SustainScore methodology

How the SustainScore is built

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The method in brief

The SustainScore is a figure from 0 to 100 for a company. The higher it is, the better that company's sustainability-related risks are covered in the independent data SustainCheck relies on.

SustainCheck does not use information from the company's own website. A company's own claims are not independent evidence. Greenwashing does not belong in the score.

Four pillars, each from 0 to 100, and twenty-two subcategories in total. Environment (six), Social (eight) and Governance (four) make up the ESG block: the yardstick for how sustainable a company is. Finance, the fourth pillar (four subcategories), measures the company's financial sustainability.

ESG follows three steps:

1. Context score. First a broad picture, based on the country where the company is located (country = context). That produces a starting figure per subcategory. Examples of sources used to set that country context score: WRI Aqueduct, ILOSTAT, Worldwide Governance Indicators, Corruption Perceptions Index.
2. Indicators. Certificates, labels and standards, each analysed in a separate indicator analysis. If they are higher than the context score, they replace it. Example: whether a company is B Corp-certified is taken from an independent register, not from the company's own website.
3. Activity weighting. The company's ISIC activity determines how heavily each subcategory counts (E1 weight through E6 weight; their average is the E weight). Governance subcategories count equally.

Finance follows a different path: the annual accounts, turned into scores on solvency, liquidity, profitability and cash generation.

The SustainScore combines the four pillars using pillar weights. The E weight is the average of the E1 to E6 weights. The S weight is the average of the S1 to S8 weights. The G weight and the F weight are 50, because the company's activity does not supply a separate weight for those two pillars. Each weight is divided by the total. If there are no annual accounts, the F weight is 0 and the total is redistributed across Environment, Social and Governance.

Contents

How to read this document

This document explains how the SustainScore is produced.

How to read it:

- The method in brief is enough for a first reading. It is the whole method, summarised on one page.
- The chapters that follow underpin each step. They are not a manual for reproducing the score down to the dataset. They are the method in general terms.
- This document is not a list of indicators. Certificates, labels and standards sit in separate indicator analyses, which, like this methodology, are available to consult.

1. What the SustainScore measures

1.1 Sustainability at SustainCheck

The SustainScore measures how sustainable a company is, to the extent SustainCheck can see that in independent data.

Sustainability has two meanings here:

- Environment, Social and Governance (ESG) are the yardstick for a company's sustainability: climate, people, and how the company is governed.
- Finance is financial sustainability: whether the company can continue over the medium term without an external rescue.

Same word, two measurements.

A high score means that company's sustainability-related risks are better covered in the data SustainCheck uses. It is not a seal that nothing can go wrong.

1.2 Intended use

The SustainScore is meant to:

- map sustainability-related risks among suppliers;
- support a better-founded supplier choice on sustainability;
- compare companies on the same scale.

1.3 What the SustainScore does not measure

- No guarantee. SustainCheck relies on data it can find. What is not in that data is not in the score.
- No prices and no competitive position. Whether a supplier is cheap or expensive does not count.
- No information from the company's own website. Own claims are not independent evidence. Greenwashing does not belong in the score. Whether a company is B Corp-certified is taken from an independent register, not from what the company writes about itself.

1.4 The scale

The SustainScore runs from 0 to 100, for one legal entity. 0: the risks are not covered in the independent data available. 100: they are strongly covered, with no guarantee. The four pillars of the SustainScore, Environment, Social, Governance and Finance, use the same scale. That keeps the total readable.

2. Four pillars and twenty-two subcategories

2.1 Overview

The SustainScore has twenty-two subcategories, across four pillars:

- Environment, Social and Governance (eighteen subcategories) follow the same three steps.
- Finance also has four subcategories, but it follows the annual accounts, not those ESG steps.

Chapters 3 and 4 make that distinction.

Pillar	Subcategories	Count
Environment	E1 to E6	6
Social	S1 to S8	8
Governance	G1 to G4	4
Finance	Solvency, liquidity, profitability, cash generation	4

Table 1. Pillars and subcategories of the SustainScore.

