ESG Rating Methodology

2025

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1. INTRODUCTION

1.1. EthiFinance Group and ESG Rating Agency

1.1.1. EthiFinance Group

EthiFinance is an independent European rating, research and advisory group, fully committed to Sustainable Finance. Our group provides investors, banks, insurances, corporates and organisations of all sizes with impactful analysis and solutions to the challenges of financing as well as environmental and societal transformation.

Now present in five locations in France, Germany and Spain, EthiFinance provides investors, banks, insurance companies, companies and organizations of all sizes with high-impact analysis and solutions to the challenges of financing, environmental and social transformation.

1.1.2. EthiFinance ESG Rating Agency

Our ESG Rating Agency offers data and research for investors (off-the-shelf ESG ratings and datasets) and for issuers (second party opinions and solicited sustainability assessments). Our products are rooted in proprietary and publicly available methodologies using a double materiality approach. We deliver in-depth insights into the sustainability performance of issuers and instruments, allowing investors to make informed decisions, and organisations to understand their positioning against regulatory frameworks as well as their peers.

Our highly qualified analyst team is specialized by sector and located across Europe in our offices in France, Germany and Spain. Overall, our team combines close to 30 sector and product experts, and we have partnered up with likeminded experts supporting us in data collection and media screening.

We have implemented a clear separation from the teams that provide ESG advisory solutions and bespoke research to investors as well as from those providing credit ratings and research, and we don’t provide consulting services to issuers. We prepare for compliance with all upcoming European regulations for ESG Ratings providers.

We constantly stay at the forefront of new developments in the fast-paced and strongly regulated area of sustainable finance, responsible investment and corporate sustainability. Our team is dedicated to delivering innovative products through agile methodology and product development.

1.2. Purpose of this methodology document

This methodology document describes EthiFinance’s ESG Ratings as proposed by our ESG Agency business unit to asset managers, asset owners and banks to evaluate the sustainability performance of their investees, clients or prospects.

The methodology document is updated on an annual basis and approved by the ESG Rating Agency’s methodology committee.

1.3. Definition of our ESG Ratings

The goal of our ESG Rating is to assess the maturity of an institution regarding its sustainability policies and management as well as its contribution to sustainable development via its business model. The ESG Rating takes into consideration both the policies in place and the associated practices and performance achieved.

The ESG Ratings are established by our investor-products analyst team in complete independence, based on objective elements and aligned as closely as possible with recognized sustainability standards (CSRD, ILO, OECD, UN SDGs, etc.).

Our analysts are specialized in corporate sustainability and ESG and are either employees of the EthiFinance group or its sub-contractor in charge with data collection. This methodology has been developed to ensure that the same results are achieved regardless of the analysts involved in the assignment.

1.4. Scope of the ESG Rating methodology

This sustainability rating methodology applies to Companies. The rating is based on a thorough analysis of the sustainability performance of the rated entity:

- All relevant **ESG themes** are covered: governance, business ethics, social topics and human resources management, environment, external stakeholders, etc.
- The **various components** of sustainability performance are considered: Policies and goals set by the rated entity, the sustainability-related organizational setup within the institution, action plans, performance and measurable outcomes.

The outcome is an ESG rating as well as a rating for each of the 4 pillars of the assessment (Environment, Social- Own Workforce, Social – External Stakeholders and Governance) and each of the 15 underlying sustainability topics. Ratings are provided in absolute value and on a scale from 0 to 100.

The analysis is backward-looking. It focuses on data from the last three reporting years. The exception is the controversy research, which is carried out in real time and impacts the scores at the end of each month.

2. METHODOLOGY OVERVIEW

EthiFinance's ESG Rating methodology is based on the following main rating factors (each of which is presented in more detail throughout chapter 3):

A/ Sustainability pillars and topics: The information and data required for the analysis are collected and analysed according to EthiFinance's proprietary reference framework organized into four overall pillars, each divided into 3 to 4 topics (*see details in 3.1*).

