UNIFIED GLOSSARY — ALPHABETICAL ORDER

Standard Ethics Europe Srl — Reg. UE 2024/3005 — June 2026

Total items	86 items in alphabetical order
Column «Area»	Indicates the relevant thematic section.
Letters A–Z	Letters include: A, C, D, E, F, G, H, I, J, L, M, N, O, P, Q, R, S, T

TERM	DEFINITION	SOURCE	AREA
A			
Accordo di licenza (Licence Agreement) (SEL–SEE)	The contract under which Standard Ethics Ltd (SEL) grants Standard Ethics Europe Srl (SEE) the right to use, under licence, the intellectual and operational assets it owns (methodology, trademark, database). This is not an outsourcing agreement. SEL does not carry out or participate in any of the Agency's operational functions.	*G21*	*Outsourcing*
Action (Rating Action)	Any change to the rating issued: upgrade, downgrade, confirmation following a new analysis, initiation, withdrawal, or change in Outlook. Every action requires an in-depth pre-action analysis.	*G9, G13*	*Type*
Action-Trigger	The value, relative to the Primary Factor (G), which, in routine monitoring, triggers the initiation of an In-Depth Pre-Action Analysis for a possible rating action. It may result in: an upgrade of the SER, a downgrade of the SER, a change in the Outlook, or confirmation following a new analysis.	*G8*	*Methodology*
Agenzia (Agency)	Standard Ethics Europe Srl, an ESG ratings provider pursuant to EU Regulation 2024/3005, with its registered office in Milan.	*G1*	*Structure org.*
Algoritmo Proprietario (Proprietary Algorithm)	Standard Ethics' proprietary calculation system, which, based on 119 inputs relating to 35 G-Markers, determines the Primary Factor (G-Aggregate). It incorporates the guidelines of the UN, the OECD and the EU through five international standards.	*G8, G9*	*Methodology*
Analista Incaricato (Appointed Analyst) (AA)	The Analyst designated as responsible for analysing and proposing a rating for a specific rated entity. Their name is recorded in the Rating Mask. They are subject to rotation (maximum of 3 years or 3 consecutive financial years for the same entity).	*G2, G4, G9*	*Structure org.*
Analyst-driven process	The principle that every rating is the result of analysis carried out by a human being, not by an automated algorithm. Artificial Intelligence is not used in the assessment process. The process is conducted entirely by Analysts in accordance with codified procedures, structured guidelines and the Proprietary Algorithm.	*G8, G9, G19*	*Rating ESG*
Appeal	The formal procedure through which the rated entity (SOL or UNSOL) may challenge the proposed rating before its final publication, requesting a review of the assessment. Governed by Article 22 of the Regulations and by GENERAL 17.	*G17*	*Complaints*
Attività incompatibili (Incompatible activities)	Any activities which, if carried out at the same time as ESG rating activities, may compromise the independence, objectivity or integrity of the rating process. The list is set out in Article 16(1) of the Regulation (ESG advisory, credit rating, auditing, commercial benchmarking, investment banking).	*G3*	*Conflicts*

Audit Trail	The chronological and traceable sequence of all actions, decisions and changes relating to a process or a document, which enables the complete reconstruction of the process itself.	*G20*	*Security*

