in absolute value: the score ranges from 0 to 100 points. Sustainability Rating scorecards also include information on the percentiles within which rated companies fall, allowing for relative comparison of performance to other companies rated by EcoVadis.

The Sustainability Rating distinguishes five performance levels that reflect the maturity of a rated company's management system:

- Outstanding: Scores ranging from 85 to 100 points indicate a mature, comprehensive, and proactive sustainability management system with evidence of exceptional practices and superior results.
- Advanced: Scores ranging from 65 to 84 points indicate a strong, well-structured, and efficient sustainability management system with well-defined policies, concrete actions, and measurable results.
- Good: Scores ranging from 45 to 64 points indicate a satisfactory management system that includes structured policies and practical actions, but have some areas for improvement.
- Partial: Scores ranging from 25 to 44 points indicate foundational sustainability efforts, but with significant gaps in policies, actions, or reporting on results.
- Insufficient: Scores ranging from 0 to 24 points indicate high risk, significant deficiencies or the absence of a structured ESG management system.

b) Translation of scores in Medals and Badges

Scores above a specific threshold are also translated into an EcoVadis Medal or a Badge. Their goal is to highlight best performers and entities committed to sustainability or making significant progress over consecutive assessments. However, an EcoVadis Medal or Badge should not be understood as certification or an endorsement of a company or its products or services, and it does not indicate that the company's products or services are specifically sustainable or more sustainable than another company's products or services.

(i) Medal allocation rules

Medals are tied to individual performance benchmarked against the performance of all companies rated in the past 12 months before the date of the individual scorecard publication.

To obtain a medal, rated companies must meet specific performance thresholds and must not be considered ineligible.

1) Medal thresholds:

The type of medal depends on the percentile rank achieved by the rated company at the time of scorecard publication:

- Platinum: Top 1% (99+ percentile)
- Gold: Top 5% (95+ percentile)
- Silver: Top 15% (85+ percentile)
- Bronze: Top 35% (65+ percentile)

2) Ineligibility criteria:

- One of the four theme scores (Environment, Labor & Human Rights, Ethics, and Sustainable Procurement) is below 30/100.
- The 360° Watch indicator score (see section 2.3 “Management system indicators and scoring”) is at 0/100 for at least one theme or at 25/100 for at least two themes.

A company may still be eligible for a medal despite the 360° indicator score being at 0/100 for at least one theme or at 25/100 for at least two themes if it does not have a single negative (minor, major, or severe) finding in the past 3 years for Environment, Labor & Human Rights, and Sustainable Procurement themes or 5 years for the Ethics theme.

A Large company (above 1,000 employees) may still be eligible for a medal despite the 360° indicator score being at 0/100 for at least one theme or at 25/100 for at least two themes if it has no more than 50 minor findings and no more than 1 major finding valid on its scorecard. The reason for this exception is that a 360° Watch score of 0/100 may result from a high volume of minor findings rather than solely from severe or major findings. In such cases, the large company exception applies, as the volume alone does not necessarily indicate a systemic management failure.

- Companies doing business in specific industries may not be eligible for EcoVadis medals. These include: the manufacturing of tobacco products, the manufacturing of weapons and ammunition, the mining of coal or lignite, companies with more than 20% of revenue from coal sources, companies with more than 20% of coal-based power generation, companies with more than 20% of exploration and production from unconventional oil and gas

A Medal is valid for the period of a rated company's scorecard validity.

The Methodology team is responsible for defining the rules for Medals allocation, which need to be approved by the EcoVadis Marketing team, given that the use of Medals and Badges directly engages the EcoVadis name and brand.

(ii) Badges allocation rules

To obtain one of the two badges, rated companies must meet specific performance thresholds and must not be considered ineligible.

- 1) Badges thresholds:
 - Committed: Companies must achieve a minimum score of 45/100
 - Fast Mover: Companies must achieve a score between 34-44 with a minimum 6-point improvement compared to the previous assessment in an 18-month period.
- 2) Ineligibility criteria:
 - Companies earning an EcoVadis medal are not eligible for an EcoVadis badge, as they are mutually exclusive.
 - Companies with at least one severe 360° Watch finding within the past 5 years for Environment, Labor & Human Rights, Sustainable Procurement themes or 7 years for the Ethics theme.
 - Companies doing business in specific industries may not be eligible for EcoVadis badges. These include: the manufacturing of tobacco products, the manufacturing of weapons and ammunition, the mining of coal or lignite, companies with more than 20% of revenue from coal sources, companies with more than 20% of coal-based power generation, companies with more than 20% of exploration and production from unconventional oil and gas.

A Badge is valid for the period of a rated company's scorecard validity.

The Methodology team is responsible for defining the rules for Badges allocation, which need to be approved by the EcoVadis Marketing team, given that the use of Medals and Badges directly engages the EcoVadis name and brand.

1.4. Coverage of international agreements

The Sustainability Rating methodology considers certain international agreements. For instance, International Labour Organization Conventions inspired the general structure of the Labor and Human Rights theme and the methodology used to assess social issues.

Likewise, the Basel Convention, the Stockholm Convention and the Minamata Convention informed the methodology development and assessment requirements for relevant sectors in the Environment theme.

However, while rated companies are asked whether they have carbon reduction targets, the Sustainability Rating methodology does not specifically refer to the targets and objectives of

the Paris Agreement.

2. Basic Methodological Disclosures

2.1. Methodology overview

The Sustainability Rating methodology is consistently applied to all eligible entities and includes adjustments made based on company profile, including industry, size and risk profile. The most recent version of the Sustainability Rating Methodology is V10.0, applicable as of January 2026. A full changelog can be accessed [here](#).

a) Methodology governance principles

To deliver Sustainability Ratings 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 assessment

The methodology allows for assessment of corporate entities. To be eligible for a Sustainability Rating, 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 sustainability 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 assess material issues the company is confronted to and the management system it has implemented in response.

The methodology allows for 3 different scopes of assessment:

- Group: Group-level assessments cover a legal entity and its subsidiaries.
- Entity: Entity-level assessments cover a legal entity with no subsidiaries.
- Site: Site-level assessments cover a specific geographic site or facility of a legal entity. This site does not have its own individual legal entity name. A site will use the legal entity name of the entity it pertains to, with the site name suffix in its name.