- Environment
    - Climate Change (mitigation & adaptation)
    - Pollution prevention and control
    - Resources use & circular economy
    - Biodiversity & ecosystems (including water)
- Social - Own workforce
    - Working conditions & social dialogue
    - Skill development & training
    - Equal opportunities, diversity & inclusion
    - Health and safety
- Social - External Stakeholders
    - Workers in the value chain & human rights
    - Communities & territories

    - Consumers and end-users
- Governance
    - Role of the administrative, supervisory and management bodies
    - Business conduct
    - Cybersecurity
    - Management of relationships with suppliers

B/ Double materiality analysis: EthiFinance's ESG Ratings are anchored in a sector-level double materiality analysis (looking at both impact materiality and financial materiality), which has been carried out in accordance with the principles laid down by the CSRD and the EFRAG guidelines *(see details in section 3.2)*.

This double materiality analysis is used both to define the weighting assigned to each sustainability topic and pillar in the scoring model, and to select in-depth sectoral indicators.

C/ Sector-agnostic and sector-specific indicators: Information on each sustainability topic is collected in the form of quantitative indicators (numerical data scale) or qualitative indicators (descriptive data scale).

These indicators are of two types *(see details in 3.3)*:

- Sector-agnostic or cross-sector indicators, applied to all rated entities on subjects that are structurally the same for all or most sectors (in particular under the social and governance pillars).
- Sector-specific indicators, which capture topics and situations that differ from one sector to another (in particular for the environmental pillar).

D/ Scoring model: The sustainability scores are calculated by successive consolidations, starting with each sustainability topic. The topics are weighted differently according to the results of the sector-specific double materiality analysis: The topics identified as most material in terms of the rated entity's activities weigh more heavily in the score of the associated pillars. The same applies to the pillars: The greater the weight of a pillar, the greater its impact on the final ESG score *(see details in 3.4)*.

E/ Rating modifiers: Once the score has been calculated as indicated above, two additional modifiers are applied:

1. A **penalty** may be applied if ESG controversies are identified involving the rated entity *(see details in 3.5.1)*.
2. A **bonus** may be applied if the rated entity's products and services are identified as contributing positively to one or more UN Sustainable Development Goal(s) *(see details in 3.5.2).*

On this basis, EthiFinance delivers an overall ESG score, broken down into four thematic scores corresponding to each of the four thematic pillars (Environment, Social - Own workforce, Governance, Social - External Stakeholders). This rating is presented on a scale of 1 to 100 (*see details in section 3.5 C)* and provided in absolute value.

The information is gathered through the assessment of public documents and internal company documents obtained during an iterative dialogue phase where companies are invited to complete missing data (*see details in 3.7*).

3. DETAILED METHODOLOGY DESCRIPTION

3.1. SUSTAINABILITY PILLARS AND TOPICS

EthiFinance's rating framework is mainly designed in line with the CSRD's sector-agnostic reporting standards, with a few adjustments, particularly in terms of granularity in the governance pillar.

The content of each of the four thematic pillars is presented in Table 1.