C

Calendario bimensile (UNSOL) (Bi-monthly calendar)	The public calendar of UNSOL's In-Depth Pre-Action Analyses, published on the Agency's website every two months. It informs UNSOL entities when their ratings are due for periodic review.	*G9*	*Type*
Chinese Wall	The set of information barriers — organisational, IT-related and procedural — that separate the Agency's various functions, in particular the analytical departments (SOL and UNSOL) from the commercial and communications functions. Access to information is role-based and governed by security clearance.	*G1, G3*	*Structure org.*
Clearing Room	Joint Operational Office Meeting bringing together the relevant functions during the final stage of the rating issuance process (Simplified Procedure). Chaired by the HO. The following participate with voting rights: HO, AA, Head of SOL or UNSOL. The following attend without voting rights: COMM Office and Relations Officer. It is held every Tuesday at 10.00 CET.	*G1, G2, G9*	*Meetings*
Cluster UNSOL	A group of similar entities selected by the UNSOL Office and assessed using the same methodology. The Clusters are published free of charge on the Agency's website. The decision to create a cluster is taken by the GAM (General Action Meeting). The selection of entities and the composition of the clusters are decided by the Head of the UNSOL Office.	*G9, G13*	*Type*
Conflitto di interesse (Conflicts of interest)	A situation in which a person's personal, financial, professional or other interest may influence, or appears to influence, their objectivity and independence in the ESG rating process.	*G2*	*Conflict*
Conflitto percepito (Perceived conflict)	A situation in which third parties might reasonably believe that a conflict of interest exists, even in the absence of an actual conflict.	*G2*	*Conflict*
Conflitto potenziale (Potential conflict)	A situation in which the objective circumstances could reasonably give rise to a conflict of interest, regardless of the parties' intentions.	*G2*	*Conflict*
Consiglio di Amministrazione (CdA) (Board of Directors)	The Agency's corporate body, which is responsible for supervision and strategic direction. It does not participate in any way in the process of drawing up, approving or communicating ratings.	*G1*	*Structure org.*
Cooling-off period	The nine-month period during which senior management may not take up similar positions with an issuer they have	*G4*	*Conflict*

	assessed (in accordance with Article 28 of EU Regulation 2024/3005).		
Corporate SER	The final rating assigned to a corporate entity. It is equal to the value of the Primary Factor (G) ± Override. It is expressed in 9 notches: F; E-; E; E+; EE-; EE; EE+; EEE-; EEE, where EE- represents the threshold value for the Sustainable Grade.	*G8*	*Methodology*
Comunicato Stampa (Press Release)	The official document through which the Agency communicates rating actions to the market. Published by the COMM Office following the MD's Final GO. It contains: the entity's name, date, assigned rating notch, type of action, previous rating, Outlook, Cluster (if applicable), summary of the rationale, SOL/UNSOL type, and E/S/G levels.	*G13, G15*	*Complaints*

D

Disclosure pubblica (Public disclosure)	Making information relating to the Agency, its ratings and its methodology available to the public, without any restrictions on access, via its website or other official channels. Principles: transparency, timeliness, equal treatment, prevention of market abuse, consistency.	*G13*	*Complaints*
Data prestabilita (Scheduled date)	Date set for public disclosure.	*G13*	*Complaints*

E

E (Environmental)	The set of environmental policies and objectives publicly adopted by the entity. This constitutes Secondary Factor (E) of the Standard Ethics Model.	*G8*	*ESG Rating*
ESG Rating (parere ESG/ESG Opinion)	In accordance with Article 3 of EU Regulation 2024/3005: an ESG assessment based on a standards-based methodology and a defined classification system, which directly involves a rating analyst in the process. Standard Ethics issues ESG opinions, not ESG scores.	*G8, Reg. UE*	*ESG Rating*
ESG Scoring (punteggio ESG/ESG scores)	Pursuant to Article 3 of EU Regulation 2024/3005: an ESG measure based solely on a predefined statistical or algorithmic system, without any substantial analytical input from an analyst. Standard Ethics does not produce ESG scores.	*G8, Reg. UE*	*ESG Rating*

F

Fascicolo di rating (Rating dossier)	All documentation relating to a single rating process, from data collection to publication. This includes: the frozen Rating Mask, the E and S Checklists, the rating proposal, the IRC minutes or Clearing Room chat logs, any Override justification, and communications with the rated entity.	*G20*	*Types*

