

EcoVadis Vitals

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. Rating Scale Type	5
1.4. Coverage of international agreements	6
2. General Methodological Disclosures	6
2.1. Methodology overview	6
2.2. Methodology assumptions and models	8
2.3. Management system indicators and scoring	9
2.4. Industry classification	11
2.5. Data sources	11
2.6. Data processes	12
2.7. Data quality	13
2.8. Monitoring availability of new information in between assessments	14
2.9. Engagement with rated companies	14
2.10. Scientific basis	15
2.11. Usage of AI-based tools	15
3. Limitations in data sources, methodologies and information	16
3.1. Methodology limitations	16
3.2. Data source limitations	16
3.3 Means of addressing limitations in data sources	17
4. Methodology revision	18
5. Organisational Disclosures	21
6. Legal notices	22

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

1. Rating Product Disclosure

1.1. Objective and approach to materiality

The objective of the Vitals rating is to assess the ability of a rated company 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 Vitals rating is designed as a tool for users to integrate ESG factors into their procurement decisions and to exercise supply chain due diligence. Vitals scores are not solicited by rated companies (suppliers). They are requested by buyers to rate their suppliers. The rated company (supplier) is engaged in this process, and consents to undergo an assessment. Companies can always refuse to undergo an assessment.

To assess the quality of a company's management system, 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). The Vitals rating does not incorporate financial materiality (the "outside-in" perspective) and therefore does not measure the financial risks posed to the company by external ESG factors.

The specific impacts covered by the assessment are grouped into 4 themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement, which together encompass 15 specific criteria (see section "1.2 Scope" for additional details).

1.2. Scope

The Vitals 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
 - Air Pollution
 - Water
 - Biodiversity
 - Materials, chemicals and waste

- Labour & Human Rights
 - Employee Health & Safety
 - Working conditions
 - Social dialogue
 - Child labor, forced labor and human trafficking
 - Diversity, equity and inclusion
 - External stakeholder human rights
- Ethics
 - Corruption
 - Responsible Information Management
- Sustainable Procurement
 - Supplier Environmental Practices
 - Supplier Social Practices

The Vitals rating scope varies by industry, addressing all or a subset of the issues outlined above. Consequently, the rating and its corresponding questionnaire are distinct for companies categorized as "Manufacturing," "Wholesaler," or "Other & Office Services". The issues considered relevant for each industry category are summarized in the table below:

Criteria	Manufacturing	Wholesaler	Other & Office Services
Air Pollution	X	X	
Water	X		
Biodiversity	X	X	
Materials, chemicals and waste	X	X	
Employee Health & Safety	X	X	X
Working conditions	X	X	X
Social dialogue	X	X	X
Child labor, forced labor and human trafficking	X		X
Diversity, equity	X	X	X

and inclusion			
External stakeholder human rights	X		
Corruption	X	X	X
Responsible Information Management	X	X	X
Supplier Environmental Practices	X	X	X
Supplier Social Practices	X	X	X

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 Vitals rating does cover environmental issues, it is not correlated with the percentage of taxonomy alignment under Regulation (EU) 2020/852 ("Taxonomy Regulation").

Each theme risk level is presented on a scale of six risk levels ranging from Very Low to Very High Risk, allowing for comparability between each theme, and is based on the number of points received for each management indicator (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 risk level is based on an average of the four theme risk levels and is also presented on a scale of six risk levels ranging from Very Low to Very High Risk.

1.3. Rating Scale Type

The Vitals rating results are expressed in absolute values. The score ranges from 0 to 60, with pre-defined ranges set for each risk level, with higher levels of points corresponding to lower levels of risk.

- High Risk: 0 to 13 points
- Medium Risk: 14 to 28 points
- Low Risk: 29 to 60 points

Risk levels are calculated at the individual theme level (Environment, Labor and Human Rights, Ethics and Sustainable Procurement themes), and the Overall Score is the average of all themes.