Table 1 – Structure and topics of EthiFinance 2025 rating framework

PILLARS	SUSTAINABILITY TOPICS	ASSOCIATED ISSUES
ENVIRONMENT	**Climate Change (mitigation & adaptation)**	Mitigation, Adaptation, Energy, climate targets and alignment with the Paris Agreement
	Pollution prevention and control	Pollution of air, water, soil; substances of concern; substances of very high concern
	Resources use & circular economy	Non-renewable resources use; waste; circular economy
	Biodiversity & ecosystems (including water)	Water withdrawal, consumption, use; Impact on extents & conditions of ecosystems (ex. land degradation, desertification, soil sealing)
SOCIAL / OWN WORKFORCE	**Working conditions & social dialogue**	Social dialogue; Freedom of association; Internal communication, consultation & participation; Working conditions (remuneration, turn-over…); Signature of a Global Framework Agreement; reference to International Labour Organization Core Conventions
	Skill development & training	Training & skills development; Employability
	Equal opportunities, diversity & inclusion	Gender equity, equal pay; Inclusion of disabled people; Fight against harassment in the workplace
	Health and safety	Health issues; Well-being
SOCIAL / EXTERNAL STAKEHOLDERS	**Workers in the value chain & human rights**	Working conditions, safety at work; Modern slavery & child labour; Respect for human rights; UN Guiding Principles on Human Rights
	Communities & territories	Rights of indigenous communities where the rated entity operates; Respect of political & social rights; Impacts on communities/territories conditions of living
	Consumers and end-users	Consumer's health & safety; Responsible marketing & communication practices
GOVERNANCE	**Role of the administrative, supervisory and management bodies**	Responsible corporate culture: balance of power, consultation, transparency, respect; Governance of Sustainability issues; Lobbying
	Business conduct	Corruption & bribery; Compliance with business laws (ex. fair competition)
	Cybersecurity	Management of privacy (personal and sensitive data); Cyber security

PILLARS	SUSTAINABILITY TOPICS	ASSOCIATED ISSUES
	Management of relationships with suppliers	Responsible relationships with suppliers, including dependence management, responsible purchasing policy, etc.

3.2. DOUBLE MATERIALITY ANALYSIS

EthiFinance's ESG Ratings are based on a double materiality analysis (DMA), applied on a sector-level. This analysis is used both to attribute weights for all sustainability topics to the sector-based scoring model and to select sector-specific indicators for a more granular analysis.

3.2.1. Standard sector double materiality analysis

The sector analysis covers 38 sectors using EthiFinance's own classification, based on existing classifications like the Statistical classification of economic activities in the European Community (NACE) and the Global Industry Classification Standard (GICS). It focuses on double materiality, considering both impact and financial materiality, in accordance with the expectations of the European regulator as detailed in the regulatory texts relating to the CSRD and the associated EFRAG guidelines.

The DMA applies the following steps:

1. **Identification of Impacts, Risks and Opportunities (IROs)** for 15 sustainability topics, considering sector-specific impacts on stakeholders and dependencies.
2. **Impact materiality assessment:** Evaluates scope, scale, and reversibility, assigning scores of 1 (low), 3 (medium), or 5 (high).
3. **Financial materiality assessment:** Considers operational, reputational, and financial impacts, with similar scoring.
4. **Overall materiality assessment:** Combines the highest scores from impact and financial assessments for each ESG topic.

3.2.2. Sustainability topics and pillars weight attribution

The double materiality analysis as described above allows to calculate an overall materiality score for each sector.

The calculation of the weights takes into account the materiality scores from the DMA as well as the number of rated indicators in each topic/pillar, in order to avoid overweighting a single indicator.

Finally, the pillars are recombined into E, S and G pillars and the S weight is computed simply by adding the weights of the “Social – Own Workforce” and “Social-External Stakeholders” pillars.

The ranges of weights of each pillar are displayed in Table 2.

Table 2 –Range of weights per ESG pillar

Pillar	Minimum weight	Median weight	Maximum weight
Governance	30,96%	39,39%	59,70%
Environment	7,24%	31,04%	41,30%
Social – Own Workforce	19,25%	24,94%	36,89%
Social – External Stakeholders	2,72%	4,37%	6,57%
Social (aggregated)	22,85%	29,70%	41,52%

In addition to determining the sector-specific topics and pillars' weights, our DMA also serves as a starting point for the development of sector-specific indicators, as explained in the following chapter.

3.3. CROSS-SECTORAL AND SECTORAL INDICATORS

Our 2025 rating framework includes 140 indicators, 111 of which are cross-sector and 29 are sector-specific.