Fattore Primario (G) (Primary Factor)	Aggregate (G), which represents the governance of Sustainability. It is the result of a calculation using a Proprietary Algorithm that correlates five international standards through 119 inputs. Owing to its characteristics of comprehensiveness, predictability, low volatility and absolute comparability, it is used as a final summary and as an action trigger.	*G8*	*Methodology*
Fattore Secondario (E ed S) Secondary Factors	The result of the preliminary analysis of the entity's Social and Environmental policies and objectives. It provides E Level and S Level. It is calculated using an algebraic formula. It serves to guide the Analyst in determining the inputs for the Proprietary Algorithm.	*G8*	*Methodology*
Final GO	Approval by the MD must be obtained prior to any official communication from the Agency to external parties, including press releases. This approval certifies that the communication has been checked for legality and compliance.	*G1, tenants*	*Security*
Final Report SOL	The publishable document provided to the SOL Applicant, which contains the Standard Ethics Rating (SER), the Long-Term Expected SER, a summary analysis and the key findings. The Applicant is free to publish it.	*G9*	*Types*
Flower Pattern	The Agency's organisational structure, which outlines the structure of its operational offices and the divisions between them. The 'petals' (SOL Office, UNSOL Office, COMM Office, Relations Officer) operate separately from one another, separated by 'Chinese Walls', with a 'centre' (HO, MD, FC, Board of Directors) ensuring coordination and supervision.	*G1*	*Structure org.*
Funzione di Compliance (FC) (Compliance function)	The permanent and independent internal supervision and control function, established pursuant to Article 15 of EU Regulation 2024/3005. At present, this function is carried out by an independent director. The function may report directly to the Board of Directors, bypassing the Managing Director, on matters of particular significance.	*G1*	*Structure org.*

G

G (Governance della sostenibilità/ governance of Sustainability)	The organisation's governance system for implementing and integrating E and S into its strategies in the interests of future generations and the planet, by adopting the international guidelines of the UN, the OECD and the EU. This constitutes the primary factor of the model.	*G8*	*ESG Rating*
General Affairs Meeting (GAM)	A Joint Operational Office Meeting of a managerial nature, bringing together the main departments to discuss organisational and operational matters. Chaired by the MD. It takes place every Tuesday at 11.30 am CET.	*G1, tenants*	*Meetings*
Gruppo (ai fini del Regolamento) (Group)	Pursuant to Article 16 of the Regulation: the Group comprising entities and subsidiaries or entities under common control, as well as any other entity linked by significant shareholdings. SEE Srl and SE Ltd do not	*G3*	*Outsourcing*

	constitute a group within the meaning of Directive 2013/34/EU on the grounds of size.		

H

Head of Operations (HO)	The most senior manager responsible for operational activities relating to ratings, indices and research. They chair the IRC and the Clearing Room. They are the primary guarantor of the independence of the analytical process. They do not participate in any way in the negotiation of fees with Applicants.	*G1*	*Structure org.*

I

In-Depth Pre-Action Analysis	The in-depth analysis carried out by the Appointed Analyst (AA) prior to any rating action. It includes: completed E and S Checklists, the five standards of the Proprietary Algorithm, the value of the Primary Factor (Aggregate G), any Override, and the proposed rating.	*G8, G9*	*Methodology*
Indipendenza analitica (Analytical independence)	The condition in which the rating assessment is determined solely by the application of the methodology to the data collected, without any influence arising from commercial pressures, personal relationships, financial interests or considerations unrelated to the assessment process.	*G12*	*Conflict*
Influenza Significativa (Significative influence)	Pursuant to Article 25 of the Regulation: a situation in which a party is able to exercise a decisive influence over the decisions of the Agency or the entity being assessed, even though it does not hold a majority of the share capital. The following constitute indicators: holding ≥10% of the voting rights or share capital; the right to appoint or remove members of the management body; and significant shareholders' agreements.	*G2*	*Conflict*
Internal Rating Committee (IRC)	Joint Operational Office Meeting responsible for the final approval of ratings under the Ordinary Procedure. Comprising the HO (who chairs the meeting), the Head of the SOL Office, the Head of the UNSOL Office and the Deputy Head of the SOL Office. It is not a corporate body but a cross-functional meeting.	*G1, G2*	*Meetings*

J

Joint Operational Office Meeting	Meetings between different departments to manage and discuss information and issues of common interest. These meetings are regulated and serve as designated channels for overcoming Chinese walls. They are not corporate bodies. There are currently three such meetings: IRC, GAM and Clearing Room.	*G1, G2*	*Meetings*