2.2 Relation to the ESRS

The structure draws heavily on the European Sustainability Reporting Standards (ESRS) (source 1). It is not a one-to-one copy.

The ESRS were written for reporting. SustainCheck was written to map risks. That is why SustainCheck splits some themes further, or pulls them apart.

- Environment: E4 measures the company's impact on nature. E5 measures the company's dependence on nature. In the ESRS, impact and dependence sit closer together.
- Social: eight subcategories instead of four ESRS standards. S1 to S3 cover the company's own workers, S4 to S6 the same themes in the value chain, S7 affected communities, S8 consumers and end-users.
- Governance: four subcategories instead of one ESRS standard (G1 Business conduct), so that governance, corruption, culture and value-chain management can score separately.

The texts below say what each subcategory is and where the boundary lies.

2.3 Environment

E1 Climate change. Mitigation and adaptation, energy, emissions (scope 1, 2 and 3). Not: physical dependence on ecosystems (E5). Not: materials and waste (E6).

E2 Pollution. Air, water, soil, substances of concern, microplastics. The chemical composition of discharges belongs here. Water as a volume falls under E3.

E3 Water and marine resources. Use, withdrawal, discharges as volume, extraction of marine resources. Impact on species at sea falls under E4.

E4 Biodiversity, ecosystems and species. The company's impact on nature, ecosystems and species. Not dependence on that nature (E5).

E5 Ecosystem dependencies. Risk to the company if nature fails: flooding, drought, pollination, soil fertility. This is a deliberate extra split relative to the ESRS.

E6 Resource use and circular economy. Inflow, use and outflow of materials, waste. Not pollution as a substance (E2).

2.4 Social

Social follows four groups of people, in line with the ESRS: own workers, workers in the value chain, affected communities, consumers. SustainCheck splits the first two groups each into three themes (conditions, equality, labour rights), so those risks can score separately.

S1 Own workforce working conditions. Pay, time, job security, safety, social dialogue, work-life balance. The quality of work on the company's own shop floor. An accident at a subcontractor falls under S4.

S2 Own workforce equality and diversity. Gender, equal pay, inclusion, training, violence and harassment at work. Board diversity falls under G1.

S3 Own workforce labour rights. Child labour, forced labour, housing, privacy. Fundamental rights, not the quality of working conditions (S1). Customer privacy falls under S8. Child labour at a supplier falls under S6.

S4 Working conditions in the value chain. The same theme as S1, but for workers at suppliers and subcontractors.

S5 Equality and diversity in the value chain. The same theme as S2, in the chain.

S6 Labour rights in the value chain. The same theme as S3, in the chain. A company can score strongly on S1 to S3 and weakly on S4 to S6.

S7 Affected communities. Land rights, safety, voice, free, prior and informed consent. No employment relationship, but an impact on people living nearby. Poor working conditions at a supplier fall under S4 to S6, not here.

S8 Consumers and end-users. Privacy, safety, access to information, protection of vulnerable groups, non-discrimination. Privacy of the company's own workers falls under S3.

2.5 Governance

The ESRS has one governance standard. SustainCheck uses four subcategories, so governance risks can score separately.

G1 Governance, ownership and remuneration. How the company is governed and owned, and how pay is linked. Diversity on the shop floor falls under S2. What the board decides on ethics or the chain falls under G2 to G4.

G2 Corruption, fraud and influence. Bribery, fraud, lobbying, political involvement. Whether a reporting channel exists falls under G3.

G3 Culture, compliance and whistleblowing. Tone at the top, compliance with rules, reporting channels. Where relevant, also animal welfare. A bribery case itself falls under G2.

G4 Value-chain management. Whether there is a system to govern the chain and pay suppliers. Child labour in the chain scores in S6, not here. G4 is the management system, not the outcome.

2.6 Finance

Finance measures whether the company can continue to exist financially. That is not an ESG theme and does not follow an ESRS split. SustainCheck does not weight the four subcategories equally: solvency, liquidity, profitability and cash generation. Chapter 4 explains the calculation.

3. Environment, Social and Governance

3.1 Three steps

Environment, Social and Governance follow the same three steps. Finance does not; that is in chapter 4.