The Vitals rating provides both a global aggregated risk level, and granular, disaggregated risk levels for each of the four themes. For more details on how the scoring is calculated, and ESG score factors weight formulas, refer to the Section 2.3 (b)

1.4. Coverage of international agreements

The Vitals methodology considers the objectives of the following international agreements:

- International Labor Organization (ILO) conventions: The methodology is aligned with the conventions' objective of promoting decent work, protecting fundamental human rights at work and leveling the international playing field.
- Basel Convention: The methodology is aligned with the convention's objective of protecting human health and the environment from the adverse impacts of hazardous and other wastes.
- Stockholm Convention: The methodology is aligned with the convention's objective of protecting human health and the environment from risks posed by persistent organic pollutants (POPs). The rating does not, however, systematically verify whether companies align with the phase-out targets of the Stockholm convention.
- Minamata Convention: The methodology is aligned with the convention's objective of protecting human health and the environment from man-made emissions and releases of mercury and mercury compounds. The rating does not, however, systematically verify whether companies align with the phase-out targets of the Stockholm convention.

These conventions have informed the structure and issue coverage of the Environment and Labor & Human Rights themes, and the management system of companies is assessed based on its alignment with these objectives.

While rated companies are asked whether they have carbon reduction targets, the Vitals methodology does not specifically refer to the targets and objectives of the Paris Agreement.

2. General Methodological Disclosures

2.1. Methodology overview

The Vitals methodology is consistently applied to all eligible entities and includes adjustments made based on company profile, in particular, its industry. The most recent version of the Vitals rating methodology is V2.0, applicable as of January 2025. Any changes to the methodology will be communicated via email.

a) Methodology governance principles

To deliver Vitals 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 Vitals Rating, an entity must have a legal entity name. The legal entity name is the name under which a company is legally registered and operates in the country of operation.

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 Vitals rating methodology is backward-looking, as it primarily assesses past performance and historical data. The methodology typically analyzes up to 8 years of historical data, which is the default validity period for management system documents of the rated entity.

The Vitals rating does not have a validity date. It is only updated when a rated entity is requested to update its response to the Vitals questionnaire. No forward-looking information is taken into account in the Vitals rating methodology.

2.2. Methodology assumptions and models

The Vitals rating operates under the following assumptions:

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

The Vitals 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 and the obtention of certification on material sustainability issues. Companies that provide formalized policies and certificates are awarded more points and achieve a lower sustainability risk level.

b) 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 and certificates, the Vitals 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 higher risk scores.

2.3. Management system indicators and scoring

a) Overall and theme risk levels based on management system indicators

The Vitals rating methodology considers an effective sustainability management system to be one that develops policies, implements actions and achieves external certification of its management approach. The methodology consider the following management system 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.
- Measures: 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 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.

A score is determined for each of the four themes (Environment, Labor & Human Rights, Ethics and Sustainable Procurement) by the total points a rated company earns across three question categories in the Vitals questionnaire.

- Questions in the Policies category account for a maximum of 15 points and require the submission of supporting policy documents as evidence.
- Questions in the Measures category also account for a maximum of 15 points, but the questions are declarative and no document evidence is required.
- Questions in the Certifications category account for a maximum of 30 points and require the submission of supporting certification documents as evidence.

A company can achieve a maximum score of 60 points based on their declarations and the verification of their submitted document evidence. If a specific question or category is deemed irrelevant to the rated company's specific industry, the rated company is awarded the full points for that section. This ensures that the final score accurately reflects performance relative only to the environmental and social impacts that are actually applicable to their business operations.

The corresponding theme level risks are linked to specific score ranges:

1. Very Low: 30-60 points
2. Low: 29 points
3. Medium Low: 15-28 points
4. Medium High: 14 points
5. High: 1-13 points
6. Very High: 0 points

The overall Vitals risk level is defined based on an average of the four theme scores.