The Governance and Social – Own Workforce pillars are mainly based on cross-sector indicators, while the Environment and Social - External Stakeholders pillars make greater use of sector-specific indicators.

These indicators cover different aspects:

- Strategies/policies developed by the rated entity to respond to sustainability challenges under the 4 pillars and 15 topics
- Measures implemented by the rated entities to put their policies in practice,
- Performance/results that show quantitative results and their progression in sustainability performance over time.

We have applied the following principles to choose our indicators:

- Full coverage of the 15 sustainability topics of our overall rating framework.
- Alignment with the ESRS corresponding to the European CSRD framework (64% of all our indicators and 74% of our cross-sector ESG indicators are in line with the ESRS).
- Alignment with specific concerns of external stakeholders such as ESG investors, civil society, NGOs or other organizations (the sources are cited in section 4.1. Sources)
- Integration of indicators from existing standards and frameworks such as the Carbon Disclosure Project (CDP) or the Global Reporting Initiative (GRI).
- Commonly used sector-specific indicators found in corporate sustainability reporting (for all 38 rating frameworks, we analysed a variety of sustainability reports and non-financial performance statements).

The following table shows examples of indicators for each sustainability topic. A full list of all indicators is available upon request and is made available to clients and rated entities.

Table 3 – Example of indicators per topic

PILLARS	SUSTAINABILITY TOPICS	INDICATORS – EXAMPLES
ENVIRONMENT	**Climate Change**	Ex. Has the company analysed its exposure to transition risks and/or physical risks associated with climate change?
	Pollution prevention & control	Ex. Existence of an environmental management system (EMS) and proportion of activities benefiting from external certification (e.g. ISO 14001, EMAS) (identified over the last 3 years)
	Resource use & circular economy	Ex. Total amount of waste generated (tons)
	Biodiversity & ecosystems (incl. water)	Ex. Impact of activities on protected areas and/or areas rich in biodiversity (identified in the last 3 years)
SOCIAL - OWN WORKFORCE	**Working conditions and social dialogue**	Ex. Existence of social protection measures (e.g. company pension plan, life insurance, disability and incapacity insurance, social security) going beyond legal requirements
	Skills development & Training	Ex. Average number of hours of training per employee (number of hours of training/total workforce)
	Diversity and Inclusion	Ex. Equal opportunities and diversity action plan (identified over the last 3 years)
	Health and safety	Ex. Rate of absenteeism due to illness and accidents at work
SOCIAL - EXTERNAL STAKEHOLDERS	**Workers in the value chain**	Ex. Publication of a formal commitment to respect fundamental human rights (United Nations Guiding Principles on Human Rights)
	Communities & Territories	Ex. Publication of impact studies (social, societal) relating to the product offering and/or projects and/or job creation
	Consumers and end-users	Ex. Existence of a quality management system and proportion of activities benefiting from external certification (e.g. ISO 9001) (identified over the last 3 years)
GOVERNANCE	**Corporate governance**	Ex. Separation of the roles of Chairman of the Board of Directors/Supervisory Board and Chief Executive Officer
	Business Conduct	Ex. Publication of a formalized business conduct and anti-corruption policy
	Cybersecurity	Ex. Is the company certified ISO 27000 (cybersecurity) or equivalent?
	Relationships with suppliers	Ex. Has the company mapped its economically dependent suppliers (identified over the last 3 years)?

3.4. BASIC SCORING MODEL

Based on our overall framework (pillars/topics/indicators) and the topic weightings resulting from the DMA as described above, we apply a scoring model that results in a first set of sustainability scores (pillar scores and overall sustainability scores).

