KIRCHHOFF | TEAM FARNER

EthiFinance

briink

Webinar

ESG Ratings – AI Empowered

Tuesday, October 28th, 2025

KIRCHHOFF | TEAM FARNER EthiFinance briink

Agenda

1. ESG ratings for financial institutions — EthiFinance
2. ESG data in the context of ratings — KIRCHHOFF | TEAM FARNER
3. The power of AI for ESG ratings — briink
4. Q&A session and discussion (all)

ESG Ratings for Financial Institutions

Dr. Julia Haake – October 28, 2025

EthiFinance

About us

EthiFinance is an independent European rating agency, providing credit and sustainability ratings, analytics and advisory services

KPIs

500+
Clients

~130
Experts in finance and ESG

14
Years of ESMA registration

2004
Year of foundation

GEOGRAPHICAL OVERVIEW

6 offices
Paris, Lyon, Madrid, Granada, Frankfurt and Hanover

Pan-European customer footprint

Europe-wide coverage with local support in key regions

OUR MISSION

Fostering informed and responsible decision-making for a more sustainable finance and economy

OUR VALUES

Audacity
We dare to think differently and innovate with purpose

Commitment
We support our partners with dedication and drive

Exchange
We grow through dialogue, collaboration, and shared expertise

EthiFinance Datasets for Investors and Financial Institutions

EthiFinance

Our highly qualified European team of sector experts, located in France, Spain and Germany, provides a database of thoroughly researched data, scores and opinions on a universe of **2300 European listed companies**.

In addition, our clients can request to include non-covered companies and organisations.

ESG Ratings

ESG Raw Data

Controversy Research

SFDR / PAI Data

SUSTAINABLE DEVELOPMENT GOALS

SDG Contribution Data

EU Taxonomy Data

Business Activities Screening

Climate Transition Assessment

The Role of ESG Ratings Providers

Information Intermediaries

Risk assessment tool providers

Capital allocation influencers

Corporate behavior influencers

ESG ratings providers play a critical role in the financial system by assessing companies' performance on sustainability criteria. Their ratings influence investment decisions, risk assessments, and corporate behavior.

ESG Ratings – How Do They Work?

EthiFinance

Sustainability standards, norms, reporting frameworks…

ESRS, ISSB, UNGC, OECD guidelines, SDGs…

Provider’s definition of rating methodology

Materiality definition, identification of assessed factors, weights, scoring model, rating scale

Data collection and production of pool of raw data

Manual vs. machine-driven data collection, handling of data gaps and holes via estimation models or negative scoring…

Production of scores

Indicator-level, thematic, pillar, overall

Additional qualitative analysis

Explanation of scores, overall assessment of company performance

How we use AI for ESG Ratings at EthiFinance

Sustainability standards, norms, reporting

Provider's definition of rating methodology

Data collection and production of pool of raw data

Production of scores

Additional qualitative analysis

Automated import of company publications

Extraction of data and information

Controversy analysis

Summary of key corporate information

Analysis of company rating reports

Summary of strengths & weaknesses

Explanation of changes in scores

EU Regulation for ESG Rating Providers

The EU's upcoming regulation on ESG rating providers aims to improve transparency, reliability, and comparability of ESG ratings. It applies to both EU-based and foreign providers offering ratings within the EU. Providers must be authorized by ESMA, disclose methodologies and data sources, and manage conflicts of interest. The regulation enters into force in early 2025 and will apply from July 2026.

Supervision

ESG rating providers must be authorized and supervised by the European Securities and Markets Authority (ESMA).

Transparency

Providers must disclose their methodologies, data sources, and rating assumptions to ensure transparency.

Reduced scope

Regulation applies to ESG rating providers established in the EU, non-EU providers offering ratings within the EU through various channels, while excluding private, internal, and embedded ratings as well as ESG data providers.

Conflict of interest

Implement robust internal policies, procedures, and safeguards (independent oversight, staff training, access controls, regular conflict assessments, mandatory self-declarations…)

Segregation of activities

Legal separation of rating activities from consulting, credit rating, index, asset management, audit, banking & insurance to ensure the independence and avoid conflicts of interest.

Interaction with rated entities

48-hour rule to inform companies about upcoming ratings publication; complaints handling mecanisms and procedures to allow for correcting factual errors in ratings.

How to prepare ESG data that enhances ratings and boosts investor trust

28. October 2025

We are experts for strategy, communication and design.

We are experts in the areas of capital markets, corporate communications, and sustainability. Together we shape communication – with strategic thinking, first-class content and fascinating design.

40+
CD/CI projects/ campaigns

120+
awards

1000+
reports

>70
experts

100+
transactions

150+
online projects

150+
sustainability reports

400+
IR/PR mandates

6
times „Agency of the Year“, LACP

50+
film projects

>30
years of experience

60+
brochures/ magazines/ books

01

ESG and Sustainability – what is it and what is the effect in the financial world?