1. Context score: the country where the company is located supplies a starting figure per subcategory.
2. Indicators: certificates, labels and standards of the company. If they give higher risk coverage on a subcategory than the context score, they replace it.
3. Activity weighting: the activity, under the UN ISIC classification (source 2), determines how heavily each subcategory counts in the pillar.

Steps 1 and 2 produce one score per subcategory, through the maximum (see 3.4). Step 3 turns those scores into an Environment score, a Social score and a Governance score.

3.2 Context score

The context score is the score that follows from the country where the company is located. A company's country is the context in which that company operates.

SustainCheck uses country datasets and turns them into its own signal per subcategory, on the 0 to 100 scale. Chapter 7 names examples of sources.

3.3 Indicators

An indicator is a certificate, label, standard or similar instrument that says something about a company's sustainability. Each indicator SustainCheck includes has its own indicator analysis: which subcategories, which score, which outcomes. Those analyses, like this methodology, are available to consult.

Only the exact company counts. An indicator belonging to a parent, a subsidiary or a brand is not an indicator of this legal entity.

3.4 The maximum

Per subcategory SustainCheck keeps the higher figure: the context score or an indicator score. If the indicator is higher, the indicator applies. If it is lower or missing, the context score remains.

If a company has several indicators on the same subcategory, the maximum also applies today. Overlap between indicators has not yet been analysed; see chapter 8.

3.5 From subcategory to pillar

Not every subcategory weighs equally. That depends on the company's activity under the International Standard Industrial Classification (ISIC, Revision 4) of the United Nations (source 2).

Each Environment subcategory has an E1 weight through E6 weight, each from 0 to 100. Those six together are the E1_6 weight. The same applies to Social: S1 weight through S8 weight, together the S1_8 weight. How the pillar weight follows from that is in chapter 5.

The Environment score is the weighted average of E1 to E6:

$$\mathrm{E-score} = \frac{(\mathrm{E1} \times \mathrm{E1\ weight} + \ldots + \mathrm{E6} \times \mathrm{E6\ weight})}{(\mathrm{E1\ weight} + \ldots + \mathrm{E6\ weight})}$$

Equation 1. Calculation of the Environment score.

$$\mathrm{S-score} = \frac{(\mathrm{S1} \times \mathrm{S1\ weight} + \ldots + \mathrm{S8} \times \mathrm{S8\ weight})}{(\mathrm{S1\ weight} + \ldots + \mathrm{S8\ weight})}$$

Equation 2. Calculation of the Social score.

Governance has no activity weight per subcategory. G1 to G4 count equally:

$$\mathrm{G-score} = \frac{(\mathrm{G1} + \mathrm{G2} + \mathrm{G3} + \mathrm{G4})}{4}$$

Equation 3. Calculation of the Governance score.

4. The Finance score

4.1 Financial sustainability

The Finance score measures whether the company can continue to exist financially over the medium term, based on the annual accounts. It is not a credit rating, not investment advice and not a view on ESG.

4.2 From annual accounts to a score

Classic ratios follow from the annual accounts. Each ratio is converted to 0 to 100. Those sub-scores are grouped into four subcategories:

Subcategory	Weight	What it says
Solvency	25	Equity versus total assets (equity and liabilities).
Liquidity	25	Whether short-term obligations can be paid.
Profitability	20	Whether the company earns a return on its assets.
Cash generation	30	Cash flow, debt burden and payback. This subcategory weighs heaviest.

Table 2. Four subcategories of the Finance score.

Within each subcategory the score is the weighted average of the ratios. The Finance score is then:

$$\mathrm{Finance\ score} = \frac{(\mathrm{Solv} \times 25 + \mathrm{Liq} \times 25 + \mathrm{Prof} \times 20 + \mathrm{Cash} \times 30)}{\text{sum of the weights of the subcategories that exist}}$$

Equation 4. Calculation of the Finance score.

If the input for a ratio is missing, that ratio is not set to 0. It drops out. The other ratios in the same subcategory then count more heavily. If a whole subcategory is missing, that weight leaves the denominator.