Companies that have already undergone an EcoVadis Sustainability Rating assessment will automatically receive their Vitals rating results. This conversion does not require a separate Vitals rating process. EcoVadis achieves this by mapping existing findings from the Sustainability Ratings to determine the presence or absence of specific management system elements. These mapped findings then populate the same scoring logic as the standard Vitals methodology to calculate a theme-level and overall Vitals risk.

b) E, S and G scores

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

$E \text{ score} = (2 * \text{Vitals Environment Risk} + \text{Vitals Sustainable Procurement Risk}) / 3.$

$S \text{ score} = (2 * \text{Vitals Labor \& Human Rights Risk} + \text{Vitals Sustainable Procurement Risk}) / 3.$

$G \text{ score} = \text{Vitals Ethics Risk}.$

c) Ranking System

Vitals distinguishes six risk levels that reflect the maturity of a rated company's management system:

1. Very Low: Indicates a mature sustainability management system with evidence of

exceptional practices and certifications across most or all themes.

2. Low: Indicates a strong sustainability management system with defined policies, concrete actions, and evidence of certification in several themes.
3. Medium Low: Indicates a satisfactory sustainability management system including policies in some themes and practical actions covering the majority of topics.
4. Medium High: Indicates a foundational sustainability management system that includes concrete actions but lacks established policies and certifications in most themes.
5. High: Indicates a sustainability management system with significant gaps in policies, actions, and certifications.
6. Very High: Indicates high risk, characterized by significant deficiencies or the complete absence of a structured management system.

2.4. Industry classification

The Vitals 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 Vitals 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 the company operates in.

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.

b) Data provided to EcoVadis by rated companies for the purpose of undergoing a rating

Rated companies are asked to provide policies and certificates confirming they have implemented a robust management system to address material sustainability issues. These documents can be public or non-public documents. Certificates are by nature delivered by third parties following an independent verification of the management system's robustness,

but policies are typically not subject to assurance engagement.

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.

The Vitals rating does not require companies to share information on their transition plans.

c) Data from EcoVadis Sustainability Ratings

Companies that have already completed the Sustainability Rating assessment will have their results automatically converted into Vitals rating results (refer to Section 2.3, "Management system indicators and scoring"). Consequently, these rated companies are not required to complete the Vitals questionnaire or submit any supporting documentation.

In some cases, companies that have already completed the Sustainability Rating assessment may be invited to share their results with buyers that are Vitals customers. If the Rating assessment is recent enough, by accepting to share their results, those will be converted into Vitals rating results (refer to Section 2.3, "Management system indicators and scoring"). Consequently, these rated companies are not required to complete the Vitals questionnaire or submit any supporting documentation.

2.6. Data processes

The Vitals 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 collected from the rated companies themselves. The Vitals 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.

b) Data processing

The process for analyzing document evidence shared by rated companies involves several automated steps. Initially, each document is automatically qualified to ensure it meets formal eligibility criteria (see Section 2.7 "Data quality" for additional information). Following this, EcoVadis performs an AI-based review of the content to confirm its alignment with the rated company's declarations in the questionnaire. Once the data is approved, this information is

automatically scored based on an established scoring methodology (see Section 2.3 "Management system indicators and scoring" for additional details).

c) Data output

The rating results are displayed on the platform and include an overall risk level, as well as an individual theme risk level for each of the four themes (Environment, Labor & Human Rights, Ethics and Sustainable Procurement).

d) Data storage & historical data updates and revision

Data used for each assessment is preserved in the system for traceability purposes. Data used for the purpose of the Vitals rating is only updated in the context of reassessments performed to update results.

A reassessment occurs only if a rated company decides to renew its rating. A reassessment creates new results 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. Checks of validity periods of collected documents are also performed at that stage to ensure the rating takes into account only information that is up-to-date. The following validity periods are applied:

- Policies: 8 year validity period
- Certificates: specific validity periods apply

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

2.7. Data 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. EcoVadis has a Quality Management System that is certified to the ISO 9001:2015 standard. This system includes a formal Quality Policy and a Quality Manual that documents all processes and their interactions.