L

Lettera Commerciale (Commercial letter)	The contract between the Agency and the Applicant setting out the financial and operational terms of the SOL rating. It is signed before the analytical process begins. The HO is only informed of this after it has been signed, and solely for operational purposes.	*G9, G25*	*Type*
Linee Guida SOL (SOL Guidelines)	A confidential working document (not to be disclosed to third parties) which details the Applicant's performance against each Marker, together with recommendations and guidance for improvement (approximately 240 analysis points). It is provided to the Applicant following the publication of the rating.	*G9*	*Type*
Long Term Expected SER	This is not a rating but a voluntary indication of the expected long-term value of the SER. It is provided only for SOL ratings, as it reflects the estimated level of SER that the entity could achieve were it to implement the recommendations set out in the Guidelines.	*G8, G9*	*Methodology*
Look-back procedure	A retrospective review carried out by the Agency into the work performed by an Analyst during the year prior to the termination of their employment, should they commence work with an issuer they have assessed within 12 months. Administered by the Compliance Function (Article 27 of the Regulations).	*G4*	*Conflict*

M

Managing Director (MD)	The Agency's Chief Executive Officer (CEO), appointed by the Shareholders' Meeting. He manages the Agency and chairs the GAM, signs official communications to ESMA, and authorises the Final GO. He does not take part in the analytical rating process and is not a member of the IRC.	*G1*	*Structure org.*
Marcatore/Marker	Each of the thematic variables used in checklists E, S and G used in the Primary Factor output. The Markers are classified by importance: high (impact up to 10%), significant (5–10%), moderate (1–5%).	*G8*	*Methodology*
Modello Applicant-pay (Applicant-pay Model)	The business model in which the rated entity (the Applicant) pays the Agency for a SOL rating directly. This is the only model adopted by Standard Ethics Europe. UNSOL ratings are not remunerated.	*G2*	*Type*

N

Notch (classe di rating/rating classification)	Each of the nine letters used to express the Corporate SER rating scale: F; E-; E; E+; EE-; EE; EE+; EEE-; EEE. EEE represents the highest theoretical level of compliance (a level that has never been awarded). EE- is the threshold for a Sustainable Grade.	*G8*	*Methodology*

O

Outlook	The outlook associated with the SER, which indicates the expected direction of the rating over the medium term (Positive, Stable, Negative). It may accompany the rating at the time of issue or following a Rating Action.	*G8, G13*	*Methodology*
Outsourcing (Esternalizzazione)	An agreement under which the Agency entrusts a third party with the ongoing or recurring performance of a support function (accounting, payroll, basic IT, specialist legal services). It does not include staff who are integrated into the process and subject to procedures and supervision.	*G21*	*Outsourcing*
Override	The justified deviation between the value of the Primary Factor (Aggregate G) calculated by the Proprietary Algorithm and the rating proposed by the Analyst. It represents the discretionary but justified margin (the extent of which is predetermined) available to the Analyst. It is subject to peer review by the HO and the IRC.	*G8, G9, G12*	*Methodology*

P

Peer review	The process of verifying a proposed rating by a function other than the person that proposed it, prior to final approval. Routine: carried out by the Clearing Room or the IRC. Exception: ordered by the HO in the cases provided for in GENERAL 12.	*G12*	*Security*
Personale coinvolto nel processo di rating (Personnel involved in the rating process)	Any person who is involved, even in part, in the activities of data collection, analysis, proposal, approval or communication of the rating. This includes Analysts, auditors, the Head of SOL and UNSOL, and the HO. It also includes integrated staff within the meaning of Article 17(1) of the Regulation.	*G4*	*Structure org.*
Personale integrato (non outsourcing) **(Integrated personnel – not outsourced)**	Any person who, regardless of their contractual status, is involved in the Agency's rating process is subject to the rules governing that process and to supervision using the Agency's internal tools. The rules applicable to staff in relation to the issuance of ratings, as set out in the Regulations and internal policies, also apply to such persons.	*G21*	*Outsourcing*
Posizione dirigenziale di alto livello (Senior Management)	For the purposes of the restrictions set out in Articles 26 and 28 of the Regulations: MD, Deputy MD, Head of Operations, Head of the SOL Office, Head of the UNSOL Office and any other person participating in the IRC's decision-making process.	*G4*	*Structure org.*
Pre-Action Meeting	The meeting between the AA and UNSOL (or SOL in the final phase) at which the data collected and the proposed course of action are presented, for the sole purpose of verifying the accuracy of the data. This is not a negotiation phase of the rating process. Managed by the Relations Officer for logistical communications.	*G9*	*Type*