The following organizational and operational structures and items are not eligible for assessment: 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, NGOs, state-owned or governmental organizations, holdings without any operational subsidiaries and cooperatives.

c) Validity and time horizon

The Sustainability Rating methodology is mostly backward-looking, as it primarily assesses past performance and historical data. The methodology typically analyzes up to ten years of historical data, including both management system documents provided by the rated entity and external findings reflecting stakeholder opinions on the company's ESG performance.

The Sustainability Rating includes one type of forward-looking information under the Policy indicator (see section 2.3 "Management system performance indicators and scoring"), which reviews the existence of quantitative targets set by the rated company on material sustainability issues.

Ratings have a set validity period of 12 months from the date of publication. It ensures that results reflect the current status of the rated company's management system and integrate all recent external stakeholder feedback.

2.2. Methodology assumptions and models

The Sustainability Rating operates under the following assumptions:

a) Companies with formalized management systems are in a better position to prevent and address adverse impacts

The Sustainability Rating assumes that companies that implement formalized management systems are significantly better equipped to prevent and address adverse impacts on the planet and society. As a result, the scoring methodology rewards the formalization of policies, actions and reporting on results on all material sustainability issues.

b) The absence of stakeholder feedback indicates that no significant management system deficiency occurred

External stakeholder feedback is collected and analyzed under the 360° Watch indicator (see section 2.3 "Management system performance indicators and scoring"), which integrates external stakeholder feedback regarding the performance of rated companies' management systems. In case no news items that could be considered as negative as per EcoVadis methodology are found, the Sustainability Rating perceives the absence of controversies as evidence that the management system in question functions well. In consequence, it results in a default score for the 360° Watch indicator which increases the number of points awarded to the rated entity.

c) Absence of document evidence means absence of management approach

In case a rated company is not able to provide formalized management system evidence, such as policies, procedures and reports, the Sustainability Rating considers this as an indication that the management system is not effectively implemented, and that the company may not be well prepared to address material sustainability issues. The lack of formalized evidence translates into lower scores.

d) The larger the rated company, the greater the risks and impacts and the larger the resources it possess, the higher the expectations regarding its management system

The methodology assumes that larger entities face more risks, generate more significant impacts and are better positioned to address sustainability issues. In consequence, they are systematically expected to demonstrate greater maturity and a more comprehensive approach. Conversely, smaller entities, extra small companies in particular, face lower requirements, adjusted to their context.

The Sustainability Rating does not employ any additional supporting models, estimations or projections.

2.3. Management system indicators and scoring

a) Raw scores based on management system indicators

The Sustainability Rating methodology considers an effective sustainability management system to be one that develops policies, implements actions and reports on results. These three management layers are further categorized into the following seven management indicators:

- Policy: This indicator assesses the company's objectives and commitments to mitigating sustainability impacts. Internal value statements and targets allow companies to create a framework for their activities and create grounds for long-term accountability for achieving sustainability goals.
- Endorsement: This indicator refers to a company's formal public commitment to external sustainability initiatives. Participation in such initiatives and frameworks can bolster planning efforts and facilitate public scrutiny.
- Measure: This indicator covers the actions a company implements to ensure its sustainability policies and targets are effectively implemented.
- Certifications: This indicator refers to valid certifications, labels, and third-party audits that confirm a company's compliance with international sustainability standards. Valid certificates issued by an independent and accredited body confirm the high quality of a management system.
- Coverage: Applicable only to large companies (1,000+ employees), this indicator

measures the deployment level of sustainability actions and certifications across a company's workforce and sites. In case of larger organizations, examining the scope of what is implemented is essential to reflect the real-life impact of undertaken actions.

- Reporting: This indicator evaluates the quality of a company's reporting on sustainability metrics. Quality sustainability reporting is the cornerstone of each ESG management system, as it allows to evaluate progress and provide transparency to stakeholders. The Sustainability Rating establishes strict requirements related to the reporting it considers valid: it must cover at least 80% of the scope of assessment (except for greenhouse gas emissions and energy consumption, which have to be provided for 95% of the scope to be credited).
- 360° Watch: This indicator integrates external stakeholder viewpoints into the rating. Publications from verified, legitimate sources that reflect both positive and negative findings from NGOs, trade unions, government bodies, grievance mechanisms and other third parties are considered in the rating. Such feedback is taken into account by the Sustainability Rating to provide real-life insights on the functioning of a management system and allow verification of its effectiveness.

EcoVadis allocates a score between 0 and 100 for each of these management indicators, based on the document evidence provided by the rated company or the stakeholder feedback collected for the 360° Watch Indicator and analyzed by analysts by following detailed scoring guidelines.

A theme score for each of the four themes (Environment, Labor & Human Rights, Ethics and Sustainable Procurement) is then produced by combining the indicator scores, based on the following weights:

- Policies: 20%
- Endorsements: 5%
- Actions (including (Measures 60% + Certificate 40%)*Coverage): 40%
- Reporting: 14%
- 360° Watch: 21%

The resulting raw theme score is further refined with two adjusting factors to account for a company's specific context: company size and the risk of countries it operates in.

