

# **Disclosure pursuant to Article 13(3) of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) regarding the ESG rating used by Erste Asset Management GmbH ("EAM"), ESGenius, in accordance with Annex III, point 1 of Regulation (EU) 2024/3005 (ESG Rating Regulation) in conjunction with the delegated Regulation (EU) 2026/xxx**

ESGenius is a proprietary ESG score derived by Erste Asset Management GmbH ("EAM") for the structured assessment of companies and countries or sovereigns as part of the investment process. This disclosure relates to instances in which ESGenius is provided to and disclosed to third parties in the context of marketing communications.

In its provider-based standard module, the ESGenius methodology deliberately draws on the different methodological perspectives of two independent external ESG data providers, i.e. ISS STOXX (ISS ESG) and MSCI ESG. The objective is to combine the respective strengths of these providers' approaches and thereby derive a more broadly based, as holistic as possible assessment of the sustainability performance and sustainability risks of companies and sovereigns. The final ESGenius score in the provider-based standard module is therefore not an unaltered individual rating from a single data provider, but an EAM score derived from provider scores and provider data components.

The methodology distinguishes between the ESGenius score for companies ("ESGenius Corporate") and the ESGenius score for countries or sovereigns ("ESGenius Sovereign"). In both cases, EAM generally processes scores and data components provided by external ESG data providers. For ESGenius Corporate, in limited cases – particularly where provider coverage is lacking or insufficient – a supplementary internal qualitative assessment module based on publicly available information may be applied; no separate structured primary data collection is carried out for the rated entities.

In the provider-based standard module, EAM does not carry out its own weighting or reweighting of individual E, S, or G factors. The providers' internal models and weightings are not altered by EAM. The assessment and weighting principles set out below apply to the supplementary internal qualitative assessment module for ESGenius Corporate.

## **Disclosures regarding the rating product**

**Information on the clearly defined objective of the ESG ratings and an indication of whether the rating assesses risks, impacts, or both (in accordance with the principle of double materiality), or any other dimensions; and, in the case of double materiality, the respective proportions of materiality for risks and impacts**

The ESGenius score is used to systematically classify sustainability risks and selected sustainability-related factors within EAM's investment process. For companies, ESGenius Corporate aims in particular to identify those issuers within a given sector that manage relevant environmental, social, and governance-related risks more effectively than other issuers. For countries or sovereigns, ESGenius Sovereign is used to assess sustainability-related risks and the management capabilities of countries, as well as to classify government ESG practices based on external country and company data.

ESGenius generally takes into account those financially material ESG risks and selected sustainability-related impacts that are included in the scores or data components provided by external ESG data providers. In the supplementary internal qualitative assessment module for ESGenius Corporate, financially material ESG issues are identified using the SASB (Sustainability Accounting Standards Board) standards and the associated SICS (Sustainable Industry Classification System) classification; in addition, selected impact-related aspects are taken into account qualitatively in the sense of an approximation to double materiality. EAM does not perform a separate quantitative breakdown between risk and impact dimensions at the level of the ESGenius score. ESGenius is therefore not designed as a separately quantified double materiality score.

Additional dimensions may include aspects relating to standards, controversies, and transformation, provided that these are included in the respective data models of external ESG data providers or are assessed in the supplementary internal qualitative assessment module on the basis of publicly available information, including changes to such information over time. These may include, for example, issues relating to climate risks, decarbonisation plans, the circular economy, biodiversity, the use of resources, labour and human rights, supply chains, business ethics, corruption prevention, and governance structures, as well as, in the case of countries, aspects such as political stability, corruption, human and labour rights, environmental and climate issues, and other state-related ESG risk factors.

**Information on the scope of the ESG rating, i.e. whether it covers a single E, S, or G factor, or whether it is an aggregated rating that combines the E, S, and G factors, or whether it covers specific aspects such as transition risks**

The ESGenius score is a derived, aggregated ESG score. It combines those environmental, social, and governance factors that are included in the scores or data components provided by external ESG data providers, or that are taken into account in the supplementary internal qualitative assessment module.

ESGenius Corporate assesses companies. In the provider-based standard module, the underlying aggregate scores from external ESG data providers cover various environmental, social, and governance-related topics, depending on the provider's methodology and sector. When calculating the provider-based ESGenius score, EAM processes the respective overall scores from the data providers and does not apply its own weighting or reweighting of individual E, S, or G factors within this module.