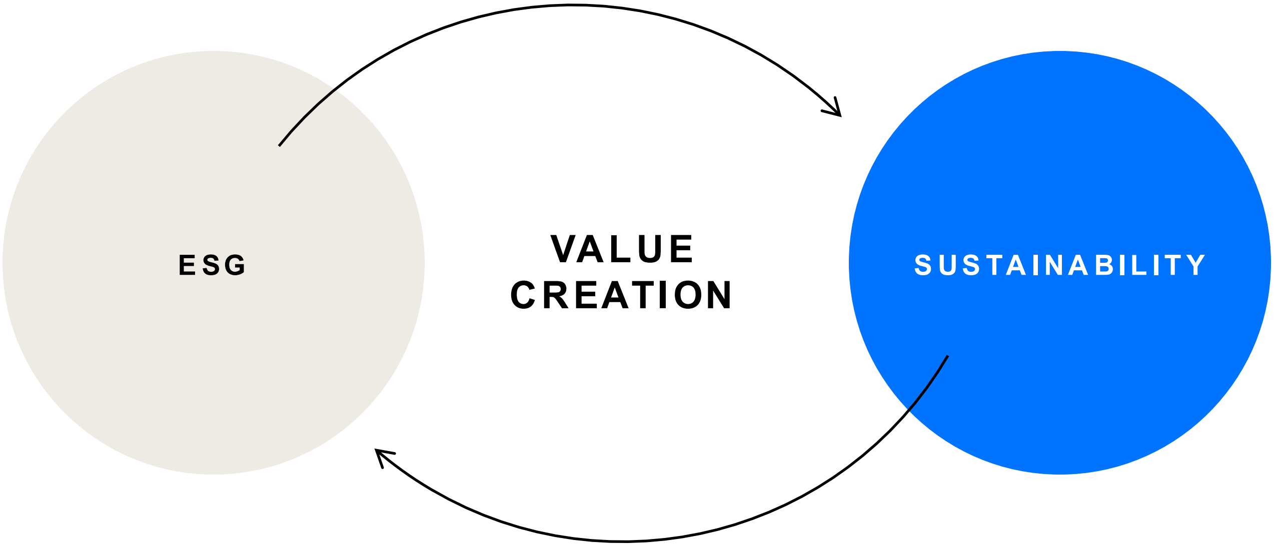
ESG and Sustainability

The **compliance** and **capital market** lens

Anchored in **regulation**, standards, disclosure, **ratings**, risk.

Comparable, **auditable**, investor-driven.

ESG as the "**accounting system of sustainability**"



Builds on ESG data but translates it into **strategy**, positioning, and **narrative**.

Covers **corporate purpose**, **brand** positioning, stakeholder **engagement**, employer branding, **customer trust**.

Sustainability is the "**value creation and storytelling dimension**"

Capital follows Climate

SUSTAINABILITY REMAINS AN INVESTMENT CRITERION – WHETHER ONE LIKES IT OR NOT

INVESTORS

BlackRock, LGIM Lose $34 Billion in Mandates from Dutch Pension Fund's Shift to Sustainability & Active-Focused Investment Policy

Mark Segal | September 4, 2025

Dutch pension fund PFZW revealed significant changes in its external investment manager lineup, including pulling approximately €29 billion (USD$34 billion) in mandates from BlackRock and LGIM, as it implements a shift in its investment policy towards a more sustainability and active management focus.

ESG REPORTING / GOVERNMENT / REGULATORS

ECB Warns EU Against Removing 80% of Companies from Mandatory Sustainability Reporting

Mark Segal | May 12, 2025

The European Central Bank (ECB) released a new opinion on the European Commission's proposals to simplify and reduce sustainability reporting and due diligence requirements for companies. While welcoming the goal of simplifying requirements for companies, the ECB warned that some of the Commission's plans could significantly increase risks for investors, the economy and the EU's sustainability goals.

Among the key recommendations in the central bank's opinion was a proposal to significantly limit the planned reduction in scope of the companies covered by the EU's Corporate Sustainability Reporting Directive (CSRD), with the ECB recommending mandatory sustainability reporting requirements for companies with 500 or more employees.

Investors warn Omnibus package could weaken EU sustainability disclosures, harming investment and economic competitiveness