3.4.1. Calculation of the scores for each indicator

Most indicators of the framework are rated. For instance, among cross-sector indicators, between 72 and 75 are rated depending on the sector. An indicator may not be rated for several reasons:

- It provides contextual information
- It is used to normalize other indicators

- It is required by a regulation but not material for a given sector
- It was newly introduced, and we do not have enough information so far to decide whether and how to rate it

The indicators that are scored can be evaluated according to three principles:

1. **Transparency**, i.e. the fact that the information is communicated by the evaluated company (over one, two or three years).
2. **Performance level, i.**e. the intrinsic value of the data.
3. **Trend** of the data over time (over two or three years).

Each indicator has its own scoring logic: For some indicators, we take into account the three dimensions mentioned above, while others are evaluated solely on transparency.

Finally, the company obtains a score ranging from 0 to 100 for each rated indicator.

3.4.2. Differences in scoring depending on the size of the company evaluated

EthiFinance ESG Ratings takes into account the size of the company evaluated in order to adapt the expectations of its benchmark.

We have adapted our evaluation approach to the size of companies: On the one hand, we expect larger (and thus more "CSR mature") companies to go beyond the simple reporting exercise by demonstrating continuous improvements in their ESG performance. On the other hand, for smaller companies, our rating focuses on the transparency of information provided.

The thresholds used to define company size are those defined by the Non-Financial Reporting Directive (NFRD – 2017):

- Number of employees >= 500
- Turnover >= 40 million euros OR Total assets >= 20 million euros

Indicator Q202501 – *"The company is considered to be a large company" is* used to identify companies considered sufficiently mature to be rated on their ESG performance ('YES' answer) and those whose rating focuses more on the transparency of their *reporting* ('NO' answer).

The following logic applies to companies for which the answer to indicator Q202501 is 'NO':

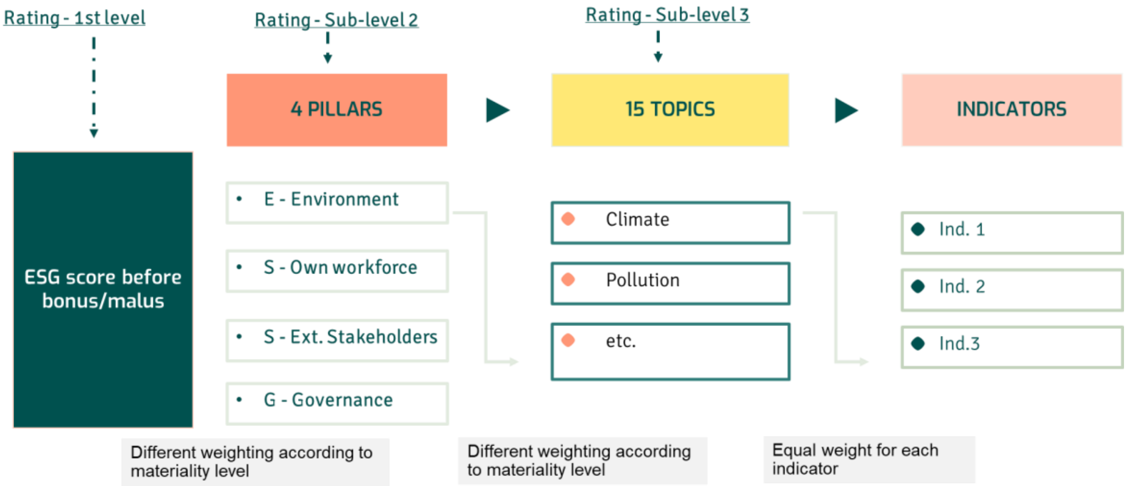
- A greater number of indicators are scored according to a logic of transparency as described in the previous paragraph.
- For certain indicators, the requirements to achieve the highest score level are reduced.
- Some indicators are scored as 'bonuses', which means that failure to respond does not result in a score of 0/100 but in the 'deactivation' of the indicator concerned, which is no longer taken into account in the calculation of the overall score.

3.4.3. Aggregation of scores

As shown in Exhibit 1, each **indicator** is attributed a score based on the situation of the entity rated regarding that indicator.