For companies without sufficient provider coverage, an internal qualitative assessment module may be resorted to as a supplement. The company is assigned to the relevant SICS classification; the financially material issues for this classification, as defined by SASB, are assessed using publicly available information.

ESGenius Sovereign assesses countries or sovereigns, respectively. The methodology uses country-specific ESG scores or data components, as well as bottom-up components derived from company data provided by external ESG data providers. This information is processed within the EAM methodology and converted to a standardised scale.

Transition and transformation risks may be taken into account insofar as they are included in the scores, data components, or models of external ESG data providers, or are assessed in the supplementary internal qualitative assessment module using publicly available information. ESGenius is not a standalone transformation, climate, or Paris Agreement alignment score.

**Information on the weighting of the three overarching E, S, and G categories of factors and an explanation of the weighting method, including the weighting of each individual E, S, and G category**

In the provider-based standard module, EAM does not apply its own fixed weighting to the three overarching categories of environment, social, and governance at the ESGenius aggregation level. The weighting of individual E, S, and G topics is carried out within the respective methodologies of the external ESG data providers. These weightings may vary depending on the provider, sector, assessment object, topic, and data availability, and are not altered by EAM.

For ESGenius Corporate, the provider-based standard module uses the overall scores from ISS STOXX and MSCI ESG. As the providers use different scales and statistical properties, the respective overall scores are first transformed, normalised, and converted to a standardised scale of 0 to 100. The normalised provider overall scores are then combined on an equal weighting basis to form an ESGenius overall score.

In the supplementary internal qualitative assessment module for ESGenius Corporate, governance is always weighted at 40%. The remaining 60% is distributed equally amongst the aspects classified as financially material for the respective industry according to SASB/SICS, in addition to governance.

For ESGenius Sovereign, scores and data components from ISS STOXX and MSCI ESG for countries, as well as corporate data from both providers, are used. First, bottom-up components are derived from company data and top-down components from country-specific ESG data. These components are normalised, combined, and then aggregated into an integrated ESGenius Sovereign overall score. In addition, a controversy penalty is taken into account; the final score is then converted back to a scale of 0 to 100.

For the provider-based ESGenius score, EAM does not carry out a separate quantitative breakdown of the final ESGenius score into E, S, and G components. Due to the transformation, normalisation, scaling and aggregation, it is not possible to reverse-calculate the original provider scores or the E, S, and G weightings used by the external ESG data providers from the final ESGenius score. The weighting logic of the supplementary internal qualitative assessment module, which is presented separately, remains unaffected by this.

**Within the E, S, or G factors: a description of the topics covered by the ESG rating and an indication of whether they correspond to the topics set out in the sustainability reporting standards developed in accordance with Article 29b of Directive 2013/34/EU**

In the provider-based standard module, ESGenius's thematic coverage is derived from the scores and data components provided by the external ESG data providers used. In this module, EAM does not carry out its own breakdown or reweighting of individual themes within E, S, and G.

In the supplementary internal qualitative assessment module for ESGenius Corporate, the thematic coverage is based on the assigned SICS classification and the financially material issues identified for it in accordance with SASB. These issues are assessed using publicly available information, in particular company websites, annual reports, sustainability reports or integrated reports, policies, governance documents and other published company information.

In addition, an attempt is made to take selected aspects of double materiality into account on a qualitative basis, in particular publicly available information on decarbonisation plans, SBTi (Science Based Targets initiative) information, the circular economy, biodiversity and significant changes to this information.

For companies, the underlying provider methodologies may include topics from the following areas in particular:

- Environmental: climate change, greenhouse gas emissions, energy and resource efficiency, water, biodiversity, environmental management, the environmental impact of products and services, pollution and waste, natural resources, and aspects relating to transformation and transition.
- Social: working conditions, workplace safety, staff development, supply chain standards, human rights, product responsibility, health and safety, data protection, customer protection, the impact of products and services, and relations with affected communities.
- Governance: corporate governance, board structures, remuneration, ownership and control structures, financial reporting, business ethics, corruption prevention, tax transparency, compliance, and controversial business practices.