IIGCC

03.02.25

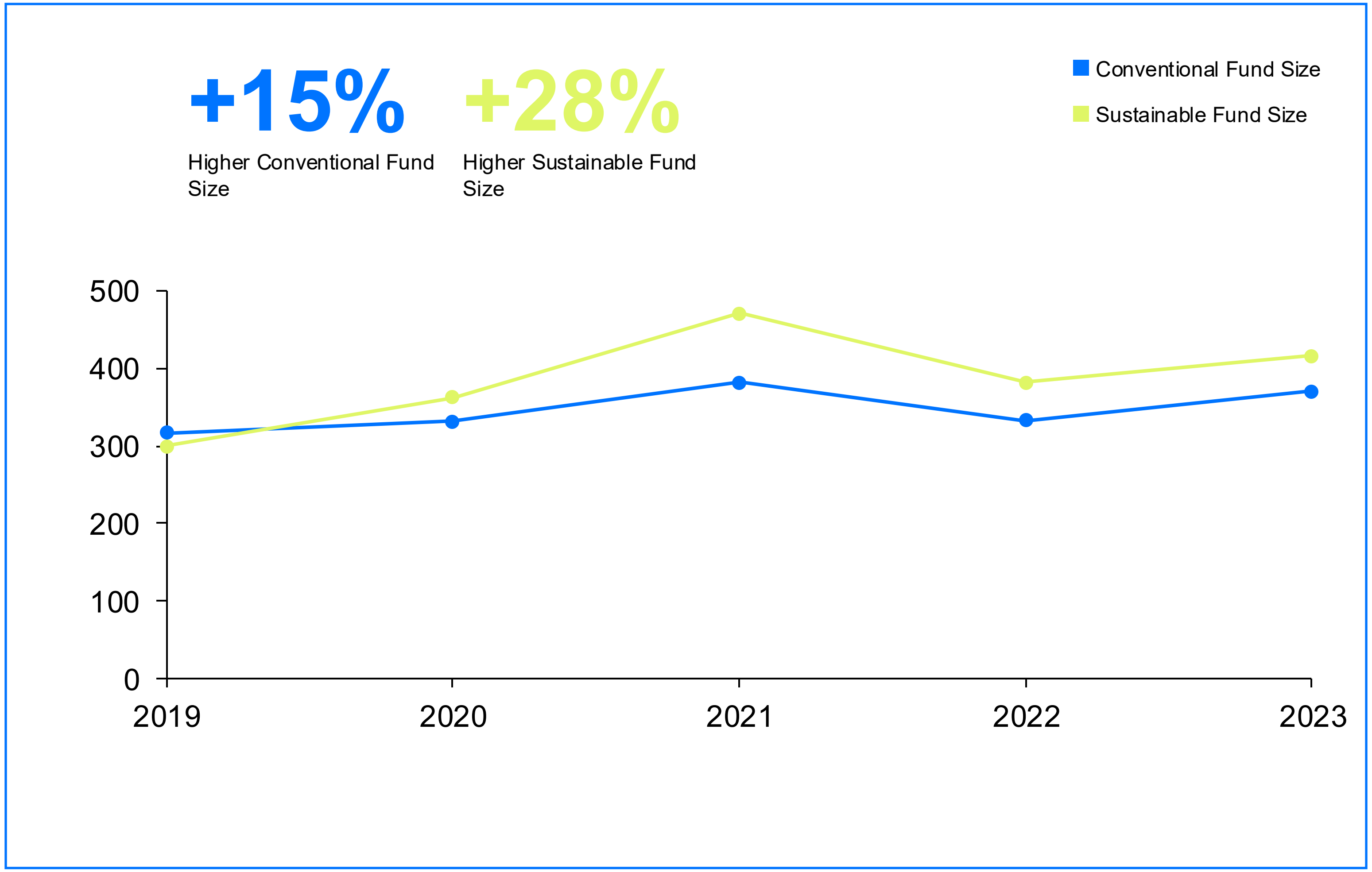
- The EU Commission is expected to introduce an Omnibus Package to amend key sustainable finance regulations on 26th February
- Investors warn move is likely to create legal uncertainty, jeopardise Europe's long-term economic competitiveness and harm investment if rules are reopened for wholesale revision
- More than 200 financial sector actors, including 162 asset owners and asset managers with a combined €6.6 trillion assets under management, have signed a joint statement calling on the EU Commission to "preserve the integrity and ambition" of the EU's sustainable finance framework
- The Institutional Investors Group on Climate Change (IIGCC), the European Sustainable Investment Forum (Eurosif) and the Principles for Responsible Investment (PRI) are supporting investors' call urging EU policymakers to focus on targeted changes to technical standards and clearer implementation guidance.

Value Creation attracts Investors

COMPARING SUSTAINABLE INVESTMENTS

ALFI: Sustainable Investing Fuelling Resilient Growth for the Future

- EUR 2.2 trillion managed by European sustinable funds
- 19% market share of the European investment fund market are Sustainable Funds (6% in 2019)
- 20.2% growth in assets (versus 16.9% for conventional funds)



02

How can you use this information for your company?

What do Stakeholders want?

ESG DATA PARADOX

- **Abundance vs. usability:** More ESG data is being generated → quality of the data is often low making it difficult for investors and companies to use effectively.
- **Quantity ≠ quality:** More data does not necessarily lead to better insights; instead, it often increases noise and complexity.

RATING AGENCIES

- **Methodologies** rely on consistency, completeness, and context.
- They reward **transparency** (public disclosure, verified data).
- **Qualitative** information (policies, governance, targets) matters as much as **quantitative** data.
- Typical **rating dimensions**: environmental (emissions, energy, waste, water), social (diversity, safety, community, value chain), governance (ethics, risk management, board oversight).

Common pitfalls: Inconsistent scopes (e.g., partial coverage of operations); Lack of alignment with recognized frameworks (GRI, SASB, TCFD, CSRD)

→ Understanding the logic of rating methodologies helps target data collection efficiently.

FINANCIAL STAKEHOLDER

- Banks and investors must assess ESG risks and comply with **sustainability regulations**
- Financial institutions use **ESG questionnaires** similar to rating criteria to gather company data
- ESG ratings help companies **organize and disclose relevant information efficiently**
- Companies with strong ESG data disclosure achieve **higher M&A premiums** and valuation multiples.
- Reliable ESG data **reduces risk perception** and builds buyer confidence.
- Comprehensive ESG data helps **align** buyers and targets on **sustainability goals**.

→ Transparent, high-quality ESG data builds investor trust, and enhances company valuation.

QUALITY MATTERS

Key learnings

Comparable

Recognised

Complete

Visible

Transparent

Consistent

Up to date

How do I make my data…

…visible

= detectable/accessible

- Sustainability/ESG Report
- Integrated Report
- Website Disclosure

…comparable, recognised, transparent

= standardized

- Use recognized standards
- Provide metrics and targets
- External assurance

…consistent, up-to-date, complete

= traceable

- Governance and accountability
- Data collection and tracking
- Reporting cycles

Examples of rating specific disclosure outside of the annual report

03

Sources

ALFI (Association of the Luxembourg Fund Industry), European Sustainable Investment Funds Study 2024, January 2025

ESG Today, BlackRock, LGIM Lose $34 Billion in Mandates from Dutch Pension Fund's Shift to Sustainability & Active-Focused Investment Policy, September 2025

ESG Today, ECB Warns EU Against Removing 80% of Companies from Mandatory Sustainability Reporting, May 2025