The score for each **sustainability topic** is derived from the average of its related indicators. Each **pillar's score** is then calculated as the weighted average of its sustainability topic scores. Finally, the **overall ESG score** (prior to applying any modifiers) is determined by the weighted average of the scores for the four pillars, based on the DMA and the number of indicators per pillar, as detailed in paragraph 3.2.2.

Exhibit 1 – Aggregation of scores



Our scores are positioned on a quantitative scale from 1 to 100 (from worst to best performance).

3.5. ADDITIONAL RATING MODIFIERS

To complete our sustainability rating scores and present a full picture of the sustainability performance of an entity, we consider two additional aspects that impact the final overall scores:

- **ESG controversies:** All events that impact the sustainability performance of the rated entities in a negative way are translated into a penalty / malus that downgrades the overall rating score. The rationale for this downgrading system is that controversies represent a “reality check” to see if the sustainability policies and measures are sufficient to prevent the company from negative behaviour.
- **Positive impact of products & services:** We analyse a company’s business model through the products and services it delivers to the market with respect to their positive contribution to sustainability. If a company produces a portfolio with positive impact, we apply a bonus to the overall sustainability score. With this additional analysis and bonus system, we allow companies with a sustainable business model to obtain an improved overall sustainability rating. This is particularly important for smaller businesses that do not have the same level of resources for sustainability management as larger firms and thus often obtain lower sustainability scores.

3.5.1. Controversy analysis

3.5.1.1. Definition

An ESG controversy consists of any event regarding environmental, social or ethical/governance issues that is likely to have a negative impact (reputational, legal or financial) on the rated entity and its sustainability performance. EthiFinance defines ESG controversies as a questioning of a company or project by its stakeholders (employees, trade unions, NGOs, regulators, customers, shareholders, etc.).

Stakeholders may express their concerns by various means: Reports, notifications, campaigns, media articles, and sometimes by legal action such as lawsuits, formal notices, fines or sanctions.

3.5.1.2. Assessment criteria

Our evaluation of ESG controversies is determined by a combination of six criteria, organized within three dimensions:

- **Impact on the company:** Evaluates financial/operational impact and reputational impact based on media coverage.
- **Impact on stakeholders:** Assesses the volume and intensity of impact on stakeholders using reference texts like the Universal Declaration of Human Rights and UNGC.
- **Company Responsibility:** Considers legal proceedings and the level of involvement within the company's structure.

Each criterion is scored from 1.5 to 5 points. The three dimensions are then equally weighted to obtain a score out of 5.

The level of exposure of an issuer is determined by the severity of the company's most serious controversy and the recurrence of controversies.

3.5.1.3. Controversy analysis process

Our controversy analysis is a process involving four successive and iterative stages:

1. **Identifying relevant news:** Using external data providers to screen articles and pre-categorize risk levels.
2. **Selecting information**: Analysts sort articles to identify relevant events and group them.
3. **Assessing controversies**. Analysts evaluate the severity of each controversy based on defined criteria.
4. **Quality Checks and Committee**: Ensures accuracy through multiple review steps and an Arbitration Committee for high-severity cases.

The entire process takes place on a proprietary platform (the EthiFinance Controversy Platform) where each step is documented, and all relevant sources are stored.

3.5.1.4. Impact on the rating

The results of our controversy analysis can affect the overall sustainability rating score by imposing a penalty based on the company's exposure to ESG controversies. This penalty, which can be as high as 20 points out of 100, is applied to the overall score.

3.5.2. Positive impact of the product and services portfolio

The overall sustainability score can be positively influenced by the rated entity's product and services portfolio, using a bonus system aligned with EthiFinance's ESG Ratings.

3.5.2.1. Reference framework

The United Nations Sustainable Development Goals (SDGs) are used to assess the portfolio, focusing on the first 16 SDGs.