For countries or sovereigns, the underlying provider methodologies may cover topics relating in particular to environmental and climate risks, natural resources, biodiversity, energy, emissions, social development, health, education, labour rights, social stability, the economic environment, political stability, the rule of law, corruption, civil rights, state institutions, and financial governance.

These topics partially overlap in content with those covered by European sustainability reporting in accordance with the standards developed under Article 29b of Directive 2013/34/EU. ESGenius is not designed as a standalone ESRS mapping tool or as a comprehensive ESRS compliance check.

### **Information on whether the rating is expressed in absolute or relative terms**

The ESGenius score is always expressed as a numerical value on a scale of 0 to 100. 0 is the lowest score, 100 the highest possible score. A higher ESGenius score indicates a better ESG rating according to the methodology used. This also applies to ESGenius scores determined in the supplementary internal qualitative assessment module.

The final ESGenius score is presented as an absolute numerical value on a scale of 0 to 100. However, the calculation includes relative elements, as the underlying provider scores may contain sector- or country-comparative components depending on the provider's methodology. In the case of ESGenius Corporate, it is particularly important to note that external ESG data providers may use industry-specific or sector-related assessment logic. ESGenius Sovereign incorporates country-comparative top-down components as well as bottom-up components derived from company data and adjusted for sector.

Depending on the area of application, different internal thresholds apply for the use of the score in the investment process. These thresholds are not part of the calculation methodology of the ESGenius score itself. Also, the final ESGenius score is not suitable for reverse-engineering the original provider scores or the individual E, S, and G weightings of the external ESG data providers.

### **Information on whether an ESG rating for a rated asset covers the E-factor, and details of whether the rating takes into account the requirements and objectives of the Paris Agreement or other relevant international agreements**

ESGenius covers the environmental factor (E-factor) to the extent that environmental aspects are included in the scores or data components provided by external ESG data providers or are taken into account in the supplementary internal qualitative assessment module.

For companies, topics such as climate change, greenhouse gas emissions, energy and resource efficiency, water, biodiversity, environmental pollution, waste, environmental management, the environmental impact of products and services, and transformation and transition risks may be taken into account, provided these form part of the respective provider's methodology and the provider's score used.

In the supplementary internal qualitative assessment module, publicly available information on decarbonisation plans, SBTi information, the circular economy, biodiversity, and changes to this information is taken into account for companies in particular.

In the case of countries or sovereigns, respectively, issues such as natural resources, energy, water, biodiversity, environmental pollution, waste, climate risks, natural hazards, physical risks, and transition risks may be taken into account, provided they form part of the relevant provider's methodology or the data components supplied by external ESG data providers.

ESGenius is not a standalone Paris Alignment Score. As part of the ESGenius calculation, EAM does not independently assess whether issuers, companies, or sovereigns are compatible with the objectives of the Paris Agreement. A qualitative consideration of publicly available information on decarbonisation plans or SBTi information does not replace an independent Paris Alignment assessment. However, climate-related aspects and international climate or environmental targets may be taken into account indirectly, provided they are included in the scores, data components, and methodologies of the external ESG data providers or are assessed in the supplementary internal qualitative assessment module on the basis of publicly available information.

Whether the ESG rating in the provider-based standard module assesses the alignment of commitments with the objectives of the Paris Agreement and other international agreements is to be determined by the methodologies of the external ESG data providers. In the supplementary internal qualitative assessment module, such alignment is not quantified separately.

**Information on whether an ESG rating for a rated entity covers the S and G factors, and details of whether the rating takes relevant international conventions into account**

ESGenius covers social and governance factors to the extent that these are included in the scores or data components provided by external ESG data providers or are taken into account in the supplementary internal qualitative assessment module.

For companies, social factors may include, in particular, working conditions, health and safety, employee development, supply chain standards, human rights, product responsibility, data protection, customer protection, and relations with affected communities, provided these form part of the respective provider's methodology and the provider's score used. Governance factors may include, in particular, corporate governance, board structures, remuneration, ownership and control structures, financial accounting, business ethics, corruption prevention, tax transparency, and compliance.

In the supplementary internal qualitative assessment module, governance is weighted at 40% regardless of the number of other material aspects; the other financially material social and environmental aspects according to SASB/SICS are weighted equally in the remaining 60%.