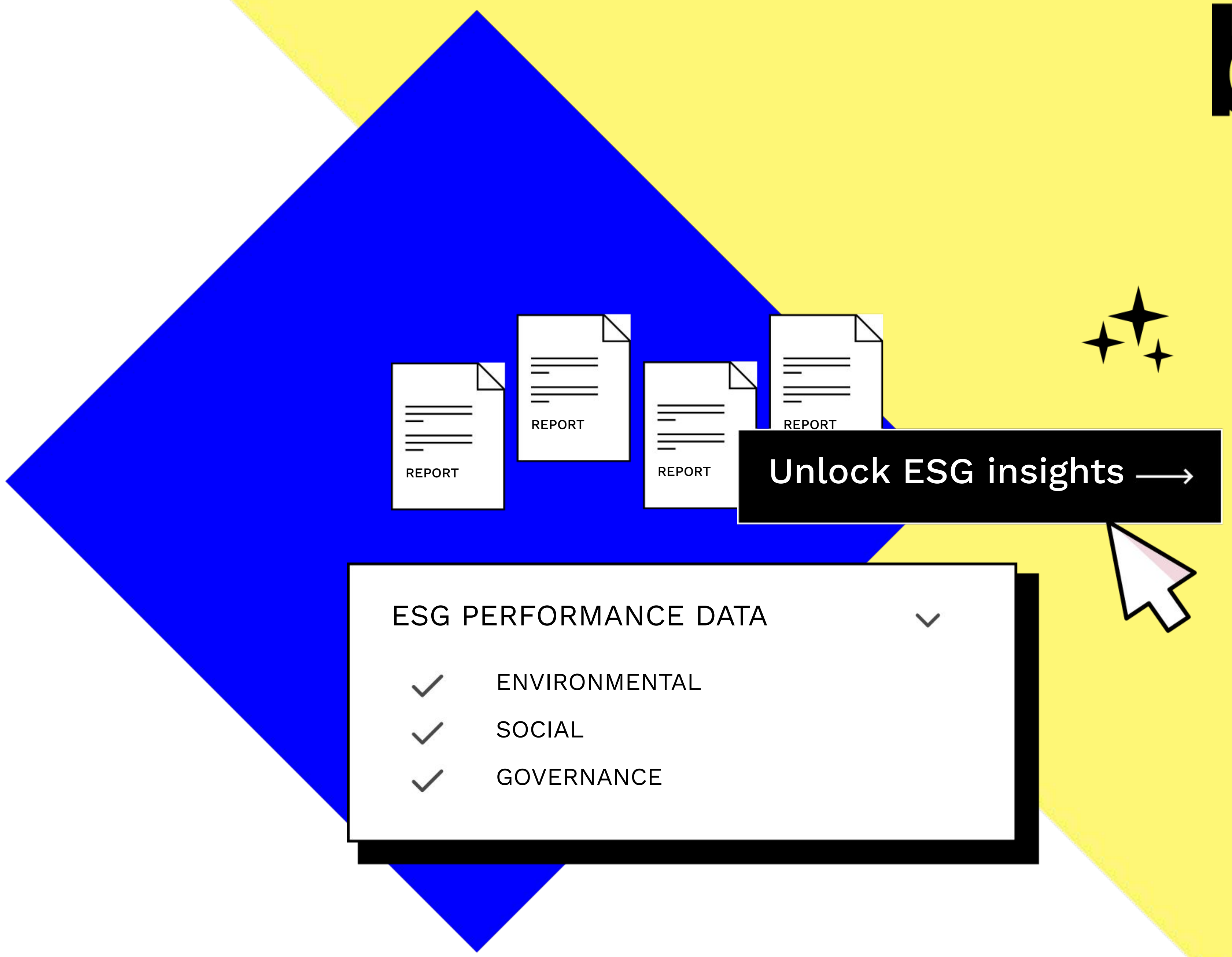
UN PRI, Investors warn Omnibus package could weaken EU sustainability disclosures, harming investment and economic competitiveness, February 2025

KPMG, Global ESG due diligence+ study 2024

BCG + Gibson Dunn, The Payoffs and Pitfalls of ESG Due Diligence, April 2024

Deloitte, 2024 ESG in M&A Trends Survey,

briink



The power of AI for ESG ratings

For ESG ratings, it's crucial to:

1 - gather all relevant ESG data

2 - benchmark the datapoints

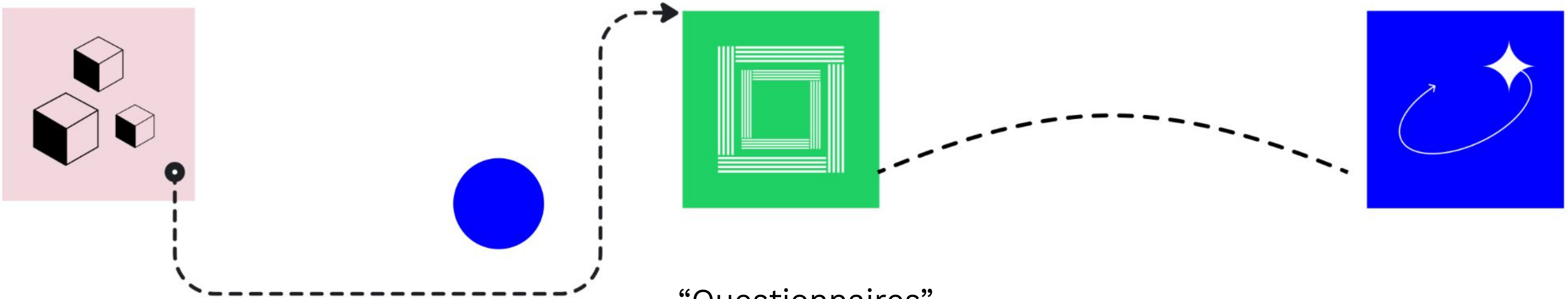
3 - derive an overall ESG score

→ AI can empower all 3 steps!