Final correction: if equity is negative, the Finance score is at most 35. If the calculated score is already lower, that lower score remains.

SustainCheck includes the ratios below. The list is the method, not a line-by-line manual of the accounts.

Ratio	Subcategory	Meaning
Equity ratio	Solvency	Equity / total assets
Reserves / assets	Solvency	Retained earnings as a buffer
Equity / debt	Solvency	Coverage of debt by equity
Current ratio	Liquidity	Current assets / current liabilities
Working capital / assets	Liquidity	Net current assets relative to the balance-sheet total
Cash / current liabilities	Liquidity	Immediate ability to pay
Quick ratio	Liquidity	Current ratio without inventories
Return on assets	Profitability	Net profit / total assets
EBIT / assets	Profitability	Operating profit relative to the balance-sheet total
Net margin	Profitability	Net profit / revenue
Interest coverage	Cash generation	Operating profit / interest expense
Debt / EBITDA	Cash generation	How many years of earnings to carry the debt
Debt payback period	Cash generation	Years until net debt is repaid from cash flow
Cash flow / revenue	Cash generation	How much of revenue comes in as cash
Cash-flow proxy / debt	Cash generation	Cash flow relative to financial debt

Table 3. Ratios of the Finance score.

4.3 Rationale

The four subcategories are classic in analysis of annual accounts. Cash generation weighs 30, because cash-flow ratios have historically been among the stronger signals of financial stress (source 9).

The conversion of a ratio to 0 to 100 follows thresholds from the practice of accounts analysis, including Quicktest logic and market-typical leverage (source 10, source 12). Dropping missing items instead of setting them to zero fits the analysis of incomplete annual accounts (source 11).

The cap of 35 when equity is negative follows going-concern logic: without a restoration of equity, continuity is not a given (source 13, source 14).

5. How the SustainScore is assembled

5.1 Pillar weights

Pillar weights are the weights of Environment, Social, Governance and Finance in the SustainScore.

The E weight is the average of the E1 weight through E6 weight. The S weight is the average of the S1 weight through S8 weight:

$$\text{E weight} = \frac{(\text{E1 weight} + \ldots + \text{E6 weight})}{6}$$

Equation 5. Pillar weight of Environment.

$$\text{S weight} = \frac{\text{S1 weight} + \ldots + \text{S8 weight})}{8}$$

Equation 6. Pillar weight of Social.

Pillar	Pillar weight
Environment	E weight: average of the E1 weight through E6 weight
Social	S weight: average of the S1 weight through S8 weight
Governance	50
Finance	50 if there is a Finance score, otherwise 0

Table 4. Pillar weights in the SustainScore.

Governance and Finance sit at 50: the middle of the 0 to 100 scale. A company's activity is neutral as to the importance of those two pillars. Environment and Social may count more or less depending on the activity.

5.2 Formula

First the sum of the pillar weights:

$$\text{T} = \text{E weight} + \text{S weight} + 50 + 50$$

Equation 7. Sum of the pillar weights, with Finance.

Then:

$$\text{SustainScore} = \text{E} - \text{score} \times \frac{\text{E weight}}{T} + \text{S} - \text{score} \times \frac{\text{S weight}}{T} + \text{G} - \text{score} \times \frac{50}{T} + \text{F} - \text{score} \times \frac{50}{T}$$

Equation 8. Calculation of the SustainScore, with Finance.

5.3 Missing Finance score

If there are no annual accounts, there is no Finance score. The F weight is 0. The total is redistributed across Environment, Social and Governance. There is no substitute Finance score of 50.

$$\mathrm{T} = \mathrm{E\,weight} + \mathrm{S\,weight} + 50$$

Equation 9. Sum of the pillar weights, without Finance.

$$\mathrm{SustainScore} = \mathrm{E-score} \times \frac{\mathrm{E\,weight}}{\mathrm{T}} + \mathrm{S-score} \times \frac{\mathrm{S\,weight}}{T} + \mathrm{G-score} \times \frac{50}{T}$$

Equation 10. Calculation of the SustainScore, without Finance.