In the case of countries or sovereigns, social and governance factors may include, in particular, health, education, labour rights, social cohesion, inequality, political stability, the rule of law, corruption, civil rights, institutional quality, government effectiveness and financial governance, provided that these form part of the relevant provider's methodology or the data components supplied by external ESG data providers.

In the provider-based standard module, ESGenius does not take relevant international standards and conventions into account through its own EAM assessment at the individual security level, but rather to the extent that these are included in the scores, data components, and methodologies of the external ESG data providers. This may include, in particular, normative references to human rights, labour rights, anti-corruption, responsible business conduct, and public governance. In the supplementary internal qualitative assessment module, publicly available information on relevant standards, guidelines and governance structures may be taken into account, provided they are relevant to the material issues identified under SASB/SICS or the governance assessment.

Whether the ESG rating in the provider-based standard module assesses the alignment of commitments with the objectives of the Paris Agreement and other international agreements is to be determined by the methodologies of the external ESG data providers. In the supplementary internal qualitative assessment module, no separate quantitative alignment assessment of such commitments is carried out.

## **General disclosures regarding the methods**

**An overview of the rating methods used and any related changes, including an indication of whether the analysis is historical or forward-looking, as well as the time horizon covered**

ESGenius is a proprietary ESG score derived by EAM. The methodology distinguishes between ESGenius Corporate for companies and ESGenius Sovereign for countries or sovereigns. For ESGenius Corporate, the methodology consists of a provider-based standard module and, in limited cases, a supplementary internal qualitative assessment module.

The EAM methods used are referred to as ESGenius Corporate and ESGenius Sovereign. ESGenius Corporate is applied to companies. ESGenius Sovereign is applied to countries or sovereigns, respectively.

For ESGenius Corporate, EAM uses the overall company scores provided by ISS STOXX and MSCI ESG in the provider-based standard module. These overall scores supplied by external providers are used unchanged as input values. Due to differences in the scales and statistical properties of the provider scores, the input values are transformed, normalised, and converted to a uniform scale of 0 to 100. The normalised provider overall scores are then combined on an equal-weight basis to produce the final ESGenius score.

For the supplementary internal qualitative assessment module, EAM first assigns the company to the relevant SICS classification. The assessment focuses on the financially material issues identified by SASB for this classification. It is based on publicly available company information and other publicly available information. Governance is weighted at 40%; the remaining aspects deemed material under SASB/SICS are given equal weighting within the remaining 60%. The resulting score is presented on the ESGenius scale from 0 to 100.

For ESGenius Sovereign, EAM uses scores and data components from ISS STOXX and MSCI ESG for countries, as well as corporate data from both providers. This is used to form bottom-up components from company data and top-down components from country-specific ESG data. These components are normalised, combined, and aggregated into an integrated ESGenius Sovereign score. In addition, a controversy penalty is brought to bear. The final ESGenius Sovereign score is also presented on a scale of 0 to 100.

The underlying provider analyses, as well as the public information used in the supplementary internal qualitative assessment module, may contain historical, current, and forward-looking elements, such as historical data, corporate and sovereign disclosures, information on controversies, risk assessments, management evaluations, transition risks, or assessments of future ESG risks and opportunities. As part of the ESGenius calculation, EAM processes the scores or data components from external ESG data providers available at the time of calculation and, where the supplementary internal qualitative assessment module is applied, the public information available at that time.

ESGenius is calculated on a quarterly basis, in March, June, September, and December, based on the data available from external ESG data providers at the time of calculation and, where the supplementary internal qualitative assessment module is applied, on the public information available at the time of calculation. The ESGenius score generally remains valid until the next regular calculation cycle. There is no ongoing real-time updating between the quarterly calculation cycles.

Changes to the methodologies or data from external providers affect ESGenius as soon as they are included in the scores or data components provided by the data providers and are processed as part of the quarterly ESGenius calculation. Changes to the publicly available information used in the supplementary internal qualitative assessment module are taken into account on an ad hoc basis or in the next regular calculation cycle. Significant changes to EAM's internal normalisation and aggregation logic are documented internally and, where relevant for disclosure, are taken into account in this publication.