The scoring formula for theme scores can be summarized as follows:

Score = [(Policies x 80% + Endorsements x 20%) x 25% + {√[(Measures x 60% + Certificates x 40%) x Coverage] x 40%} + [(Reporting x 40% + 360 Watch x 60%) x 35%] + (country risk factor + size factor)

b) Adjustment of the scoring based on company size

The Sustainability Rating considers four different tiers of company size:

- Extra Small: 1-25 employees
- Small: 26-99 employees
- Medium: 100-999 employees
- Large: 1000+ employees

Depending on the company size, the weight of the management indicators and a specific size factor are adjusted.

i) Scoring approach for Extra Small companies (1-25 employees)

1) Management indicator weights:

Extra Small companies have a simplified scoring formula to account for the fact that they typically have fewer resources to allocate to building an advanced management system, but also fewer adverse impacts on stakeholders. They are therefore not expected to be part of public initiatives or endorsements (Endorsement indicator), or to provide evidence on reporting (Reporting indicator) for their Ethics and Sustainable Procurement themes. Similarly, formal third-party certifications are disproportionately costly and administratively burdensome for very small entities. Concrete operational measures are therefore considered a more accessible and equally meaningful proxy for management system quality at this company size. As a result, the following scoring formulas are applied for Extra Small companies:

- Environment and Labour & Human Rights themes scoring formula

$$\text{Score} = [(\text{Policies} \times 100\%) \times 25\% + (\text{Measures} \times 65\% + \text{Certificates} \times 35\%) \times 40\% + (\text{Reporting} \times 40\% + 360 \text{ Watch} \times 60\%) \times 35\%] + (\text{country risk factor} + \text{size factor})$$
 - Ethics and Sustainable Procurement themes scoring formula

$$\text{Score} = [(\text{Policies} \times 100\%) \times 30\% + (\text{Measures} \times 65\% + \text{Certificates} \times 35\%) \times 50\% + 360 \text{ Watch} \times 20\%] + (\text{country risk factor} + \text{size factor})$$
- 2) Size factor: A size factor of +13.75 is considered in the scoring formula for Extra Small companies. By integrating this size factor, Extra Small companies need to implement less management system features to achieve the same level of performance as larger companies.

ii) Scoring approach for Small companies

- 1) Management indicator weights: The weights of management indicators for Small companies are the default weights. The score of the Coverage indicator is always set at 50 for Small companies, because this indicator is not relevant for companies that have less than 1,000 employees. Thanks to the size factor, attributing a default score of 50 to the Coverage indicator does not prevent companies from reaching the maximum theme score of 100.
- 2) Size factor: A size factor of +15 is considered in the scoring formula for Small companies. By integrating this size factor, Small companies need to implement less management system features to achieve the same level of performance as larger companies.

iii) Scoring approach for Medium companies

- 1) Management indicator weights: The weights of management indicators for Medium companies are the default weights. The score of the Coverage indicator is always set at 50 for Medium companies, because this indicator is not relevant for companies that have less than 1,000 employees. Thanks to the size factor, attributing a default score of 50 to the Coverage indicator does not prevent companies from reaching the maximum theme score of 100.
- 2) Size factor: A size factor of +10 is considered in the scoring formula for Medium companies. By integrating this size factor, Medium companies need to implement less management system features to achieve the same level of performance as larger companies.

iv) Scoring approach for Large companies (1,000+ employees)

- 1) Management indicator weights: The scoring of Large companies introduces an additional multiplier based on the Coverage score. Given large companies often have larger scope of operations encompassing, the Coverage indicator intends to ensure all actions are deployed for the entire scope under assessment, including subsidiaries and sites far away from company headquarters. As a result, the weight of Measures and Certification indicators scales with the level of deployment of measures and certifications across company operations observed in the Coverage indicator. High coverage amplifies the company's theme score, while low coverage reduces the score.
- 2) Size factor: The Sustainability Rating recognizes that larger companies are more prone to sustainability risks and impacts, as they have more interactions with both natural and human resources, and therefore expects larger companies to have more advanced sustainability practices. As a result, larger companies do not receive any score booster and their size factor is set at 0. This leads to large companies needing to implement more management system features to achieve the same level of performance as smaller companies.

c) Adjustment of the scoring based on country risk

Additionally, the Sustainability Rating methodology recognizes that companies face different levels of risk based on where they operate. Operating in countries with higher environmental, social, or governance risks requires higher levels of scrutiny and more robust management systems, since upholding sustainability standards may have less support from the state institutions or the civil society. Countries are classified as Low, Medium, or High risk based on a combination of global indices examined by EcoVadis internally. In consequence, a risk factor of the following value is added to calculate the final score:

- -6 if the company HQ is in a high risk country
- 0 if the company HQ is in a low or medium risk country but has operations in at least one medium or high risk country

- +3 if the company has operations in low risk countries only

Finally, an overall score is defined based on a weighted average of the four theme scores. Each theme is allocated a weight between 1 and 4 depending on the materiality of the theme for a given industry compared to other industries, and the four theme scores are computed into one overall score.

d) E, S and G scores

Given the four Sustainability Rating themes do not exactly correspond to E, S and G themes, additional E, S and G scores are derived from the theme scores, to provide visibility to users interested in ESG factors, based on the following formulas:

1. E score

- If Supplier Environmental Practices are material:

$$\text{Environment score} = [\text{Weight Environment Theme} \times \text{Score Environment Theme} + (\text{Weight Sustainable Procurement theme} \times \text{Score Sustainable Procurement theme})/2] / [\text{Weight Environment Theme} + \text{Weight Sustainable Procurement theme}/2]$$

- If Supplier Environmental Practices are not material:

$$\text{Environment score} = (\text{Weight Environment Theme} \times \text{Score Environment Theme}) / \text{Weight Environment Theme}$$

2. S score

- If Supplier Social Practices are material:

$$\text{Social score} = [\text{Weight Labor \& Human Rights Theme} \times \text{Score Labor \& Human Rights Theme} + (\text{Weight Sustainable Procurement theme} \times \text{Score Sustainable Procurement theme})/2] / [\text{Weight Labor \& Human Rights Theme} + \text{Weight Sustainable Procurement theme}/2]$$

- If Supplier Social Practices are not material:

$$\text{Social score} = (\text{Weight Labor \& Human Rights Theme} \times \text{Score Labor \& Human Rights Theme}) / \text{Weight Labor \& Human Rights Theme}$$

3. G score

$$\text{Governance score} = (\text{Weight Ethics theme} \times \text{Score Ethics theme}) / \text{Weight Ethics theme}$$

2.4. Industry classification

The Sustainability Rating uses the United Nations International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4, 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 Sustainability Rating uses several types of data sources.

a) Data used by EcoVadis to determine the materiality of sustainability issues

EcoVadis uses a data-based framework to determine the materiality of sustainability issues based on the industry it operates in, with some adjustments based on company size and country of operations.

