BASICS OF CREATING AN ESG RATINGGS

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INTRODUCTION

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In einer zunehmend regulierten und nachhaltigkeitsorientierten Wirtschaftswelt stehen Unternehmen vor der Herausforderung, ihre Umwelt-, Sozial- und Governance-Leistungen (ESG) nicht nur intern zu steuern, sondern auch extern transparent und nachvollziehbar darzustellen. Regulatorische Anforderungen wie die CSRD, die ESRS, VSME und die EU-Taxonomie erhöhen den Druck auf Unternehmen, ihre Nachhaltigkeitsperformance messbar zu machen – sowohl für Aufsichtsbehörden als auch für Investoren, Geschäftspartner und die Öffentlichkeit.

Aus Sicht von raestimo ist eine standardisierte, vollumfängliche ESG-Ratingbewertung deshalb kein optionales Analyseinstrument mehr, sondern ein strategisches Steuerungs- und Kommunikationsmittel. Sie schafft Klarheit über die aktuelle Nachhaltigkeitsposition eines Unternehmens, identifiziert Handlungsfelder und liefert belastbare Kennzahlen, die für Präsentationszwecke herangezogen werden können.

Darüber hinaus kann ein ganzheitliches ESG-Rating einen strukturierten Referenzrahmen für Stakeholder und Entscheidungsträger bieten. Es kann die Nachvollziehbarkeit der Nachhaltigkeitsstrategie unterstützen und die Kommunikation gegenüber Investoren, Geschäftspartnern und weiteren Stakeholdern erleichtern.

WHAT IS AN ESG-RATING?

An ESG rating assesses the sustainability performance and responsible conduct of a company or financial instrument in the areas of environment, social, and governance. It provides a well-founded assessment of how effectively a company manages environmental and social risks and has embedded sustainable principles into its corporate governance.

An ESG rating is not an investment recommendation and does not replace a legal assessment or market value forecast. The ESG rating is based primarily on information available at the time of the assessment and evaluates a company's sustainability performance using defined ESG criteria. Forward-looking information is considered only to the extent that it is documented, verifiable, and an integral part of the methodology used. The goal is to provide transparency regarding a company's ESG risks and opportunities, thereby offering investors and stakeholders a basis for decision-making.

HOW DOES AN ESG RATING WORK?

The rating takes into account a broad range of quantitative and qualitative factors, including:

- Environmental management, resource efficiency, and climate protection measures
- Social aspects such as working conditions, diversity, and community engagement
- Corporate governance quality, transparency, and ethical standards

The assessment is conducted on a rating scale that reflects a company's relative ESG performance compared to its industry peers. A higher ESG rating indicates stronger sustainability performance.

ESG RATING PRODUCT AND DELIVERY FORMATS

The raestimo ESG Rating is a standardized ESG rating product designed to assess the sustainability performance of companies.

Public Ratings, Private Ratings, Portfolio Ratings, Data Deliveries, and API-based services represent different delivery formats of the same ESG rating product.

The underlying rating methodology remains fundamentally unchanged across all delivery formats.

PUBLIC ESG RATINGS (PURSUANT TO REGULATION (EU) 2024/3005)

An ESG rating is considered public when it is actively published or made available to investors for regulatory purposes.

raestimo publishes ESG assessments of companies of all sizes on its website.

Ratings that are accessible only to a specific group of investors are not publicly disclosed online. However, where applicable under Regulation (EU) 2024/3005, they remain subject to notification obligations towards the European Securities and Markets Authority (ESMA).

ESMA may additionally publish public ESG ratings through its own online platform.

ESG ratings commissioned directly by investors or their affiliated special purpose vehicles may be used for regulatory purposes but are not publicly disclosed and will not appear on the ESMA platform.

These provisions are designed to meet the requirements of Regulation (EU) 2024/3005, which aims to ensure transparency, independence, and integrity in ESG rating activities.

Public Rating-Factsheets

A separate rating factsheet is provided for each published ESG rating.

The factsheet includes, among other things:

- ESG Rating and ESG Score
- Rating Status
- Data Reference Period
- Data Cut-off Date
- Methodology Version
- Data Sources
- Compensation Model
- Conflicts of Interest
- Limitations and Complaints Procedure

PRIVATE ESG-RATINGS

A private ESG rating is intended exclusively for the internal use of the commissioning party and is not intended for publication, subscriber distribution, or any other form of dissemination.

Any external disclosure, regulatory use, or distribution beyond internal purposes requires a separately designated public or regulated rating format.

The classification of a rating as private or public depends on its intended purpose, user group, dissemination, and contractual arrangements.