EAM's internal calculation is based, in particular, on the following fundamental assumptions: the scores and data components provided by external ESG data providers are suitable input values for the ESGenius calculation; differences in providers' scales and statistical properties can be made comparable through transformation, normalisation and scaling; higher ESGenius values indicate a better ESG rating in accordance with the methodology used; in the provider-based standard module, EAM does not alter the providers' internal models and weightings; in the supplementary internal qualitative assessment module, the SICS classification, financially material issues as defined by SASB, and publicly available information form the assessment framework.

To ensure the quality and reliability of the data used, EAM relies, on the one hand, on the data quality, verification, and methodological processes of the external ESG data providers. On the other hand, internal plausibility and consistency checks are carried out as part of the ESGenius calculation, particularly with regard to the completeness of the input data, permissible value ranges, correct classification of the assessment objects, conspicuous changes in values, and the technical processing of the data. Any anomalies are subject to technical review and, where necessary, clarified with the external ESG data providers or taken into account in the calculation run. The supplementary internal qualitative assessment module specifically involves a review of the public sources used, a plausibility check of the SICS classification, documentation of the key valuation principles, and a technical review. EAM does not carry out any form of independent review or audit of the individual data collected by external ESG data providers or of all publicly available individual information.

ESGenius does not use a public ranking system based on letters or discrete rating categories. The ESGenius score is presented as a numerical value on a scale of 0 to 100. 0 is the lowest score, 100 the highest possible score. The interpretation of the scale is described in section j). Where internal thresholds are used in the investment process, these are not part of the ESGenius score calculation methodology and do not constitute independent ESGenius rating categories.

Last significant update to EAM's internal normalisation and aggregation logic for ESGenius: June 2020. Since then, the core normalisation and aggregation logic of ESGenius has been applied unchanged. No significant changes have been made to this methodology since then. This refers to the normalisation and aggregation logic of the provider-based standard module. Changes to the methodologies, data models, or input data of external ESG data providers may affect ESGenius as soon as they are included in the scores or data components provided by the external ESG data providers and are processed as part of the quarterly ESGenius calculation. Significant changes to the supplementary internal qualitative assessment module are documented internally and, where relevant for disclosure, taken into account.

Further information on the methodologies used by the respective external ESG data providers is available on the public methodology pages of ISS STOXX and MSCI:

- [ISS STOXX](#)
- [MSCI ESG](#) (registration required)

### **Details of the classification of economic sectors used**

In the provider-based standard module, EAM does not use its own classification of economic sectors to weight individual ESG themes within the ESGenius score. Classification by industry, sector, or peer group is carried out within the methodologies of the external ESG data providers and is not altered by EAM.

For ESGenius Corporate, the classifications used by ISS STOXX and MSCI ESG form part of the respective provider's methodology in the provider-based standard module. These classifications may include industry-specific or sector-related assessments, weightings, and peer group logic. EAM uses these to calculate the respective provider's overall score.

For the supplementary internal qualitative assessment module for ESGenius Corporate, EAM uses the SICS classification from the SASB standards to assign the company to the most relevant industry. The SICS assignment determines which SASB issues are considered financially material.

For ESGenius Sovereign, no separate EAM classification of economic sectors is carried out for E/S/G sub-weighting. Where a sector adjustment of the bottom-up components derived from company data is carried out within the framework of ESGenius Sovereign, EAM uses the sector classifications or data components provided by the external ESG data providers. EAM does not carry out its own classification, reclassification, or modification of the sector classifications used by the external ESG data providers. Details regarding the publisher, name, version, and publicly available documentation of the classifications used by ISS STOXX and MSCI ESG are derived from the respective methodology documents of the external ESG data providers.

### **An overview of the data sources, including an indication of whether the data is derived from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088, and an indication of whether the sources are public or non-public, as well as an overview of the data processes, the estimation of input data where unavailable, and the frequency of data updates**

For ESGenius, EAM generally uses scores and data components provided by external ESG data providers. For ESGenius Corporate, these are primarily the overall company scores from ISS STOXX and MSCI ESG. For ESGenius Sovereign, country-specific scores or data components and company data from both providers are used. For the supplementary internal qualitative assessment module for ESGenius Corporate, publicly available information is processed.