Materiality assessments of industries are performed based on qualitative research using a wide variety of sources, ranging from articles, analyses, reports and policy papers from different stakeholders including international organizations, public institutions, non-governmental organizations, think-tanks, academia and scientific press. All sources are disclosed on the Industry Risk profiles available on the EcoVadis platform.

Materiality assessments of countries are based on a selection of publicly available sources, including, among others, sources such as:

- Ocean Health Index
- Aqueduct Water Risk Atlas
- Human Development Index
- World Press Freedom Index
- World Justice Project
- Corruption Perception Index

Data is analyzed for all countries eligible for a Sustainability Rating and data sources are disclosed on the Country Risk profiles available on the EcoVadis platform.

b) Data provided to EcoVadis by rated companies for the purpose of the Sustainability Rating

Rated companies are asked to provide management system documentation (e.g. policies, procedures, reports, certificates etc.) confirming they have implemented a robust management system to address all material sustainability issues. These documents can be public or non-public documents, and can be subject or not subject to assurance engagement. Whether the data provided has been independently verified is taken into account in the assessment process and influences the final score.

Rated companies may provide sustainability statements required under Directive 2013/34/EU ("Accounting Directive") or information disclosed under Regulation (EU) 2019/2088 ("Sustainable Finance Disclosure Regulation") or Regulation (EU) 2020/852 ("Taxonomy Regulation"), if available.

If rated companies share information on their transition plans, this information is used to confirm they have a transition plan in place, but the Rating does not assess the content or quality of this plan.

c) Data collected from external stakeholders

Besides data provided by the rated company itself, the Sustainability Rating also considers data collected by EcoVadis from external stakeholders, which is analyzed and scored under the 360° Watch indicator. Data sources include news items from the media, NGO reports, governmental databases, as well as data extracted from specialized databases, including proprietary compliance and sanctions screening databases allowing to flag sanction infringements and relationships with Politically Exposed Persons on rated companies' scorecards.

All external data sources are listed on the scorecard of the rated company.

2.6. Data processes

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

a) Data collection

Data is first collected from the rated companies themselves, and then supplemented by screening additional sources to collect additional stakeholder feedback. The Sustainability Rating does not use any estimations nor industry averages to produce inputs in case of absence of data. The lack of data on a given topic is factored in the assessment and influences the final score.

The data collection stage includes the following steps:

i) Submission of documents by rated companies

Rated companies upload the relevant documents to support their declarations in the EcoVadis questionnaire to the EcoVadis platform. Only questionnaire declarations supported by document evidence can be credited for the assessment.

ii) Screening for stakeholder feedback

EcoVadis collects stakeholder feedback by the means of:

- the Live News Monitoring, a proprietary AI-powered tool which constantly screens pre-defined and reliable public sources in several selected languages for any negative and positive developments regarding the sustainability performance of the company (see section 2.12 “Usage of AI-based tools” for additional information)
- manual screening performed by a team of specialized analysts based on a dedicated research protocol covering publicly available sources in all relevant languages

b) Data processing

Analysts proceed with the analysis of all gathered data, which includes qualifying each document submitted by the company to ensure it is eligible for analysis, as well as verifying its content to confirm whether it provides reasonable evidence regarding declarations made by the rated company in its questionnaire. Analysts also review all identified stakeholder feedback based on a dedicated set of guidelines to define the severity level of the finding and whether it should have an impact on the company's score.

c) Data output

A Sustainability Rating scorecard is produced based on the results of the data processing stage by automatically assigning scores to each indicator based on the approved evidence, which results in the computation of four theme scores (Environment, Labor & Human Rights, Ethics and Sustainable Procurement) and the overall score. Qualitative results in the form of strengths and improvement areas regarding the company's management of material issues are also added to the scorecard. The results of the scoring are reviewed by analysts (see section 2.8 Assessment process quality).

d) Data storage & historical data updates and revision

Data used for each assessment is preserved in the system for traceability purposes. The data is only updated in the context of reassessments performed to update a scorecard, which has a validity period of 1 year.

A reassessment occurs only if a rated company decides to renew its rating. In principle, it is at the end of the validity period to ensure constant availability of a valid scorecard. A reassessment creates a new scorecard with a new publication date, allowing to track when updated data was collected: rated companies have an opportunity to update, replace or submit additional new documentation during the reassessment process. Screening for stakeholder feedback is also performed again.

During reassessments, analysts verify the validity period of collected data to ensure the rating considers information that is up-to-date, and to encourage revision and updates from rated companies to their management system documentation where relevant. The following data validity periods are applied:

i) Company provided documents

- Policies and actions: 8 year validity period
- Reporting on key performance indicators: 2 years validity period
- Specific documentation with a third-party mandated validity period (e.g. certificates with an expiry date): specific validity period applies

ii) Stakeholder feedback collected

- Findings related to Environment, Labour and Human Rights and Sustainable Procurement themes, and to Responsible Information Management issues within the Ethics theme: 5 years validity period since the date of the facts
- Findings related to Corruption issues within the Ethics theme: 7 years validity period since the date of the facts
- Findings related to Anti-competitive issues within the Ethics theme: 10 years validity period since the date of the facts

Information older than the relevant validity period is no longer considered relevant for the Sustainability Rating and does not influence the final score.

2.7. Data quality

The Sustainability Rating relies primarily on data provided by rated companies themselves or information shared by reputable, trustworthy sources, thus, ensuring high levels of data quality. Nevertheless, EcoVadis implements additional data quality controls. They are applied systematically in every assessment and reassessment by EcoVadis analysts at the respective stages of data analysis and include:

a) Document eligibility criteria

All documents provided by rated companies must adhere to specific formal criteria to be eligible for assessment. Documents have to meet the following criteria:

- formalized (formal, pre-existing, and fully integrated into the company's management system)
- complete (fully disclosed to make their contents available for the analysis)
- credible (clearly identifiable as belonging to the company)
- dated (contain an issue or review date)
- in an accepted format & size (i.e. have .pdf, .docx, .xlsx, .jpg or .png, format and be smaller than 30 MB)
- machine-readable (contain digital text, as opposed to a scanned image or photo).

