Supplier Risk Manager
US Ratings Reference Summary

Supplier Evaluation Risk Rating™ (SER)

Predicts suppliers that will cease operations or become inactive over the next 12 months based on depth of predictive data attributes available on the supplier

SER	% of Suppliers	Probability of ceasing operations/ becoming inactive
1-9	100%	5.63%
2-9	87%	6.28%
3-9	72%	7.15%
4-9	60%	7.99%
5-9	47%	9.17%
6-9	29%	11.49%
7-9	18%	13.59%
8-9	15%	14.63%
9	3%	21.05%

Lower Risk

Higher Risk

Supplier Stability Indicator (SSI)

Predicts suppliers that will cease operations or become inactive over the next 3 months

SSI	% of Suppliers	Probability of ceasing operations /becoming inactive
0-10	100%	0.37%
1-10	85%	0.42%
2-10	60%	0.56%
3-10	45%	0.71%
4-10	35%	0.85%
5-10	25%	1.03%
6-10	15%	1.41%
7-10	10%	1.74%
8-10	5%	2.65%
9-10	3%	3.66%
10	1%	6.20%

PAYDEX Score

Measure of Historical Trade Payment Performance

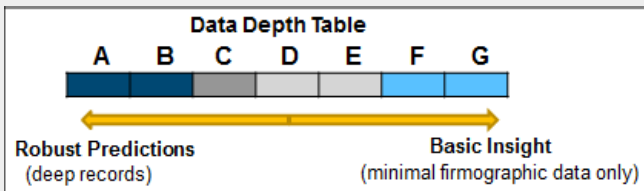| Paydex	Average Payments
100	Anticipate
90	Discount
80	Prompt
70	15 Days Past
60	22 Days Past
50	30 Days Past
40	60 Days Past
30	90 Days Past
20	120 Days Past

Supplier Risk Manager
US Ratings Reference Summary

Supplier Evaluation Risk Rating™ (SER)

- Predicts the likelihood that a supplier will cease operations, regardless of debt outstanding, or become inactive over the next 12 months based on depth of predictive data on the supplier in D&B records.

- Score ranges from 1 to 9, with 1 indicating the lowest risk and 9 indicating the highest risk.

- Model tailored to represent commercial entities that are characteristic of supplier risk management space.

- SER incorporates A-G Data Depth indicator measuring availability of predictive data on a supplier

Data Depth Table

A B C D E F G

Robust Predictions (deep records)   Basic Insight (minimal firmographic data only)

The Data Depth indicator uses H-M scale to help customers alert to special categories such as open bankruptcy, business deterioration and others.

Supplier Stability Indicator (SSI)

- Predicts the likelihood that a supplier will cease operations, reorganize, seek legal relief, or cause a significant supply chain disruption over the next 3 months.

- Score ranges from 0 to 10, with 0 indicating the lowest risk and 10 indicating highest risk.

- Model developed and validated exclusively on D&B's database of suppliers.

PAYDEX Score

- D&B's unique dollar-weighted numerical indicator of how a firm paid its bills over the past year, based on trade experiences reported to D&B by various vendors.

- The D&B PAYDEX® ranges from 1 to 100, with higher scores indicating better payment performance.