Processo Industriale (Industrial process)	The full range of activities, from the selection of the entity being assessed, through the collection and analysis of data, to the proposal and approval of the rating, right up to its publication, communication and monitoring, including the administrative management of clients and human resources, as well as the control and reporting activities necessary for this purpose	*G1*	*Structure Org.*
Processo di rating (Rating process)	The core part of the industrial process involves data analysis, communication with the relevant entities, data allocation, the drafting of documents relating to the SER, the assessment process, and the final report. The rating process begins with the analysis of data for the completion of Checklists and Rating Masks.	*G1*	*Structure Org.*

Q

Qualità del rating (Rating quality)	The Corporate SER is characterised by its accuracy, consistency, traceability, reproducibility and reliance on verifiable data. This is ensured through the Analyst-driven process, peer review, the freezing of the Rating Mask and monitoring by the Compliance Function.	*G12*	*Complaints*

R

Rating di compliance (modello SE) (Compliance rating – SE Model)	One of the four ESG rating models identified by the European Commission. The Model measures the extent to which an entity aligns with the sustainability guidelines of the main international organisations (the UN, the OECD, the EU), without comparing the entity with its market competitors but by assessing its absolute compliance with international standards.	*G8*	*ESG Rating*
Rating Mask	The internal IT system in which the final data, checklist values and calculations relating to the rating analysis are collected, entered and stored. Each office (SOL and UNSOL) has a separate IT environment. The 'freeze' at the end of the approval process constitutes the primary supporting document.	*G9, G1, G20*	*Type*
Rating Mask 'frozen'	The finalised version of the Rating Mask at the time of the rating's final approval, which constitutes the primary supporting document for the analytical process. Prepared by the HO upon completion of the approval process (IRC or Clearing Room). The five-year retention period begins from this point. As a technical rather than a decision-making procedure, it may be carried out by the MD at the express request of the HO.	*G9, G20*	*Security*
Rating SOL (Solicited Rating)	A rating issued at the request of the rated entity, under the Applicant-pay model. This involves the signing of a Commercial Letter prior to the start of the analytical process. It involves the provision of Guidelines and a Final Report to the client.	*G9*	*Type*

Rating UNSOL (Unsolicited Rating)	A rating issued independently by the Agency, without a request from the rated entity. It covers entities included in the public clusters. It is entirely self-funded by the Agency. The only communication permitted prior to publication is the Pre-Action Meeting.	*G9*	*Type*
Recordkeeping	The set of procedures for the creation, classification, filing and retention of business documents, in accordance with regulatory requirements (minimum retention period of 5 years, Article 18 of the Regulation).	*G20*	*Security*
Reclamo (Complaint)	A complaint received by the Agency alleging a specific breach or failure to comply in relation to: (i) ratings, models or methodologies; (ii) compliance with applicable laws or internal policies and procedures. Governed by Article 19 of the Regulation.	*G16*	*Complaints*
Reclamo Analitico (Detailed Complaint)	Complaint regarding ratings, models or methodologies.	*G16*	*Complaints*
Reclamo di Condotta (Complaint Regarding Conduct)	Complaint regarding compliance with applicable regulations or the Agency's internal policies and procedures.	*G16*	*Complaints*
Regime proporzionale (Proportional system)	The framework for applying the provisions of EU Regulation 2024/3005 is based on classification as a 'small provider' with no structural links. It determines the applicability of simplified versions of certain policies.	*G1, G6*	*Outsourcing*
Relation Officer (RO)	The role acts as a liaison between internal operational processes, the rated entities and commercial activities. It manages communications with UNSOL-rated entities, certain administrative matters relating to applicants (SOL), the Bigin CRM system and the official complaints channel. It is not a member of the IRC and does not participate in the rating decision-making process.	*G1*	*Structure org.*
Ricusazione (Withdrawal)	The obligation for the analyst to refrain from analysing an entity in respect of which there is an actual, potential or perceived conflict of interest. The witdrawal is notified to the HO, who arranges for the AA to be replaced.	*G2, G12*	*Conflict*
Rinuncia strutturale (Structural waiver)	A strategic and formal decision by the Agency not to carry out certain activities, even where these are not expressly prohibited by the Regulation or subject to an exemption, with a view to eliminating entire categories of conflicts of interest at source. Adopted since the Agency's foundation in 2004.	*G3*	*Conflict*
Riunione SOL Office/Meeting SOL Office	Weekly coordination meeting of the SOL Office, chaired by the Head of the SOL Office (or, in their absence, by the HO). It takes place every Tuesday at 15:00 CET.	*tenants*	*Meetings*
Riunione/Meeting UNSOL Office	Weekly coordination meeting of the UNSOL Office, chaired by the Head of the UNSOL Office. It takes place every Tuesday at 09:30 CET.	*tenants*	*Meetings*