OUR AI FOR ESG ENGINE

Briink has built an agentic AI engine that handles ESG data:

Extraction | **Structuring** | **Analysis**



"Questionnaires"

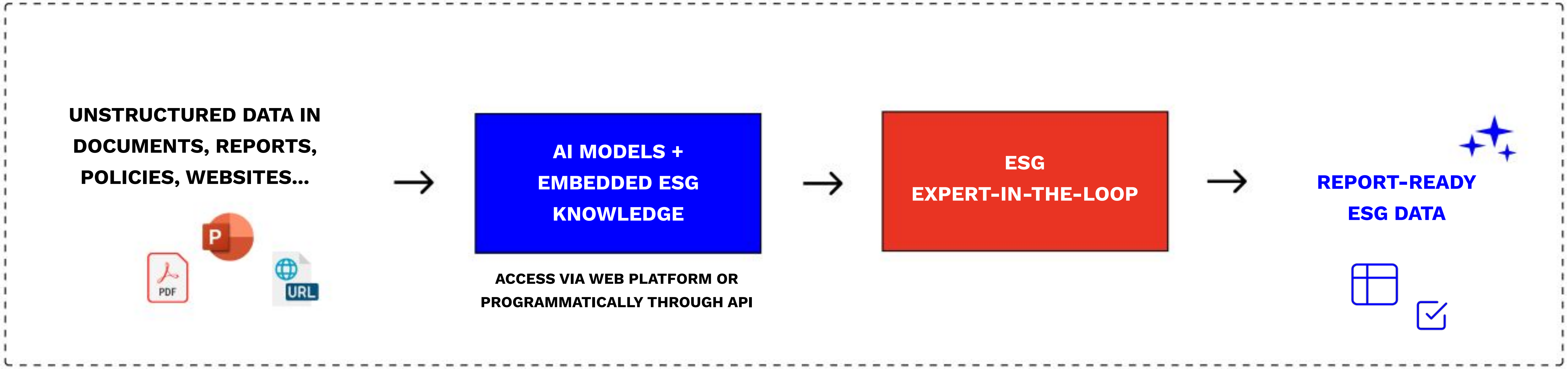
- → Documents
- → Reports
- → Websites

- → ESG Due Diligence
- → ESG Frameworks
- → ESG Reporting

- → Gap analysis
- → Benchmarking
- → Scoring

CORE TECHNOLOGY

We combine ESG expertise with agentic AI technology to automate ESG data workflows at scale.