6. Worked example: Sustainn't

Sustainn't is a fictional company. This chapter shows the calculation steps. It is not an assessment of a real software company.

Given. Activity: ISIC Rev. 4, 6201, Computer programming activities. Sustainn't is a Certified B Corporation (outcome Certified V2 in the B Corp indicator analysis). Those scores come from that analysis (source 8). The context scores and the activity weights are invented. They stand for signals from datasets SustainCheck uses. The Finance score in this example is 74; we do not work that figure out in detail here. See chapter 5 for that.

6.1 One score per subcategory

Per subcategory: context score, any B Corp score, result after the maximum. Empty cell: no indicator on that subcategory.

Subcategory	Context score	B Corp	Score (max.)	Weight
E1 Climate change	58	61	61	42
E2 Pollution	61	54	61	28
E3 Water and marine resources	64	45	64	22
E4 Biodiversity, ecosystems and species	55	45	55	18
E5 Ecosystem dependencies	60		60	24
E6 Resource use and circular economy	67	57	67	35
S1 Own workforce working conditions	70	63	70	52
S2 Own workforce equality and diversity	66	61	66	48
S3 Own workforce labour rights	62	57	62	44
S4 Working conditions in the value chain	48	54	54	36

S5 Equality and diversity in the value chain	50	51	51	34
S6 Labour rights in the value chain	47	54	54	38
S7 Affected communities	63	51	63	26
S8 Consumers and end-users	71	45	71	56
G1 Governance, ownership and remuneration	68	80	80	equal
G2 Corruption, fraud and influence	64	55	64	equal
G3 Culture, compliance and whistleblowing	72	72	72	equal
G4 Value-chain management	58	57	58	equal

Table 5. Sustainn't: context score, B Corp (Certified V2) and activity weight. Governance counts equally per subcategory.

On G1, B Corp (80) beats the context score (68). On E2, the context score (61) beats B Corp (54): a lower indicator does not pull the score down. On E5 there is no B Corp score; the context score remains.

6.2 Pillar scores

Environment. Sum of the E1_6 weight = 169. E-score = 10453 / 169 = 61.9, rounded to 62.

Social. Sum of the S1_8 weight = 334. S-score = 20880 / 334 = 62.5, rounded to 63.

Governance. 274 / 4 = 68.5, rounded to 69.

Finance. In this example 74.

Pillar scores and the SustainScore are rounded to whole numbers.

6.3 SustainScore

E weight = 169 / 6 = 28.2, rounded to 28. S weight = 334 / 8 = 41.8, rounded to 42. G weight = 50. F weight = 50.

T = 28 + 42 + 50 + 50 = 170.

$$\text{SustainScore} = \frac{(62 \times 28 + 63 \times 42 + 69 \times 50 + 74 \times 50)}{170} = \frac{11532}{170} = 67{,}8$$

Equation 11. SustainScore of Sustainn't.

Rounded to 68.

Pillar	Score	Pillar weight	Share of T
Environment	62	28	28/170
Social	63	42	42/170
Governance	69	50	50/170
Finance	74	50	50/170
SustainScore	68		

Table 6. Sustainn't: pillars and SustainScore.

Without B Corp, every subcategory stays on the context score. Then:

- Environment 61
- Social 61
- Governance 66

→ SustainScore 66. B Corp lifts Sustainn't in this example from 66 to 68. The lift is relatively small because the company already had a high context score.

7. Data sources

Below are examples of sources SustainCheck uses. This is not a complete list. Sources come and go. SustainCheck turns source data into its own signal. The SustainScore is not a score of the source holder.

7.1 Examples for the context score

Source	Organisation	Role in this document
Aqueduct	World Resources Institute	Country signal for water and related context.
ILOSTAT	International Labour Organization	Country signal for Social.
Worldwide Governance Indicators	World Bank	Country signal for Governance.
Corruption Perceptions Index	Transparency International	Country signal for corruption.

Table 7. Examples of sources for the context score. Not an exhaustive list.

7.2 Indicators

Indicators have their own analysis. The scores sit there. This document does not list the set. B Corp in chapter 6 is one worked example, because that analysis exists.