The Vitals rating relies primarily on data provided by rated companies themselves or their declarations, ensuring high levels of data quality. Nevertheless, EcoVadis implements additional data quality controls. They are applied systematically in every assessment and reassessment 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) Emphasis on provision of third-party verified information

Data used by the Vitals rating is not systematically subject to third party assurance. However, EcoVadis proactively encourages rated companies to share verified, quality documentation. Sources of data such as third-party issued certificates confirming compliance with recognized standards are indispensable to be classified as a Very Low risk level company.

2.8. Monitoring availability of new information in between assessments

No new information is considered in between Vitals assessments. New information pertaining to the rating company is only considered during reassessments.

2.9. Engagement with rated companies

Engagement with rated companies initiated by EcoVadis in the context of the Vitals rating occurs at two stages: before the assessment process begins and after the publication of the rating results. At all times, companies may reach out to EcoVadis via a [dedicated support channel](#).

a) Engagement with rated companies before the assessment

EcoVadis engages with rated companies before the assessment via e-mail to ensure that they register on EcoVadis platform, receive their questionnaire and are able to submit their answers and supporting evidence to it.

b) Engagement with rated companies after the assessment

Rated companies receive a notification for a 2 business days grace period to review and submit any factual error. After the grace period ends, the Vitals Scores are delivered to buyers. Any company can access their score and submit a factual error claim at any time via EcoVadis dedicated page.

After the results' publication, rated companies can ask questions, raise concerns or share additional information through a dedicated complaint management channel.

Engagement with rated companies in the context of the Vitals rating is offsite, as the assessment process is designed to collect data from the rated company without any on-site reviews or visits.

2.10. Scientific basis

The Vitals rating methodology is 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 15 sustainability criteria are fully mapped and referenced in the content of the ISO 26000 Standard, the GRI Standard and United Nations Sustainable Development Goals.

2.11. Usage of AI-based tools

EcoVadis leverages machine learning technologies to help deliver the Vitals 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 the rating process

The Vitals questionnaire leverages AI to analyze and validate data from company-supplied documentation, automatically identifying key metadata such as the entity name, issuance date, document type, and the specific sustainability issues addressed. This retrieved information is then analyzed by the AI technology to determine its consistency with the company's declarations within the Vitals questionnaire.

b) Limitations of AI-based tools

Like any technology, the AI-based tools used by EcoVadis may sometimes lack the context-specific analysis needed for flawless data processing, which could potentially lead to incorrect approvals or rejections. EcoVadis is continuously dedicated to refining our AI tools to ensure the lowest possible margin for error.

3. Limitations in data sources, methodologies and information

3.1. Methodology limitations

The Vitals rating methodology includes the following limitations:

a) Financial materiality

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

b) Limited coverage of sustainability issues

EcoVadis Vitals offers a focused assessment of a company's management system. The scope is intentionally limited, concentrating only on select sustainability issues and excluding others, for instance those related to product use and end-of-life. Similarly, the assessment of management quality is restricted to key policies, actions, and certifications, omitting other significant management aspects such as reporting. For a more comprehensive evaluation, EcoVadis provides the Sustainability Ratings, which review a company's management system in much greater detail.

3.2. Data source limitations

Data sources leveraged for Vitals 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 Vitals rating requires such documents to exist and be made available.

Additionally, the Vitals 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.

b) Completeness, timeliness and accuracy of information

The Vitals rating relies partly on rated companies' declarations which do not require submission of any documented evidence. Although EcoVadis encourages companies to fill the questionnaire truthfully and in good faith, it is possible that in these circumstances information declared will be inaccurate or outright wrong.

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

The Vitals 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 Vitals rating, EcoVadis implements a number of measures and processes aimed at reducing related risks to a minimum. These 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 and building capacity 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 undergoes a systematic verification process to ensure authenticity. This includes cross-referencing the entity name listed in the evidence against the registered company profile to prevent the submission of falsified or third-party documents.