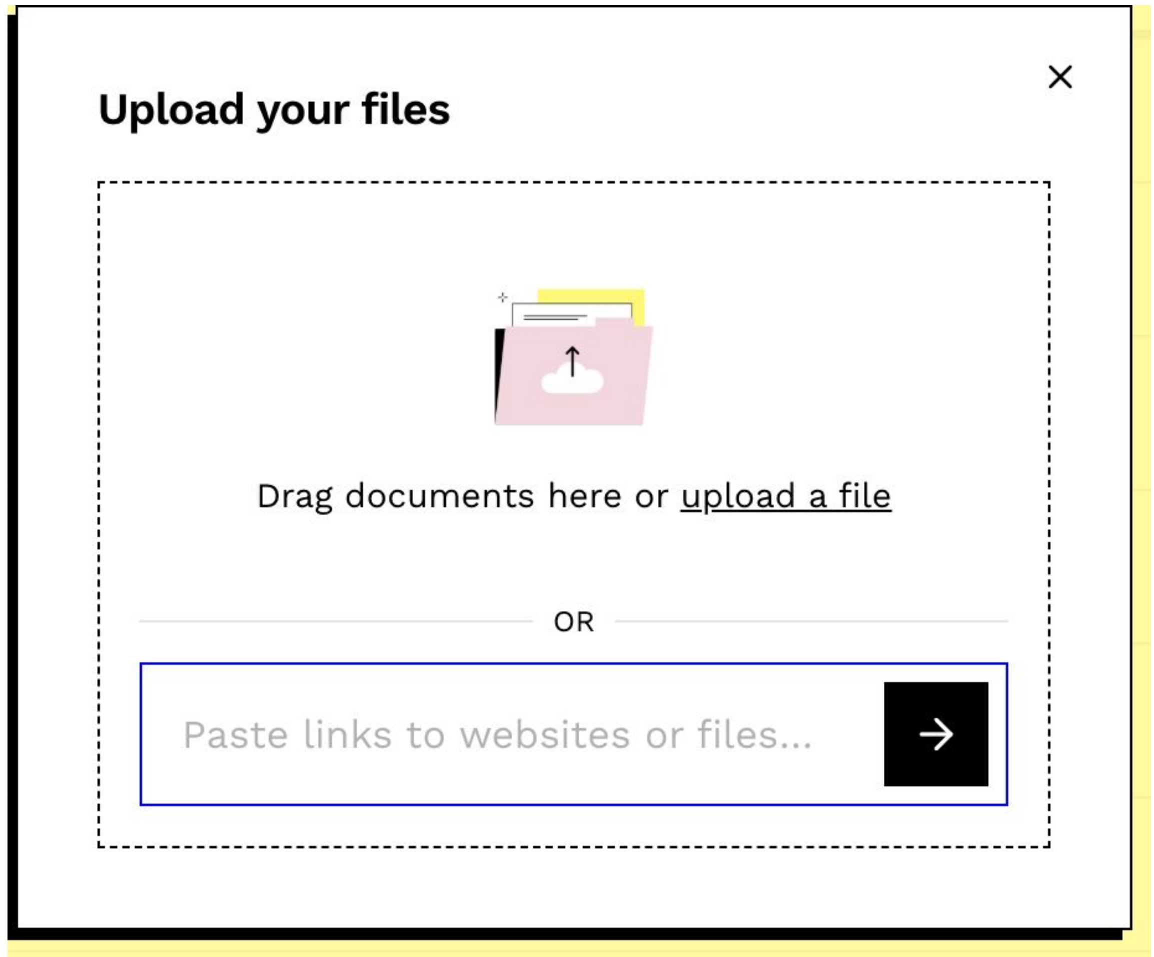


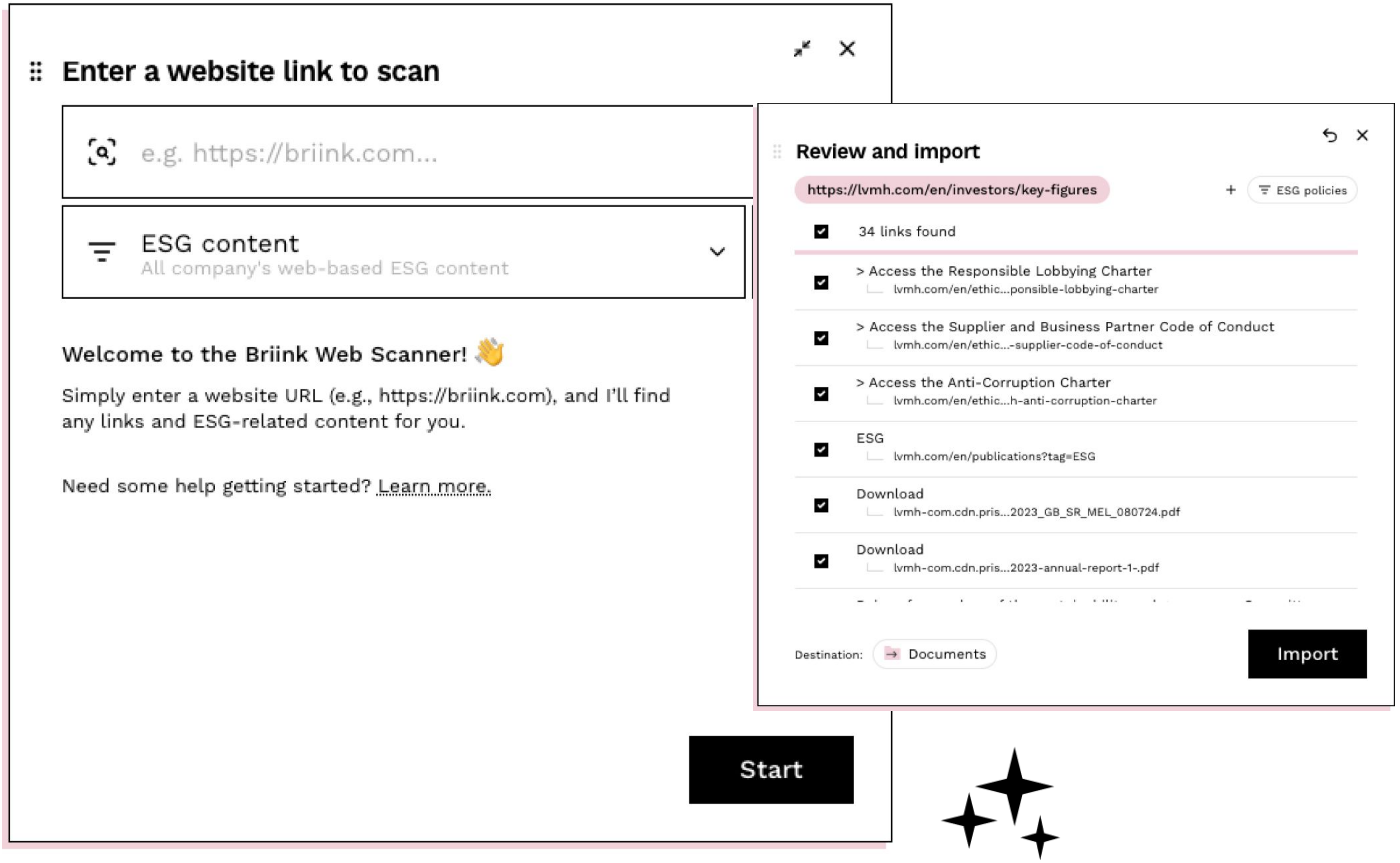
- 90+ % accuracy
- 40% to 40x time savings
- up to 80% higher data quality