WHY ARE ESG RATINGS IMPORTANT?

Investors and companies increasingly rely on ESG ratings to support sustainable and responsible decision-making. Companies with strong ESG ratings are generally considered more resilient to environmental and social risks and may achieve better long-term economic outcomes.

In addition, ESG ratings support companies in enhancing their sustainability strategies and increasing transparency towards customers, investors, business partners, and the public.

OBJECTIVE OF THE RATING AND MATERIALITYDas ESG-Rating bewertet die The

ESG Rating assesses a company's sustainability performance based on environmental, social, and governance-related performance indicators. ESG-related risks and impacts are considered to the extent that they can be identified and assessed using the available data and the applied methodology. The rating does not constitute a comprehensive double materiality assessment as defined under the European Sustainability Reporting Standards (ESRS).

RATING SCALES

raestimo applies a standardized rating scale for the assessment of all ESG-related KPIs. The detailed interpretation of the rating scale and individual score ranges is described within the raestimo Rating Framework.

AAA	Exceptional ESG Performance
AA	Very High ESG Performance
A	High ESG Performance
BBB	Above-Average ESG Performance
BB	Average ESG Performance
B	Below-Average ESG Performance

CCC	Weak ESG Performance
CC	Very Weak ESG Performance
C	Extremely Weak ESG Performance
D	Lowest Rating Category

AAA	100	95,51
AA+	95,5	91,01
AA	91	86,51
AA-	86,5	82,01
A+	82	77,51
A	77,5	73,01
A-	73	68,51
BBB+	68,5	64,01
BBB	64	59,51
BBB-	59,5	55,01
BB+	55	50,51
BB	50,5	46,01
BB-	46	41,51
B+	41,5	37,01
B	37	32,51
B-	32,5	28,01
CCC+	28	23,51
CCC	23,5	19,01
CCC-	19	14,51
CC	14,5	10,01
C	10	9,01
D	9	0

AGGREGATION OF E, S AND G RESULTS

The overall raestimo ESG Rating is derived from the individual assessments of the Environmental (E), Social (S), and Governance (G) dimensions.

The weighting of each dimension follows the documented raestimo ESG Rating Methodology and may vary depending on industry sector, data availability, and the relevant peer group.

The contribution of each E, S, and G dimension to the overall rating score is disclosed in the respective rating report and/or factsheet. Where a standardized weighting approach is applied, this weighting is disclosed transparently.

Where sector-specific weighting structures are used, these are determined based on the relevant industry classification framework..

TARGET AUDIENCE AND SCOPE OF APPLICATION

raestimo primarily serves small and medium-sized enterprises (SMEs) that are increasingly confronted with sustainability reporting and transparency requirements as participants in global and European supply chains, particularly within the context of supply chain due diligence regulations and the Corporate Sustainability Reporting Directive (CSRD).

The raestimo ESG Rating Model provides a practical and scalable solution for collecting, assessing, and reporting ESG-related indicators in a structured manner. This enables SMEs to provide reliable sustainability information to customers, supply chain partners, investors, and other stakeholders while efficiently addressing reporting and compliance requirements.

Typical use cases include:

- Self-assessment in the context of ESG compliance requirements
- Support for sustainability and supply chain reporting obligations
- Internal sustainability management and performance monitoring
- Preparation for external audits, due diligence processes, and investor inquiries

raestimo aims to make ESG transparency accessible for SMEs in a data-driven, transparent, and economically viable manner.

FOUNDATIONS AND PRINCIPLES OF THE ESG RATING PROCESS

raestimo aligns its methodology, governance framework, disclosures, and operational processes with the requirements of Regulation (EU) 2024/3005.

Until completion of the applicable ESMA registration or authorization procedures, this shall not be construed as registration, authorization, endorsement, or approval by ESMA.

Ratings may be commissioned by the rated entity itself or by other eligible parties, provided that applicable regulatory requirements are respected.

The objective of the ESG Rating Process is to provide an objective, transparent, and reproducible assessment based on a structured analytical framework.

ESG-RATING PROCESS

- **UNSOLICITED ESG-RATINGS:** raestimo may issue ESG ratings without being commissioned by the rated entity where permissible under the applicable regulatory framework, available information, and intended use of the rating. Such ratings are based exclusively on publicly available or otherwise lawfully accessible information. Prior to publication, the rated entity may be provided with an opportunity to identify factual inaccuracies in the underlying information used for the assessment. This review process is limited exclusively to factual verification and does not provide any influence over the methodology, weighting structure, scoring logic, or final rating outcome. The respective factsheet discloses whether a rating was issued on a solicited or unsolicited basis.