4. Methodology revision

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

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

a) Methodology Revision Procedure

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

- **Initiation**
The methodology owner within the methodology team identifies the need for a revision, which is approved by the Head of Methodology during the Quarterly Planning. The methodology owner then drafts a project charter detailing the project's description, purpose, rationale, objectives, scope, team and risks, using either a Research or Implementation template. Where needed, a dedicated Methodology Research phase may be initiated first to investigate and justify the need for a formal revision before proceeding to implementation.
- **Methodology Revision Proposal**
The methodology owner formalizes a detailed revision proposal, including rationale, research findings and the proposed specific changes. The proposal is reviewed and discussed with the project's steering committee to ensure rigor, consistency, and alignment with market and regulatory needs. The steering committee is composed of relevant methodology team members and may involve representatives of other

departments (e.g. Product & Tech, Marketing, Frontline) if necessary. The project manager integrates feedback from the steering committee to adjust the proposal accordingly.

- **Impact Assessment**
A quantitative assessment of the potential impact on the current score or risk level distribution is performed.
- **Stakeholder Consultation (if high impact)**
If the change is determined to be high impact, a formal stakeholder consultation is conducted. EcoVadis directly engages a targeted selection of rating users, rated entities and external stakeholders to ensure a representative feedback loop.
- **Methodology Oversight Review by Ethics & Compliance Team**
The Ethics & Compliance team conducts an independent review of the final methodology revision proposal, as part of its methodology oversight responsibilities. This body is responsible for identifying potential concerns, raising issues, or requesting further clarification. If any highlighted problems remain unresolved, the Ethics & Compliance team escalates the matter to the ESGR Governance Council for final arbitration and decision-making.
- **Approval & Implementation**
The final methodology revision proposal is approved by the Head of Methodology for regular changes, and by the Chief Rating Officer for high impact changes, and officially implemented. Methodology changes are communicated to rating users and rated entities in the quarterly methodology change communication. The methodology disclosure documents are updated accordingly.

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

b) Initiation of methodology review process:

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

- **Regulatory Changes:** Introduction of new or amended international or national regulations that directly impact sustainability issues.
- **Market or Industry Evolution:** Significant changes in market practices, technological advances, or the emergence of new, globally accepted voluntary sustainability reporting

or due diligence standards.

- **Monitoring of Effectiveness:** Results from effectiveness reviews and quality control processes, and feedback received from rating analysts indicating an opportunity to enhance the methodology's rigor, robustness, or consistency.
- **Stakeholder Feedback:** Formal, substantiated feedback received from rating users, rated entities, civil society, academia or regulators, indicating opportunities or improvement areas in the current methodology.

c) Stakeholder consultation on material methodology changes

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

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

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

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

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

d) Quantitative impact assessment of material methodology changes

Prior to the final approval of methodology changes, EcoVadis conducts a quantitative impact

assessment to evaluate the effects of a proposed revision on existing rating or risk assessment outcomes, in order to maintain score and risk level stability and comparability over time.

The proposed revised methodology is applied to a representative sample of rated or screened entities, and results are compared with those produced under the existing methodology. The analysis examines two metrics: score volatility, defined as the share of entities with a potential score change and the average and maximum score shift; and segment impact, comprising an assessment of whether the proposed revision disproportionately affects entities of specific sizes, industries or geographies.

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

e) Conditions for determining material changes to the methodology:

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

- Issue coverage: The introduction or removal of an entire sustainability theme or criterion covered by the methodology.
- Expected score volatility: The impact assessment indicates that the revision will cause more than 10% of the impacted rated universe to experience a significant change in their final score, i.e. a shift of 1 risk level or more.

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

The Vitals 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 methodology applicable at the time of an assessment. Specifically, the questionnaire submission date determines the methodology version applied to the assessment.

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

5. Organisational Disclosures

To ensure comprehensive transparency and full compliance with European ESG Rating

Regulation standards, this methodology document is published on the official EcoVadis website page dedicated to regulatory disclosures: <https://ecovadis.com/trust-center/esma/>.

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

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