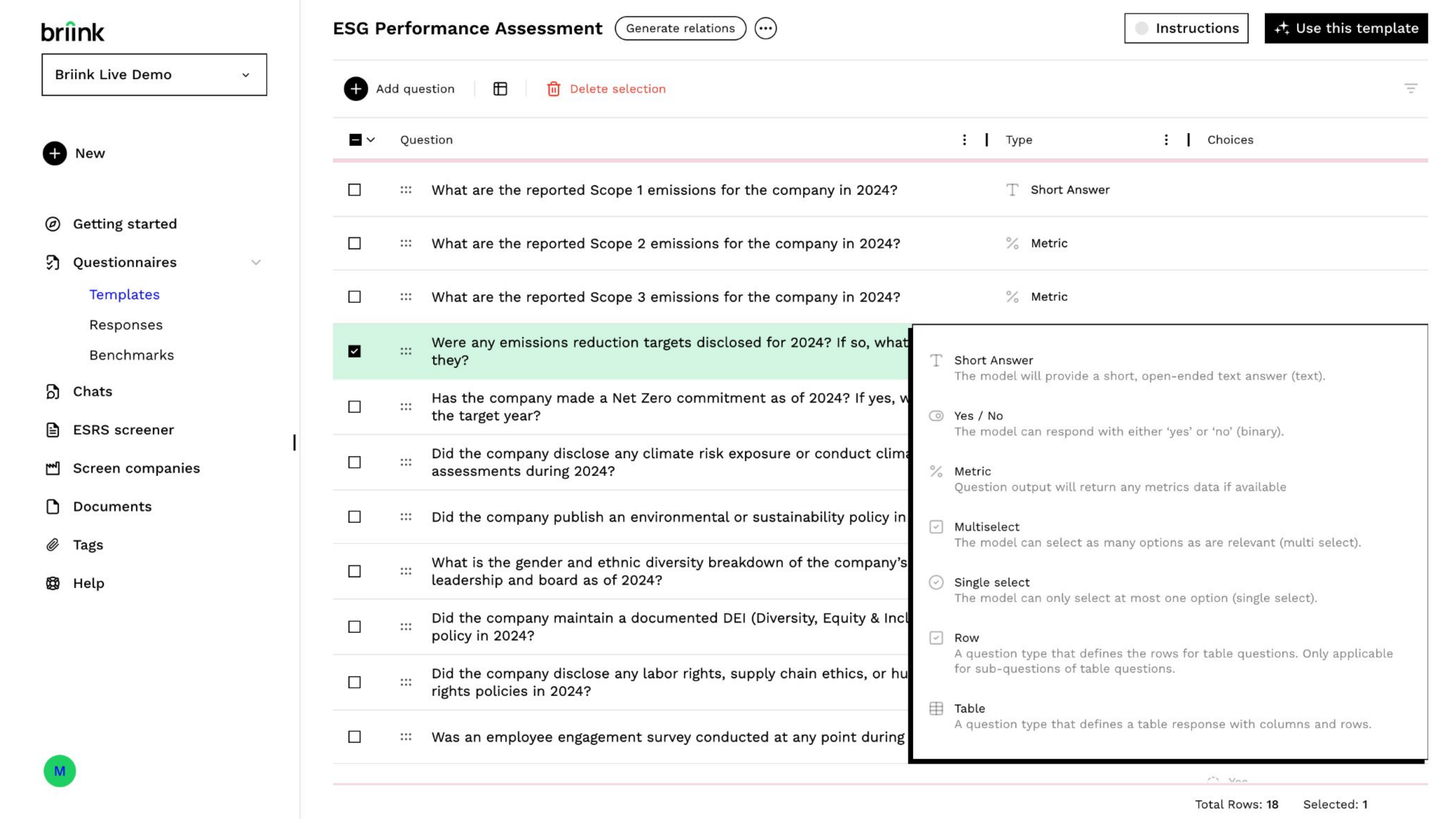
Customers include:

APEX | Holtara | EthiFinance | Climate Bonds Initiative | esgbook | Coller Capital | bakertilly | Continental

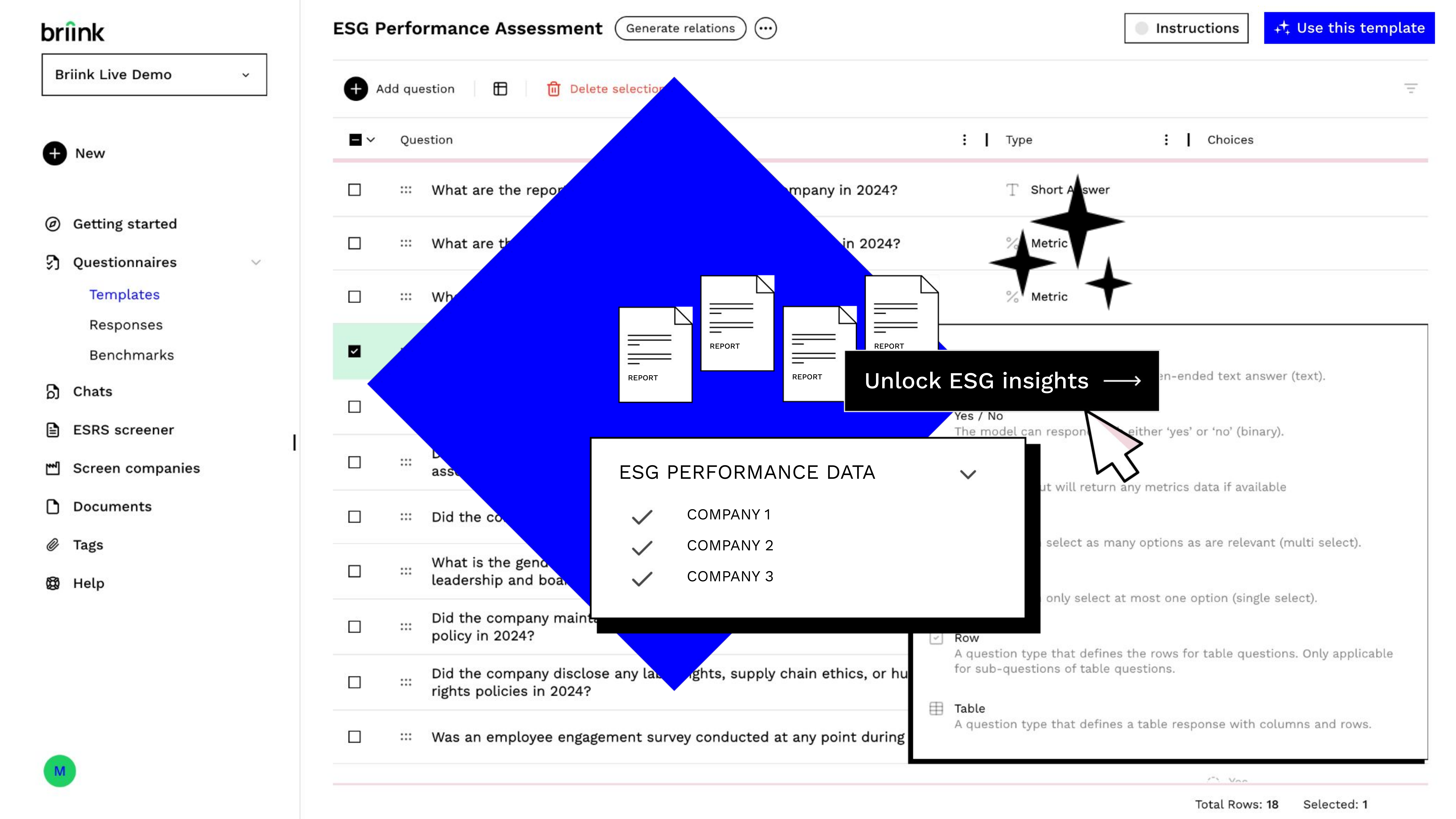
Upload internal company documents or automatically web-crawl public ESG content directly from any company website.