- **Information Request** Collection of relevant input factors required for rating purposes, including:
    - Registered location
    - Number of employees
    - Revenue
    - NACE classification
    - Legal form

- **Data Evaluation**
  The assessment is performed using the documented raestimo methodology, which weights ESG criteria and aggregates them into an overall rating score. Data processing and evaluation are conducted within an integrated technical assessment environment. Given the predominantly automated nature of the assessment process, raestimo currently does not utilize a rating committee.

- **Monitoring and Subsequent Ratings**
  Each ESG Rating remains subject to a predefined monitoring period. Upon expiration of the monitoring period, a follow-up assessment may be conducted to maintain the rating's relevance and accuracy..

INVOLVEMENT OF THE RATED ENTITY

The rated entity may provide information and supporting evidence throughout the data collection process.

In addition, the company may identify factual inaccuracies in the information used for the assessment.

Such participation does not influence the methodology, weighting approach, scoring logic, or final rating decision.

CORE PRINCIPLES OF ESG RATING ACTIVITIES AT RAESTIMO

INDEPENDENCE

ESG assessments are performed independently of the nature, duration, or scope of any commercial relationship.

TRANSPARENCY

Ratings are conducted in accordance with publicly disclosed methodologies and reflect raestimo's assessment as of the applicable rating date.

NO RECOMMENDATION

An ESG Rating does not constitute a recommendation to buy, sell, hold, or otherwise transact in any security or financial instrument.

RELIABLE INFORMATION BASIS

raestimo assumes that information received from rated entities and third-party sources is complete and accurate but does not provide any guarantee regarding such information.

TIMELINESS

Where material information is missing, unavailable, or outdated, raestimo may revise, suspend, or withdraw a rating.

METHODOLOGY GOVERNANCE

The ESG Rating Methodology is reviewed at least annually and additionally whenever significant developments require a methodological reassessment.

Material methodology changes are documented, validated, and published prior to implementation.

Reviews take into account:

- Regulatory developments
- Data quality considerations
- Methodological consistency
- Potential impacts on existing ratings

DATA, MODEL CALCULATION AND ASSESSMENT

raestimo employs qualified ESG analysts and established analytical processes.

Analysts typically possess relevant academic qualifications and may hold additional expertise in sustainability, ESG, economics, or finance. However, raestimo analysts are neither statutory auditors nor legal advisors and do not conduct audits of financial statements or internal accounting records.

Instead, the assessment relies upon audited financial reports, sustainability reports, studies, public disclosures, and information obtained from interactions with rated entities.

Depending on whether a Standard Rating or Individual Rating has been selected, the raestimo methodology provides a professional assessment of sustainability performance based on the available information.

Ratings reflect the information available at the time of the assessment and may change as new information becomes available or data is updated.

DATA

DATA SOURCES

One of the primary data sources used by raestimo is Eurostat, the statistical office of the European Union. Eurostat provides high-quality European statistics and ESG-relevant data, including indicators related to carbon emissions, energy consumption, and the gender pay gap.

The model is further complemented by ESG-related datasets from the World Bank and other publicly available sources. In addition, raestimo utilizes automation-supported technologies to collect and process publicly available corporate disclosures and reports for its analytical purposes..

Data Source	Description
Company Data	Information provided by the rated entity
Corporate Reports	Annual reports and sustainability reports
Public Sources	Company websites and publicly available publications
Public Registers	Commercial registers and statistical databases
ESG Data Sources	ESG-related databases and datasets
Eurostat	Benchmark and reference data

DATA QUALITY

For solicited ESG Ratings, raestimo utilizes both information provided directly by the rated entity and publicly available information. All data sources are subject to reasonableness and reliability assessments prior to their use within the rating process.

TREATMENT OF DATA GAPS

Where company-specific information is unavailable, documented proxy variables or estimation techniques may be applied.

Such proxies are determined using industry-specific, company-size-related, and country-specific reference values.

Proxy values and estimates are used exclusively in accordance with the published methodology. Their application may affect the precision of individual ESG indicators and is subject to clearly documented methodological rules.

MODEL CALCULATION

CONSIDERATION OF DATA TIMELINESS

The collection, verification, and statistical processing of European and global reference datasets often require more time than the publication of corporate reports. As a result, benchmark and reference data may only become available with a certain delay. To enhance comparability and maintain meaningful and up-to-date ratings, the raestimo target model incorporates forecasting mechanisms for selected aggregated benchmark indicators where appropriate.