In the provider-based standard module, EAM does not collect its own company or country data for the calculation of ESGenius and does not make its own estimates of individual ESG input data. The collection, validation, estimation, and processing of the underlying individual data is carried out by the respective external ESG data providers in accordance with their methodologies. For the supplementary internal qualitative assessment module, EAM processes publicly available information without conducting structured primary data collection on the assessed entities; missing individual data points are not replaced by EAM's own ESG data estimates.

The data providers use publicly available information in particular, in accordance with their own methodologies. This may include company reports, sustainability reports, sustainability statements in accordance with Directive 2013/34/EU, information from disclosures under Regulation (EU) 2019/2088 where available, information from government or international institutions, media sources, databases, NGO information, information on controversies and other public sources. Whether and to what extent such sources are used in individual cases depends on the respective methodology of the external ESG data provider.

For the supplementary internal qualitative assessment module, publicly available information is used, in particular company websites, annual reports, sustainability reports or integrated reports, guidelines, governance documents, information on decarbonisation plans, SBTi information, details on the circular economy and biodiversity, as well as publicly available references to material changes.

EAM processes the scores and data components supplied by external ESG data providers as part of an internal normalisation and aggregation process. The values are converted to a standardised scale of 0 to 100 and, depending on the ESGenius module, combined. For ESGenius Corporate, the normalised provider total scores are combined on an equal weighting basis in the provider-based standard module. For ESGenius Sovereign, bottom-up and top-down components are formed, combined, and a controversy penalty is subsequently applied. This transformation, normalisation, and aggregation results in a derived ESGenius score; it is not possible to reverse-calculate the original provider scores or provider weightings from the final score. In the supplementary internal qualitative assessment module, the material issues identified in accordance with SASB/SICS are assessed qualitatively, transferred to the ESGenius scale, and aggregated according to the weighting logic outlined above.

Lack of or insufficient provider coverage: if there is insufficient provider coverage or no usable provider score available from the external ESG data providers required for the relevant ESGenius module for a company or sovereign, EAM can either not calculate an ESGenius score and exclude the rated entity from ESGenius coverage, or – in the case of ESGenius Corporate – apply a supplementary internal qualitative assessment module, provided that sufficient publicly available information, a SICS classification, and the internal minimum requirements for plausibility checks and documentation are available. If these conditions are not met, no ESGenius score will be calculated. Where an ESGenius Score is a prerequisite for an investment strategy, an unratable entity may therefore not be investable.

ESGenius is calculated on a quarterly basis, in March, June, September, and December.

A description of how collaboration with rated entities or issuers of rated entities is assessed, including details of how contributions from such collaboration are taken into account, can be found in the relevant methodology of the external ESG data provider.

In the provider-based standard module, EAM does not engage in any structured collaboration of its own with rated entities or issuers of rated entities for the purpose of collecting or validating individual ESG data. Where external ESG data providers collaborate with rated entities or issuers of rated entities as part of their own methodologies, or take feedback from these parties into account, this is governed by the respective methodologies and processes of the external ESG data providers. In the supplementary internal qualitative assessment module, publicly available issuer communications may be taken into account; there is no structured collaboration for the purpose of collecting non-public data.

### **Information on whether and to what extent the rating methods are based on scientific evidence**

EAM's proprietary ESGenius methodology is fundamentally based on an internal normalisation and aggregation process designed to ensure the comparability of external ESG scores and data components; for ESGenius Corporate, it also incorporates a supplementary internal qualitative assessment module that employs a qualitative evaluation based on financial materiality in accordance with SASB/SICS. Beyond that and within the framework of ESGenius, EAM does not develop its own scientific assessment methodology for individual E, S, or G sub-themes.

According to their own disclosures, the underlying external ESG data providers base their methodologies on various methodological, normative, regulatory, and statistical foundations, as well as on scientific or academic findings, insofar as these are relevant according to the respective provider's methodology. Depending on the provider and rating product, these may include international standards, regulatory developments, disclosure standards, statistical methods, controversy analyses, sector-specific materiality assumptions, and publicly available data sources. The supplementary internal qualitative assessment module is based on a sector-specific materiality framework in line with SASB/SICS.