Rotazione degli analisti (Analyst rotation)	The policy whereby no analyst is responsible for assessing the same applicant for more than three consecutive years (3 financial years), unless there are documented organisational impediments. A transfer between offices (SOL↔UNSOL) does not reset the count of rotation years for entities already under review.	*G4, G9*	*Conflict*

S

S (Social)	The set of social policies and objectives publicly adopted by the organisation. This constitutes the Secondary Factor (S) in the Standard Ethics Model.	*G8*	*ESG Rating*
Security Clearance	The level of access to the Agency's classified information assigned to each function. This is divided into four levels. The Compliance Function (CF) has the highest level. Any change in security clearance is recorded in Register 5 (Operational Registers).	*G1, G9*	*Security*
Small provider (senza legami strutturali)	The classification of Standard Ethics Europe Srl pursuant to Article 5 of EU Regulation 2024/3005. SEE Srl is classified as a 'small provider' with no structural links, as the combined turnover of SEE Srl and SE Ltd falls below the thresholds set out in Directive 2013/34/EU and the two entities do not constitute a group under European legislation. This classification determines the applicable proportional regime.	*G1, G6*	*Outsourcing*
Sostenibilità (definizione adottata) **Sustainability (adopted definition)**	Voluntary policies for sustainable development concern future generations and have a global dimension. It is the responsibility of the leading international bodies recognised by nations to establish — through science — the strategies, definitions and guidelines. Economic entities pursue sustainability objectives and guidelines; they do not define them. The measure of sustainability is a comparable, independent indicator of compliance with international guidelines.	*G8*	*ESG Rating*
Standard Ethics Ltd (SEL)	Sole shareholder of Standard Ethics Europe Srl, which owns the methodology, the brand and the database. It does not carry out or participate in any of the Agency's operational functions. It does not intervene in the rating or analysis process. The relationship with SEE Srl is governed by an arm's-length licence agreement.	*G1, G21*	*Structure org.*
Standard Ethics Rating (SER)	The professional ESG opinion issued by the Agency, which assesses an entity's level of compliance with the voluntary sustainability guidelines set by the UN, the OECD and the European Union. It measures the entity's current and prospective level of compliance through the Secondary Factor (E and S) and the Primary Factor (G).	*G8, G9*	*ESG Rating*
Surveillance (monitoraggio/ monitoring)	The ongoing monitoring of existing ratings to identify any new material information that may warrant a Rating Action. Carried out by the Appointed Analyst (AA) of the relevant department.	*G12*	*Methodology*

Sustainable Grade	An adequate level of ESG compliance, corresponding to Notch EE- or higher on the Corporate SER scale.	*G8*	*Methodology*

T

Terza Parte Collegata (Third Party)	Any entity that holds a controlling interest in the Applicant, or that is directly or indirectly controlled by the Applicant, or that is under common control with the Applicant.	*G2*	*Conflict*

— End Glossary —

Reserved document — internal use — Standard Ethics Europe Srl — June 2026