The Sustainable Development Goals (SDGs) were adopted in 2015 by 193 countries with a target date of 2030. 17 goals, broken down into 169 targets, were defined with the aim of mobilizing the international community through public and private actors to create a more sustainable society. They cover various sustainable development issues such as poverty eradication, gender equality, environmental protection, education etc.

3.5.2.2. SDG contribution analysis process

We assess the positive product contribution by using the proportion of a company's activities that respond to one or more SDGs. The assessment of the rated entity's product and/or services portfolio is as follows:

1. **Identification** of the entity's product and/or services portfolio and their respective weight in its activities (based on associated revenues)
2. **Matching** of products and services with the corresponding SDGs, using EthiFinance SDG list of activities.
3. **Measuring** the overall share of activity contributing to the UN SDGs.

3.5.2.3. Impact on the rating

Positive Contributions from products and services are scored on a range from 0 to 10, which are then applied as bonus points to the overall sustainability rating.

3.5.3. Scoring results applying additional modifiers

The final ESG rating results from the score calculation to which the controversy penalty and-or impact bonus, if any, are applied.

3.6. QUALITATIVE COMMENTS

In addition to quantitative scores, we provide qualitative comments within our ESG Rating reports.

There are two types of comments:

- Comments on key sector issues are written by analysts and updated once a year. The aim is to provide clients with an overview of the ESG topics that are most material for the company, based on its sector.
- Company-specific comments, written with the assistance of artificial intelligence and focusing on:
  - A description of the company’s activities and main features
  - A focus on the company’s overall performance and its evolution compared to the previous year’s rating update

N.B. These qualitative comments have no impact on the rating score but provide investors and rated entities with a quick overview of the company’s performance, especially regarding the most material ESG issue in its sector.

4. SOURCES AND RATING PROCESS

4.1. Sources

For more robust results, our rating methodology combines different sources of information:

Use	Source
Sources used for developing our assessment framework and analyst guidelines (this list is not comprehensive)	• Climate Watch (2023), Our World in Data, www.climatewatchdata.org • EFRAG (2022), First Set of draft ESRS & Basis for conclusions • ENCORE database, accessed in 2025, https://www.encorenature.org/en • EthiFinance's database of sector indicators and internal database of sectoral double materiality analyses • EUROSTAT (2020), https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Waste_statistic • Freedom House (2025), Freedom of the World 2025, https://freedomhouse.org/sites/default/files/2025-03/FITW_World2025digitalN.pdf • Global Reporting Initiative (2024), Consolidated Set of GRI Standards. • ICMA (2024), Illustrative KPIs Registry, https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/ • International Labor Organization (ILO), Ratifications of fundamental instruments by country, accessed in 2025[1] • ILO (2023), Equal pay for work of equal value: where do we stand in 2023?, https://ilostat.ilo.org/blog/equal-pay-for-work-of-equal-value-where-do-we-stand-in-2023/ • OECD (2023), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, OECD Publishing, Paris, https://doi.org/10.1787/81f92357-en • Tax Justice Network (2022), Financial Secrecy Index 2022, https://fsi.taxjustice.net/ • Transparency International (2024), Corruption Perceptions Index, www.transparency.org/en/cpi/2024 • UNEP FI, Human Rights Toolkit for Financial Institutions, Sector Profiles, accessed in 2025, https://www.unepfi.org/humanrightstoolkit/ • United Nations Human Rights Council (2011), UN Guiding Principles on Business and Human Rights, United Nations Publishing Service, Geneva • United Nations Global Compact (2015), The Ten Principles of the UN Global Compact, unglobalcompact.org/what-is-gc/mission/principles • UNGC, Business and Human Rights Navigator, accessed in 2025, https://bhr-navigator.unglobalcompact.org/
Sources used during the assessment process	• Public documents: The rated entity's website and sustainability report • Additional information provided in writing by the company • Media articles, NGO websites, especially for the controversy analysis

[1] https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:10011:0::NO::P10011_DISPLAY_BY%2CP10011_CONVENTION_TYPE_CODE:1%2CF

4.2. Process

The rating process applied to ESG Ratings is iterative and summarized as follows. More detailed information is available in a separate process document.