The specific scientific or methodological basis of individual input data and provider scores is derived from the methodology documents published by the respective external ESG data providers; the selection of financially material issues considered in the supplementary internal qualitative assessment module is based on SASB/SICS.

### **A reference to any use of artificial intelligence in data collection or data rating, including information on current limitations and risks associated with the use of artificial intelligence**

EAM does not use artificial intelligence to automatically determine or calculate the ESGenius score. The ESGenius score is calculated in the provider-based standard module on the basis of the scores or data components supplied by external ESG data providers and EAM's internal normalisation and aggregation logic. In the supplementary internal qualitative assessment module, no automated score determination is carried out using artificial intelligence.

Automated processes, including Large Language Models (LLMs), may be used by EAM to support screening and plausibility checks, for example to identify potentially relevant information in connection with internal guidelines or controversies. Such processes do not replace expert judgement by analysts. The results of automated processes are manually reviewed before further use.

EAM does not process any personal data or data that is not publicly available as part of this AI-supported screening process. The use of automated processes may involve limitations and risks, in particular incomplete data collection, misinterpretations, biases, outdated information, or false positives and false negatives. For this reason, experienced analysts carry out a professional plausibility check and validation.

Where external ESG data providers use artificial intelligence or automated processes for data collection, data processing or rating generation, their respective methodology and disclosure information applies.

## **Limitations regarding data sources, methods, and information**

### **Limitations in the data sources and methods used to produce ESG ratings**

ESGenius is subject to limitations arising from the availability, timeliness, quality, comparability, and methodology of the underlying external ESG data providers. As EAM processes scores and data components provided by data providers, limitations in the providers' methodologies may also indirectly affect the ESGenius score. When the supplementary internal qualitative assessment module is applied, additional limitations may arise from the availability, timeliness, quality, and comparability of publicly available information.

These limitations relate in particular to the availability and consistency of the data used in the rating process, the completeness, timeliness, and accuracy of the information, as well as the possible inclusion of assumptions, proxy variables, or data estimates at the level of the external ESG data providers or the qualitative assessment of publicly available information in the supplementary internal qualitative assessment module.

The main limitations include, in particular:

- Differences in the coverage of companies, countries, sectors, regions or instruments
- Time lags between events, disclosures, provider updates, and the quarterly ESGenius calculation
- Possible data gaps, estimates or proxy data at the level of external ESG data providers
- Incomplete provider coverage, which may require the use of the supplementary internal qualitative assessment module in ESGenius Corporate or – in the absence of minimum information – may result in no ESGenius score being calculated
- When using the supplementary internal qualitative assessment module, limited depth of detail, restricted comparability or delayed updating of publicly available company information
- Differing treatment of controversies, non-compliance, ESG risks, impacts, transformation risks and governance issues by providers
- Potential limitations in the comparability of companies with different business models or of countries with different political, economic and regulatory frameworks

In the provider-based standard module, EAM does not make its own estimates of individual ESG input data. However, assumptions, proxy variables, or data estimates may be used at the level of the external ESG data providers and thus indirectly feed into the scores or data components processed by EAM. EAM's internal transformation, normalisation, and aggregation serve to make the provider scores and data components comparable but cannot fully eliminate the underlying methodological limitations of the external ESG data providers. In the supplementary internal qualitative assessment module, missing individual data points are not replaced by EAM's own quantitative ESG data estimates; qualitative assumptions and key assessment criteria are documented internally.

By normalising and aggregating provider scores or provider data components, EAM seeks to reduce differences in scales and statistical properties. However, methodological uncertainties, data gaps, and differences between provider methodologies cannot be completely ruled out as a result. When applying the supplementary internal qualitative assessment module, comparability and reproducibility may depend more heavily on the quality and availability of publicly accessible information, as well as on expert plausibility checks.

### **Limitations regarding the information available to ESG rating providers**

The explanatory power of ESGenius depends largely on the information available to external ESG data providers and processed by them in their scores or data components, as well as – where the supplementary internal qualitative assessment module is used – on the publicly available information utilised by EAM. This information may vary considerably depending on the company, country, region, sector, disclosure standard, data availability, and timeliness.