INDUSTRY CLASSIFICATION

raestimo uses the European industry classification framework NACE Rev. 2 to assign companies to industry peer groups. The applicable industry classification is disclosed within the relevant rating report and factsheet. Peer-group allocation is primarily based on the relevant NACE classification. Depending on data availability, company size and country-specific factors may also be considered to improve comparability within the reference group.

SELECTED ESG INDICATORS

As part of the ESG Rating process, publicly available and other permissible data sources are used to derive a broad set of Environmental (E), Social (S), and Governance (G) indicators. The following examples illustrate selected ESG metrics that may be considered where available and calculable.

Total Energy Consumption	Number of Employees	Corruption Cases
Share of Renewable Energy	Full-Time Equivalents (FTE)	Corruption Convictions
Scope 1 Emissions	Gender Distribution	ESG Certifications / Labels
Scope 2 Emissions	Employee Turnover Rate	Women in Management
Scope 3 Emissions	Occupational Accident Rate	Average Employee Age
Emission Intensity (Revenue-Based)	Work-Related Fatalities	Average Employee Tenure
Emission Intensity (FTE-Based)	Gender Pay Gap	Controversial Revenue Exposure
Emissions by Product Type or Location	Training Hours per Employee	
Air Pollutant Emissions	Compliance with Minimum Wage Requirements	
Water Pollutants	Collective Bargaining Coverage	
Soil Contamination	Human Rights Training	

Environmental Violations and Fines	Human Rights Violations	
Biodiversity Impacts	Remediation Measures	
Total Water Withdrawal	Compensation Payments	
Water Use in Water-Stressed Areas		
Hazardous Waste		
Non-Hazardous Waste		
Recycling Rate		
Material Reuse		

THE METHODOLOGY

The calculation of a meaningful ESG Score requires a broad range of ESG indicators. However, such information is often limited or unavailable, particularly for small and medium-sized enterprises.

To address this challenge, raestimo has developed a methodology designed to derive ESG assessments from available company-specific and reference data.

The methodology combines publicly available statistical information, benchmark datasets, and corporate disclosures to calculate ESG Scores.

The resulting assessments consider geographical patterns, country-specific developments, sectoral characteristics, and broader economic trends in order to enhance comparability and consistency.

RATING VALIDITY

An ESG Rating generally remains valid until it is withdrawn by raestimo.

A rating may be withdrawn if sufficient information is no longer available to maintain an up-to-date assessment, or if the agreed monitoring period has expired without a subsequent update.

Ratings may carry one of the following status designations:

- Active
- Under Review
- Suspended
- Withdrawn
- Not Rated (NR)

The applicable status is disclosed within the respective rating report and/or factsheet.

LIMITATIONS AND RESTRICTIONS

ESG Ratings are based on information available at the time of assessment.

The results may be affected by limitations relating to the availability, timeliness, completeness, consistency, and quality of the underlying information.

ESG Ratings do not constitute:

- Credit ratings
- Investment recommendations
- Legal advice
- Financial advice

Furthermore, ESG Ratings do not replace a comprehensive double materiality assessment as defined under the European Sustainability Reporting Standards (ESRS).

FEE MODEL AND COMPENSATION PRINCIPLES

raestimo may provide ESG Ratings under different compensation models.

These include, among others:

- Issuer-pay models, where the rated entity or commissioning party compensates raestimo for the rating service;
- Subscriber, institutional, or user-based distribution models.

Compensation is determined using objective criteria, including:

- Scope and complexity of the rating engagement
- Number of rated entities
- Data availability
- Review and update requirements
- Depth of reporting
- Monitoring frequency
- Usage rights
- Technical delivery and integration requirements

Compensation is never linked to:

- The ESG Score achieved
- The assigned rating category
- The outcome of the rating process

Comparable services are offered according to consistent pricing principles. Differences in pricing may result from objectively justified differences in service scope, data volume, contractual arrangements, usage rights, or processing effort.

REGULATORY STATUS

raestimo is preparing for registration as an ESG Rating Provider in accordance with Regulation (EU) 2024/3005.

Until the applicable registration or authorization process has been completed, raestimo does not represent itself as an ESG Rating Provider registered, authorized, endorsed, or approved by ESMA.

Any notification, application, or registration process shall not be interpreted as approval, endorsement, validation, or certification of the rating methodology, rating model, or individual rating outcomes by ESMA.

Version	Date	Change
1.0.1	02 July 2026	Expansion of Regulatory Disclosures, Methodology Governance, and Proxy Logic
1.0.0	01 June 2026	Initial Publication

CONTACT

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