Documents that do not meet these criteria are not taken into account as valid evidence for rating purposes.

b) Proactive detection of dubious documentation

EcoVadis has a dedicated process that establishes a critical data quality control framework for documents submitted by rated companies. Its primary purpose is to ensure the authenticity

and reliability of documents submitted by companies during the assessment. It provides analysts with systematic procedures to detect, classify, and handle documents prepared specifically for the purpose of the Sustainability Rating and that are not a genuine representation of an existing management system. The guideline details specific symptoms analysts must look for to identify potentially unreliable data. Dedicated tools, e.g. a plagiarism tool, are provided to further assist with this task. Documents that do not meet this data quality control framework are not considered for the assessment.

c) Emphasis on provision of third-party verified information

Data used by the Sustainability Rating is not systematically subject to third party assurance. However, EcoVadis actively encourages rated companies to share third party verified documentation.

Documents such as third-party verified sustainability reports, third-party issued certificates confirming compliance with recognized standards or third-party audit reports are either indispensable to score points in certain indicators (eg. Certifications) or help increase the indicator score in comparison to situations where non-verified data is provided (eg. Reporting).

d) Validation of third-party information

While declarations regarding external certifications and endorsements are initially provided by the rated company, EcoVadis analysts do not rely solely on company-submitted evidence. To ensure data integrity, analysts perform a secondary validation step using an established internal repository of identified external websites and official certification body databases. This external cross-checking acts as a strict quality control to verify the authenticity, scope, and validity period of the provided certificates and public commitments before any points are awarded.

e) Source verification for stakeholder feedback

In order to ensure only credible sources are used to collect stakeholder feedback under the 360° Watch indicator, EcoVadis has implemented a source verification procedure. Analysts use a specialized, AI-powered tool which assists them in deciding whether the source can be used based on analysis of its authority and purpose, accuracy and factuality, as well as credibility and bias. Sources deemed to have insufficient credibility are rejected and do not affect rating results.

f) Flagging of submission of inauthentic documentation

In case EcoVadis detects that inauthentic documentation (e.g. falsified certificates) has been provided by a rated company, it flags this fact on the scorecard to rating users with a dedicated

improvement area. This ensures that entities which fail to engage in the rating process in an ethical and transparent manner are easily identifiable.

2.8. Assessment process quality

EcoVadis employs a robust, multi-layered approach to ensure the quality and integrity of its assessment process. These controls are integrated throughout the evaluation process, from analyst training to final scorecard publication. EcoVadis has a Quality Management System certified against the ISO 9001:2015 standard. This management system includes a formal Quality Policy and a Quality Manual that documents all processes and their interactions. The key features of this system are:

a) Human expertise

Quality begins with highly qualified analysts, most of whom hold master's degrees in relevant fields. All new analysts undergo a comprehensive training program on the rating methodology, followed by a two-month transition period with systematic feedback and monitoring. Ongoing upskilling and focused training are also provided for experienced analysts.

b) Multi-layer quality checks

Every rating undergoes a formal three-step process consisting of document analysis, scoring and validation. All analysts use dedicated checklists at each stage to ensure methodology rules are followed. In particular, the validation stage serves as a final quality check aimed at verifying the entire assessment for consistency and quality.

c) Effective communication & remediation process of quality issues

When quality issues are identified, EcoVadis has processes for remediation, corrective action, and continuous improvement. When the review or feedback identifies issues, management implements appropriate corrective actions. Dedicated forms are used to define internal corrective actions and specific training for analysts when quality issues are found. These forms are used at each stage of the rating process to systematically identify quality issues and communicate them to analysts. The goal is to ensure constant improvement.

d) Individual quality targets

EcoVadis analysts have individual quality targets that form an integral part of their semestral and yearly performance reviews.

e) Scorecard audits and reproducibility exercises

Scorecard audits are performed to check for proper application of guidelines and yearly assessment reproducibility exercises are conducted to assess the robustness of the rating process and measure the consistency of scorecard outcomes among different analysts. EcoVadis performs its quality control activities on a regular and scheduled basis. 1% of all published scorecards are audited on a monthly basis. Non-compliances found during these audits and in assessment reproducibility exercises are classified by severity and used to devise an action plan to address identified improvement areas.

f) Effective complaint management mechanism

After scorecard publication, rated companies can ask questions, raise complaints or share additional information as per separate procedures through a dedicated complaint management channel.

The process is systematically applied in every assessment. The same types of controls are applied whenever a company is rated for the first time or when it provides additional data and information during subsequent reassessments.

2.9. Monitoring availability of new information in between assessments

New information is considered only during reassessments, with the exception of severe or major controversies. EcoVadis monitors severe controversies in between assessments through the Live news Monitoring screening and through grievance mechanism screening, to identify if the scorecard needs to be exceptionally revised due to the occurrence of severe or major controversies that cast doubt on the quality of a rated company's management system efficiency and warrant a review of the score.

a) Screening for severe controversies with Live News Monitoring

The Live News Monitoring, a proprietary AI-powered tool, conducts ongoing screening of pre-defined and reliable public sources in between assessments. If the Live News Monitoring detects a controversy of sufficient severity, EcoVadis reserves the right to exceptionally revise a rated company's valid scorecard to integrate such feedback immediately with an aim of providing an accurate rating, which may also result in suspension or removal of a rated company's Medal or Badge.

Upon identification of a critical adverse impact occurring after scorecard publication, an internal review committee reviews the finding and validates the need for a scorecard revision. The scorecard is unpublished and the rated company is invited to provide input on the finding (see section 2.10 "Engagement with rated companies"). Once the final score is decided, the scorecard is republished and users of the rating are notified of the change.

b) Screening for severe controversies with grievance mechanisms

Rated companies which adopt the EcoVadis Worker Voice Connect mechanism provide their workers with a channel to report grievances. Severe grievances on Labor and Human Rights topics, such as child labor, forced labor, & human trafficking, regular excessive working hours or retaliation against grievances, that remain unremediated for over 3 months by the rated company will result in a temporary Medal or Badge restriction. Upon remediation of the severe grievance, the medal restriction will be removed from the supplier.