The limitations may relate in particular to the availability, relevance, completeness, timeliness, and accuracy of the information publicly available to external ESG data providers or within EAM's supplementary internal qualitative assessment module. Where external ESG data providers use assumptions, proxy variables, or estimates in the event of missing or incomplete information, these may also indirectly influence the ESGenius score. In the supplementary internal qualitative assessment module, information gaps may lead to a conservative qualitative assessment or result in no ESGenius score being assigned.

Limitations may arise in particular from:

- incomplete, inconsistent, or delayed disclosures by companies or governments;
- variations in the quality and comparability of sustainability information;
- limited coverage of smaller companies, private issuers, emerging markets, or certain countries;
- differences in national reporting, transparency and disclosure requirements;
- dependence on publicly available information;
- varying levels of detail in publicly available information, particularly for smaller issuers or companies without comprehensive sustainability reporting;
- the possible use of estimates or proxy data by external ESG data providers;
- time lags in capturing new events, controversies, or methodological changes.

In the provider-based standard module, EAM does not collect any additional ESG data of its own to supplement the provider scores or provider data components, nor does it make its own estimates of missing ESG input data. In the case of ESGenius Corporate, if provider coverage is missing or insufficient, the supplementary internal qualitative assessment module may be applied, provided that sufficient publicly available information, a SICS classification and internal minimum requirements for plausibility checks and documentation are available. If these conditions are not met, no ESGenius score is calculated, and the assessment object is not included in the ESGenius coverage.

## **Disclosures regarding the organisation of the ESG rating provider**

### **Ownership structure of the ESG rating provider**

The ownership structure of EAM can be found in the [imprint of Erste Asset Management](#).

### **General information on the criteria used to determine any fees charged to customers, specifying the various factors taken into account, and general information on the business/payment model**

EAM does not offer ESGenius as a standalone ESG rating service to external clients and does not charge external clients any separate fees for providing ESGenius scores. ESGenius is used internally as part of EAM's investment processes and, where relevant, is disclosed only in limited cases in connection with specific certified funds or marketing information.

There is therefore no issuer-paid or user-paid fee model for ESGenius as an ESG rating product. To the extent that costs arise in connection with external ESG data providers, these are costs incurred by EAM for the use of external data and research services as part of the investment process; these may be indirectly incorporated into the cost structure of the products managed by EAM as general cost components, without this giving rise to a separate ESGenius fee model.

As no separate fees are charged to external clients for ESGenius, there are no ESGenius-specific criteria for setting external fees, no separate share of annual turnover from ESGenius fees, and no fees for other services that could affect the setting of ESGenius fees.

### **Description of the main risks regarding conflicts of interest arising and the measures taken to mitigate them**

The greatest risks regarding conflicts of interest arising may stem in particular from the following areas of EAM's activities, services, and organisational structure:

- The sourcing and use of external ESG data, as well as the application of the supplementary internal qualitative assessment module, and the associated commercial, methodological, or operational dependencies on external providers or internal discretion in assessment
- The calculation and further development of ESGenius by the Responsible Investments team
- Integration of ESGenius into investment processes, product specifications, or investability-related thresholds
- Potential interests of fund management, product management, or sales in specific rating or investability results
- Potential group, business, or issuer relationships within the Erste Group
- Assessment of issuers or countries in which EAM funds invest or could invest;
- Potential conflicts of interest relating to data quality, technical plausibility checks, internal control processes, or external data providers

Organisational and procedural measures are in place to mitigate these risks. These include, in particular:

- Development and refinement of the ESGenius methodology by the Responsible Investments team
- Rule-based calculation of the ESGenius score based on scores or data components provided by external ESG data providers, or in the supplementary internal qualitative assessment module based on documented SASB/SICS logic and publicly available information
- No alteration of the provider's internal E/S/G weightings by EAM in the provider-based standard module
- Application of the documented weighting logic in the supplementary internal qualitative assessment module (governance 40%, remaining aspects equally weighted according to SASB/SICS materiality criteria)
- No overruling of the ESGenius score by fund management for portfolio or sales reasons
- Documentation of the methodology and key calculation steps, including the key assessment principles in the supplementary internal qualitative assessment module
- Monitoring of relevant investment guidelines by Investment Compliance
- Organisational separation between score calculation, fund management, and sales interests
- Application of internal guidelines on the handling of conflicts of interest
- Where applicable, provider due diligence and ongoing monitoring of key external data providers