1. Pre-entry of responses to questionnaire indicators and SDG indicators by the EthiFinance team, based on public documents and internal documents provided by the rated entity.
2. Quality review and iteration**:** EthiFinance carries out a quality and consistency review of the data provided by the entity and a meeting is organized to clarify any points still under discussion.
3. Dialogue with the rated entity
4. Cross-check quality step to identify outliers
5. Analysis of the level of controversy and calculation of any associated malus
6. Publication of the ESG Ratings on EthiFinance's ESG Rating platform, for investor clients, and on EthiFinance's Rating Reports platform, for rated entities.

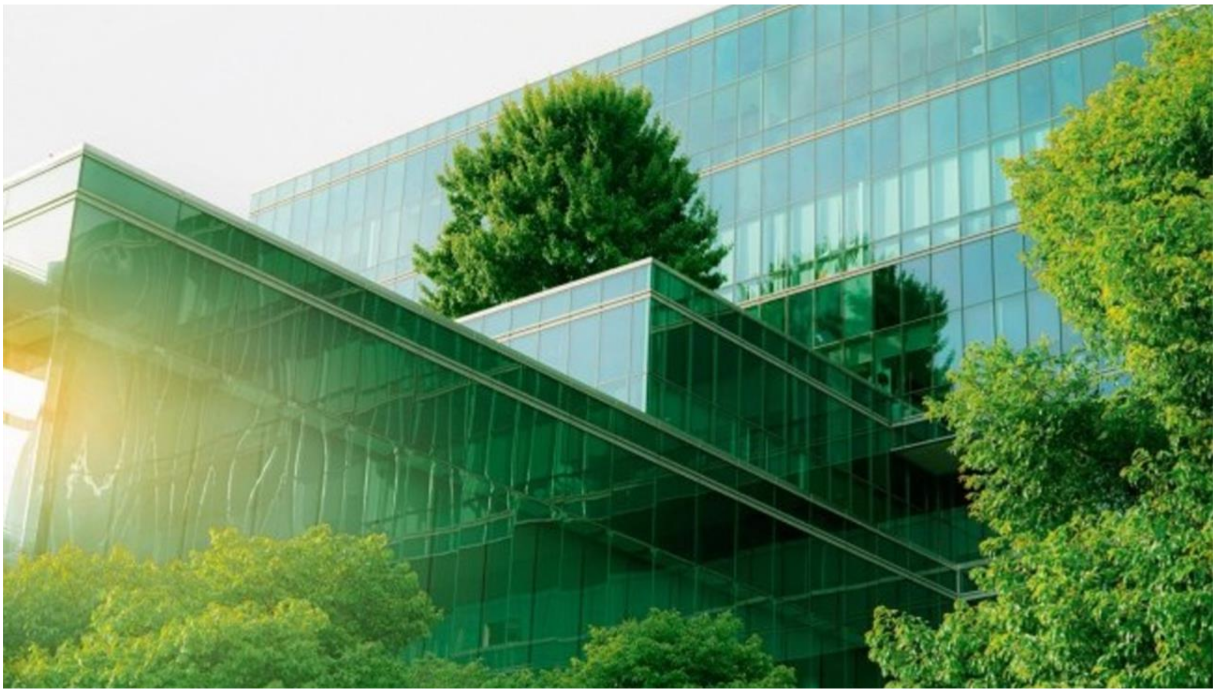
4.3. Estimation of input data

All the data used to compute ESG ratings is reported data. EthiFinance does not rely on estimated data to build its ESG ratings.

Missing data is not estimated. It is interpreted as a lack of transparency and may negatively impact the ESG rating.

All data points are updated on a yearly basis.

Contact



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