2.10. Engagement with rated companies

Engagement with rated companies in the context of the Sustainability Rating occurs at three different stages: before the assessment process begins, in the course of the rating process, and after scorecard publication. At all times, companies may reach out to EcoVadis via a [dedicated support channel](#).

a) Engagement with rated companies before the assessment

A dedicated team within EcoVadis engages with rated companies before the assessment to ensure that they understand the context of the Sustainability Rating, register on EcoVadis platform, receive their questionnaire and are able to submit their answers to it.

b) Engagement with rated companies during the assessment

Engagement with rated companies is limited to safeguard the Sustainability Rating independence and integrity. EcoVadis therefore engages rated companies in the context of their rating process only in specified, exceptional situations requiring additional information from the rated company to deliver an accurate rating. Such engagement occurs in the context of the 360° Watch indicator in case sufficiently grave controversies are identified. Because of the significant weight the 360° Watch indicator has on the final score and the fact that data used to determine results is acquired from external stakeholders, EcoVadis finds it justified to engage a rated entity and verify accuracy and completeness of the sources it uses before the scorecard is published. An official letter is sent in case the 360° Watch indicator score is 0/100 for at least one theme or 25/100 for at least two themes (such results make a rated company ineligible for a Medal regardless of their total score). A rated company can provide additional explanation or context to the detected controversies, which may result in an adjustment of the severity level initially assigned to the finding.

c) Engagement with rated companies after scorecard publication

Engagement with rated companies after scorecard publication can occur in 2 cases:

i) Inquiries from rated companies regarding their scorecard and complaints

Following the scorecard publication, rated companies are notified that their assessment is complete and are given the opportunity to preview their results for a period of 48 hours before the scorecard becomes available to rating users, with the possibility for them to raise a factual error case. A factual error is a mistake made on the underlying information used for the assessment, such as Company name, location or size, industry classification, not applicable 360, wrongly rejected document.

Following these 48 hours, rated companies retain the possibility to contact EcoVadis via a dedicated channel to better understand their scorecard or to log a complaint regarding their rating. Their inquiries are handled by a specialized team which responds to questions and initiates a scorecard correction process in case a mistake in fact or methodology application is identified.

ii) Identification of severe or major controversies in between assessments

If significant negative stakeholder feedback is identified in between assessments (see section 2.9 “Monitoring availability of new information in between assessments”), EcoVadis engages with the rated company, consults it to fully understand the context of any ongoing controversy and communicates decisions on the impact of the identified controversy on the rating before making amendments.

In principle, engagement with rated companies throughout the rating process is offsite, as the assessment process is designed to collect data and input from the rated company without any on-site reviews or visits.

EcoVadis uses on-site engagements (referred to as ‘site verifications’) in exceptional circumstances only, as a supplemental measure for internal quality assurance. These on-site audits are conducted by an independent third-party. The findings are then integrated into the rated company's final Sustainability Rating to enhance scorecard reliability.

The selection of suppliers for site verification is a targeted process. The process is initiated for a small number of suppliers deemed risky based on the following criteria:

- Geographic location: headquarters in high-risk countries
- Industry: operations in risky industries like manufacturing, mining, agriculture, or other labor-intensive industries with human rights concerns
- Documentation: an absence of third-party audit reports among the documents

provided by the rated company

- Pre-publication Score: a preliminary score of 55/100 or higher
- Other factors: the presence of suspicious documents, a lack of environmental or labor certifications, negative 360-degree news, and a reliance on documents from a parent company rather than the assessed site are also considered.

The verification occurs after the initial assessment is complete but before the scorecard is published. The protocol used for this verification is based on the SA8000 standard, which aligns with the 21 criteria used in the Sustainability Rating. The results from the SA8000 site verification are integrated into a rated company's assessment in the same way as any other third-party audit report. The findings directly impact the assessment score, with the number and severity (Critical, Major, or Minor) of non-compliances determining the positive or negative effect on the score.

2.11. Scientific basis

In order to evaluate how a company manages its sustainability issues, the Sustainability Rating assesses the quality and effectiveness of the company's management system through its policies, actions and reporting on results. This structure is derived from the PDCA (Plan-Do-Check-Act) scientific method, which originates from the scientific hypothesis-experiment-evaluation cycle articulated by Francis Bacon and is the foundation of modern management and continuous improvement systems.

The Sustainability Rating methodology is also aligned with international sustainability standards that are themselves anchored in scientific research, empirical evidence and decades of multilateral consensus. These standards and frameworks include:

- the ISO 26000 Guidance on Social Responsibility standard
- the Global Reporting Initiative (GRI) and European Sustainability Reporting Standards (ESRS) standard
- the Ten Principles of the United Nations Global Compact (UNGC)
- the International Labour Organization (ILO) conventions (including conventions on Occupational Health and Safety, Wages and Working Time, Social Dialogue, Freedom of Association, and Collective Bargaining, Child Labor and Forced Labor, Equality of Opportunity and Treatment)

All 21 sustainability criteria are fully mapped and referenced in the content of the ISO 26000 Standard, the GRI Standard and United Nations Sustainable Development Goals.

Additionally, certain specific guidelines pertaining to individual sustainability criteria or management indicators are based on or incorporate elements of best practices or recommendations from other sources:

- the scoring guidelines used for the purpose of the 360° Watch indicator are built on the

framework for assessing severity of adverse impacts endorsed in the OECD Due Diligence Guidance for Responsible Business Conduct;

- the Labour and Human Rights theme methodology takes into account the UN Guiding Principles on Business and Human Rights;
- the Sustainable Procurement theme methodology takes into account the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

2.12. Usage of AI-based tools

EcoVadis leverages machine learning technologies to help deliver the Sustainability Rating. EcoVadis designs, implements, and deploys AI solutions in a responsible manner and within the framework of its internal AI Usage Policy, which encompasses accountability, transparency, human dignity, human control, security, fairness, diversity and inclusion, environmental and social wellbeing, as well as clear rules on processing of protected and personal data, and protection of intellectual property. AI-based processing is conducted in compliance with data protection and AI-specific laws, ensuring fairness, transparency, and security.