7.3 Activity weighting

The company's activity follows ISIC Rev. 4 (source 2). The weights per subcategory come from datasets SustainCheck uses for that purpose. Examples: ENCORE (source 7) for the relationship between activities and nature, ILOSTAT (source 4) for the Social aspect. SustainCheck has adapted those data into its own signal.

7.4 Finance

The Finance score rests on the company's own annual accounts.

8. Open issues

The open issues of the current model are listed below.

1. Several indicators on the same subcategory: the maximum applies today. Overlap and difference between indicators have not yet been analysed, so they are not in the score.
2. Two companies in the same country, with no indicators, can get a different SustainScore solely because of a different activity. That does not mean one activity is more sustainable than the other. In some cases that distorts the picture.
3. Companies with few or no indicators are differentiated less. The context score then weighs heavily, which is not equally fair in every case.
4. Company size is not yet taken into the score.
5. An activity that is inherently less burdensome does not get a higher starting score for that. Activity only changes the weighting.
6. Negative signals, such as sanctions or convictions, are not yet in the set.
7. There is no separate signal for how reliable or how complete a figure is.
8. Finance does not use a sector comparison. The same ratio counts the same across activities.
9. Business models whose impact does not sit in a certificate or in the annual accounts are not captured by the model today.
10. The context score follows the country where the company is located. A company with activities in several countries does not yet get separate treatment for that.

9. Sources

Numbering follows use in the text. Links were valid on 1 September 2026.

1. European Commission, Commission Delegated Regulation (EU) 2023/2772 (ESRS). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R2772
2. United Nations, International Standard Industrial Classification of All Economic Activities, Revision 4. https://unstats.un.org/unsd/classifications/Econ/isic
3. Kuzma, S., Bierkens, M.F.P., Lakshman, S., Luo, T., Saccoccia, L., Sutanudjaja, E.H. and Van Beek, R. (2023). Aqueduct 4.0: Updated decision-relevant global water risk indicators. Technical Note. Washington, DC: World Resources Institute. https://doi.org/10.46830/writn.23.00061. Data: WRI Aqueduct, https://aqueduct.wri.org, CC BY 4.0. Data adapted by SustainCheck.
4. International Labour Organization, ILOSTAT. https://ilostat.ilo.org. CC BY 4.0. Data adapted by SustainCheck.
5. The World Bank: Worldwide Governance Indicators (WGI). https://www.govindicators.org. CC BY 4.0. Accessed for use in the SustainScore. Data adapted by SustainCheck. The World Bank does not endorse SustainCheck.
6. Transparency International, Corruption Perceptions Index. https://www.transparency.org/en/cpi. Dataset licensed under CC BY 4.0. Source: Transparency International. The SustainScore is SustainCheck's own calculation and is not a Transparency International product.
7. ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) (2024). ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [On-line], Cambridge, UK: the ENCORE Partners. https://encorenature.org. DOI: https://doi.org/10.34892/dz3x-y059. CC BY-SA 4.0. SustainCheck has adapted this data. The ENCORE Partners do not endorse SustainCheck.

8. SustainCheck, B Corp indicator analysis, version 1.0, 30/08/2026.

9. Beaver, W.H. (1966). Financial Ratios as Predictors of Failure. Journal of Accounting Research, 4, 71-111.

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12. S&P Global Ratings, corporate criteria for leverage and interest coverage, as market practice for thresholds. Not an S&P rating, not an S&P product.

13. IASB, IAS 1 Presentation of Financial Statements (going concern).

14. IAASB, ISA 570 Going Concern.

15. Creative Commons, Attribution 4.0 International, https://creativecommons.org/licenses/by/4.0/; Attribution-ShareAlike 4.0 International, https://creativecommons.org/licenses/by-sa/4.0/.

10. Legal notice

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Source holders named in chapters 7 and 9 are not partners of SustainCheck merely because their data serve as an example or as input. They do not endorse the SustainScore.

Scores may change if data, indicators or this method change. Version of this document: 1.1, 1/9/2026.