a) AI use in data collection

In the context of data collection, AI is used in the following cases:

- i) the Live News Monitoring: it is a specialized, AI-based tool which automatically collects items containing relevant external stakeholder feedback on rated companies' sustainability performance. It scans over 100,000 public sources and provides an around-the-clock overview of sustainability-related news items in several selected languages. Relevant news pieces are added immediately to rated companies' scorecards between assessments, but are not scored unless they pertain to severe controversies. Once a rated company renews its scorecard, human-based verification follows as the part of regular analysis of the 360° Watch indicator.
- ii) Stakeholder feedback reliability check: Information items used for the purpose of the 360° Watch indicator are subject to credibility checks (see section 2.7 "Data quality" for additional information). Trustworthiness of sources is performed through an AI-assisted process, where a dedicated agent provides analysts with an overview of factors that should be taken into account before a final decision on credibility and eligibility of the data source is made.

b) AI use in data processing

AI is leveraged to retrieve information from company-provided documents. Analysts use specialized machine learning tools to scan management system documentation to identify relevant insights and evidence for declarations made by a rated company in the questionnaire. This allows analysts to access information quickly and reliably, ensuring a comprehensive and accurate evaluation of a company's sustainability practices.

c) Limitations of AI-based tools

In order to avoid potential mistakes and inaccuracies from AI-based tools used by EcoVadis for the Sustainability Rating, a human expert verifies AI-based recommendations. The human review ensures reliability of the final ratings results. Human experts apply their knowledge of the rating methodology, provide critical context, and make informed decisions that AI alone cannot.

3. Limitations in data sources, methodologies and information

3.1. Methodology limitations

The Sustainability Rating methodology includes the following limitations:

a) Financial materiality

The Sustainability Rating does not incorporate financial materiality dimensions. In consequence, it cannot be used to assess the influence of ESG factors on a rated company's financial performance.

b) Inability to perform heightened due diligence for countries with extreme levels of conflict and risk of complicity in human rights abuses:

To ensure the quality and integrity of the Sustainability Ratings, Ecovadis restricts Sustainability Ratings for companies headquartered in a shortlist of countries with extreme levels of conflict and risk of complicity in human rights abuses. Sustainability Ratings are not tailored to provide the level of heightened due diligence recommended by the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct for companies based in countries with ongoing armed conflict and high fragility. The decision to restrict ratings for companies headquartered in these countries aligns with the OECD guidance on disengagement from conflict-affected areas when heightened due diligence is not feasible.

The list of countries with extreme levels of conflict is compiled based on reputable external indices measuring country levels of armed conflict and institutional fragility, and is updated on

an annual basis. Companies with operations in these countries but are headquartered elsewhere are still eligible for a Sustainability Rating.

3.2. Data source limitations

Data sources leveraged for the Sustainability Rating include the following limitations:

a) Availability and consistency of data used

Rated companies are scored based primarily on evidence in the form of management system documentation. In case a rated company has not formalized its management system documentation, EcoVadis cannot access such data. Although such lack of written evidence may only indicate a gap in documenting practices, not lack of action on the part of a rated company, the Sustainability Rating requires such documents to exist and be made available.

Moreover, availability of documentation may be an issue in case of assessments of local subsidiaries or sites that form part of a larger group of companies. Documentation may be available mainly at parent company level due to e.g. strong integration of a sustainability management system at the group level. In such cases, rated companies have to demonstrate its applicability to the specific legal entity or site that is being assessed.

Additionally, the Sustainability Rating may be affected by self-reporting gaps. In order for questionnaire declarations to be credited, documentary evidence has to be correctly linked to the questionnaire declaration. In consequence, even if rated entities formalized their management system documentation and are capable of providing evidence, if it is not correctly linked to the questionnaire declaration, information contained within it will not be accounted for during the rating process.

In rare cases, availability of data may be affected by rated companies' confidentiality concerns. Although EcoVadis is an ISO 27001-certified entity with a robust information security management system in place aimed at protecting rated companies' data and documentation, some are reluctant to disclose sensitive or proprietary information. In such cases, even though data is theoretically available, access to it remains limited.

Lastly, as far as external stakeholder feedback is concerned, the Sustainability Rating relies primarily on publicly-available news items and media publications. As this information is produced by third parties, its availability may differ depending on the country of incorporation and freedom of expression of stakeholders, level of public scrutiny a rated company is subject to, as well as transparency and accessibility of public registers.

b) Completeness, timeliness and accuracy of information

The Sustainability Rating methodology imposes a document limit (55 files total) for each assessment. Although internal investigations based on the Sustainability Rating's meta-data found no correlation between number of documents submitted and score, this limit may preclude rated companies from submitting the entirety of documentation they may be willing to share.

As far as external stakeholder feedback is concerned, the Sustainability Rating relies primarily on publicly-available news items and media publications. As this information is gathered from a broad range of actors, items may differ in terms of trustworthiness, potential bias and comprehensiveness of information provided, which is why EcoVadis has implemented additional data source credibility checks (see section 2.7 "Data quality" for additional information).

- c) Use of assumptions, proxy reference points, data estimation, preestablished statistical or algorithmic systems or models

The Sustainability Rating does not use any score projections, statistical models, algorithmic systems or any other means of estimating the final score.

3.3 Means of addressing limitations in data sources

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

- a) Transparent communication of requirements and methodology

To ensure that rated companies are well-informed and capable of undergoing the rating process, EcoVadis created a vast database of publicly available support documents and explanations. They are aimed at facilitating the rating process, explaining requirements regarding supporting evidence of rated companies to truthfully demonstrate the quality of their sustainability management system within the provided framework.

- b) Document quality check

All company-provided documentation is systematically verified in line with formalized procedures to eliminate documents created solely for the purpose of assessment or outright falsified.

- c) Diversification of external stakeholder feedback sources

The freedom for stakeholders to express themselves is not universally present across all countries, limiting access to stakeholder input on the rated company's sustainability management system and performance. EcoVadis attempts to mitigate this limitation by proactively seeking and incorporating the maximum number of external stakeholder feedback sources in its screening process, including through investigative journalism sources, NGO reports, worker voice surveys, etc.

d) External stakeholder feedback reliability check

Information items used for the purpose of the 360° Watch indicator are subject to credibility checks. In case any dubious item is identified, it is subject to a formalized check aimed at eliminating items coming from untrustworthy sources (see section 2.7 "Data quality" for additional information).

e) Human-controlled rating process

The Sustainability Rating is always performed with active participation of human analysts and subject to human validation. Contents of submitted documents and external stakeholder feedback is critically analyzed in an individual context.

4. Methodology revision

The revision of the methodology of the Sustainability Rating follows the steps outlined in the Methodology Review 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 Review Process steps

The methodology review process is structured in six phases. The six phases are mandatory for all material changes, but can still be considered, where relevant, for minor updates.

i) Initiation

The methodology owner within the methodology team identifies the need for a review. The need for a review is approved by the Head of Methodology.

ii) Proposal

Once approved, the methodology owner drafts a detailed review proposal, including rationale, research findings and the proposed specific changes.

- iii) **Internal Pre-validation of Proposal**
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 if necessary. The project manager integrates feedback from the steering committee to adjust the proposal accordingly.
- iv) **Impact Assessment (if impact is deemed material)**
A quantitative assessment of the potential impact on existing ratings is performed.
- v) **Public Consultation (if impact is deemed material)**
A formal public consultation in line with the pre-established process is conducted.
- vi) **Approval & Implementation**
The final proposed reviewed methodology is approved by the Head of Methodology for low to medium impact changes, and by the Chief Rating Officer for high-impact changes, and officially implemented. Low to medium impact changes are communicated to rating users and rated entities in the quarterly methodology change communication. High-Impact changes are communicated in the quarterly methodology change communication and to the public.

All methodology core principles are subject to a mandatory internal review at least once per calendar year. This review is designed to proactively identify areas for improvement, ensure continued relevance, and confirm data source integrity. Methodology reviews are communicated to rating users and rated entities via our quarterly methodology change communication, which are released in January, April, July and October.

b) Initiation of methodology review process:

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

- i) **Regulatory Changes**
Introduction of new or amended international or national regulations that directly impact the definition, measurement, or disclosure of ESG data.
- ii) **Market or Industry Evolution**
Significant changes in market practices, technological advances, or the

emergence of new, globally accepted sustainability reporting or due diligence standards.

iii) Performance Monitoring

Results from internal validation and quality control processes, and feedback received from rating analysts indicating an opportunity to enhance the methodology's rigor, robustness, or consistency.

iv) Data Availability

The emergence of superior or more comprehensive data sources, or the discontinuation of existing key data inputs, requiring substitution.

v) Stakeholder Feedback

Formal, substantiated feedback received from rating users, rated entities, civil society, academia or regulators, indicating a significant deficiency or lack of clarity in the current methodology.

vi) Annual Review

Conclusions and recommendations arising from the mandatory annual review cycle.

c) Public consultation on material methodology changes

Whenever a proposed methodology change is classified as material, a mandatory public consultation process is performed. It includes the following five steps:

i) Notification

A public notice is issued via the EcoVadis' official website and direct email to users of ratings, rated entities, and any other relevant stakeholders, clearly outlining the proposed changes and rationale.

ii) Consultation period

A minimum consultation period of 30 calendar days is allocated for stakeholders to provide feedback.

iii) Submission mechanism

Stakeholders must submit formal feedback via a standardized response form.

iv) Review and summary

The methodology team reviews all received feedback. A summary of the key comments, along with the EcoVadis' response to how that feedback was considered (or why it was not adopted), is documented.

v) Disclosure

The final consultation summary is made publicly available on EcoVadis' website and platform.

d) Quantitative impact assessment of material methodology changes

Prior to the final approval of material methodology changes, EcoVadis conducts a rigorous

quantitative impact assessment to understand the effects on existing rating or risk assessment outcomes.

Firstly, the proposed reviewed methodology is applied to a representative sample of rated or screened entities. Results of the impact assessment are compared with results obtained by applying the existing methodology.

Secondly, a data analysis is performed to investigate assessment of two metrics: score volatility and variations (share of companies with a potential score change, average and maximal score change) and company impact (an investigation into the proposed review's effects on specific sizes, industries or countries).

Thirdly, the impact assessment report determines whether the review meets the criteria for a material methodology change and if any transition or communication protocols are required to mitigate potential market disruption due to foreseen score or risk assessment level volatility. Lastly, the complete impact assessment report, including raw data and findings, is documented and presented to the Head of Methodology, or Chief Rating Officer in case of material impacts, for final approval.

e) Conditions for determining material changes to the methodology:

A methodology review is defined as material if it is reasonably expected to result in a significant shift in the final rating outcome for a substantial portion of the rated universe, thus impacting decision-making of rating users. A change is considered material if it meets any of the following criteria:

- i) Significant scoring formula change
Changes in the weighting scheme assigned to any indicator used in the scoring formula, or any change to the scoring model that affects the final score distribution by 5 points, are considered material.
- ii) Issue coverage
The introduction or deletion of an entire theme or issues covered. A material change is any change to the sustainability criteria covered by the methodology.
- iii) Data source change
A fundamental shift in the type of data used (e.g. replacing entity-reported data with purely machine-learning estimated data). A material change is a change in data input for more than 20% of the key indicators.
- iv) Expected score volatility
The impact assessment indicates the review will cause more than 10% of the impacted rated universe to shift their final rating score significantly. A material change is a change which results in 10% of rated entities shifting by 5 points or more.

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

The Sustainability Rating is not retroactively upgraded or downgraded in between assessments due to material changes to the methodology models or key rating assumptions. Rating changes occur in the context of periodic reassessments performed in line with the guidelines applicable at the time of an assessment. Specifically, the questionnaire submission date determines the methodology version applied to the assessment.

The only change that may affect the rating's results is identification of additional data sources, which results in engagement with a rated company through a dedicated process (see section 2.9 "Monitoring availability of new information in between assessments" for additional information).

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

5. Legal notices

The Sustainability Rating 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.

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