briink
Briink Live Demo
New
Getting started
Questionnaires
Templates
Responses
Benchmarks
Chats
ESRS screener
Screen companies
Documents
Tags
Help
M
ESG Performance Assessment
Generate relations
Instructions
Use this template
Add question
Delete selection
Question
Type
Choices
What are the reported Scope 1 emissions for the company in 2024?
Short Answer
What are the reported Scope 2 emissions for the company in 2024?
Metric
What are the reported Scope 3 emissions for the company in 2024?
Metric
Were any emissions reduction targets disclosed for 2024? If so, what they?
Has the company made a Net Zero commitment as of 2024? If yes, w the target year?
Did the company disclose any climate risk exposure or conduct clima assessments during 2024?
Did the company publish an environmental or sustainability policy in
What is the gender and ethnic diversity breakdown of the company's leadership and board as of 2024?
Did the company maintain a documented DEI (Diversity, Equity & Incl policy in 2024?
Did the company disclose any labor rights, supply chain ethics, or hu rights policies in 2024?
Was an employee engagement survey conducted at any point during
Short Answer
The model will provide a short, open-ended text answer (text).
Yes / No
The model can respond with either 'yes' or 'no' (binary).
Metric
Question output will return any metrics data if available
Multiselect
The model can select as many options as are relevant (multi select).
Single select
The model can only select at most one option (single select).
Row
A question type that defines the rows for table questions. Only applicable for sub-questions of table questions.
Table
A question type that defines a table response with columns and rows.
Total Rows: 18
Selected: 1



briink
Briink Live Demo
New
Getting started
Questionnaires
Templates
Responses
Benchmarks
Chats
ESRS screener
Screen companies
Documents
Tags
Help
M
ESG Performance Assessment
Generate relations
Instructions
Use this template
Add question
Delete selection
Question
Type
Choices
What are the repor
mpany in 2024?
Short Answer
What are th
in 2024?
Metric
Wh
Metric
Did the co
What is the gend
leadership and boa
Did the company maint
policy in 2024?
Did the company disclose any la
ghts, supply chain ethics, or hu
rights policies in 2024?
Was an employee engagement survey conducted at any point during
REPORT
REPORT
REPORT
REPORT
Unlock ESG insights ⟶
en-ended text answer (text).
Yes / No
The model can respon
either ‘yes’ or ‘no’ (binary).
ut will return any metrics data if available
select as many options as are relevant (multi select).
only select at most one option (single select).
Row
A question type that defines the rows for table questions. Only applicable for sub-questions of table questions.
Table
A question type that defines a table response with columns and rows.
ESG PERFORMANCE DATA
COMPANY 1
COMPANY 2
COMPANY 3
Total Rows: 18
Selected: 1

75% 1 / 432

BMW GROUP BERICHT 2024

Die BMW Group hielt auch 2024 eine starke Marktposition. Die Marke BMW nahm dabei erneut die Spitzenstellung im weltweiten Premiumsegment ein. Mit attraktiven Produkten bietet das Unternehmen über alle Marken innovative und effiziente Antriebstechnologien, abgestimmt auf die individuellen Kundenwünsche. Fahrzeuge mit vollelektrischen Antrieben sind dabei aktuell der größte Wachstumstreiber. Unsere Visionsfahrzeuge zeigen, wie wir die NEUE KLASSE als nächsten Innovationssprung auf den Weg bringen.
Die BMW Group bleibt auf Kurs.

Nähere Informationen zur BMW Group und zum Berichtsjahr 2024 finden sich im nachfolgenden Bericht.

BMW-Group-Bericht-2024-de.pdf

Template
ESG Performance Assessment

Did the company disclose any climate risk exposure or conduct climate risk assessments during 2024?

- [x] **Yes**

The context provides extensive evidence that BMW Group disclosed climate risk exposure and conducted climate risk assessments during 2024. The company describes the identification, analysis, and evaluation of both physical and transition climate risks, referencing scenario analyses based on IPCC pathways, and explicitly states that the materiality analysis according to ESRS was conducted for the first time in 2024. For example, "Für das Berichtsjahr 2024 wurden alle wesentlichen Risiken der BMW Group hinsichtlich ihrer Sensitivität für drei unterschiedliche Klimaszenarien analysiert." [1] Additionally, the company details its approach to climate-related risks and opportunities, scenario analysis, and integration into strategic planning. [2] [3] [4] [5] [6] [7]

- [ ] **No**

There is no support for this choice. The provided documents clearly show that climate risk exposure was disclosed and climate risk assessments were conducted in 2024. [1]

1 Für das Berichtsjahr 2024 wurden alle wesentlichen Risiken der BMW Group hinsichtlich ihrer Sensitivität für drei unterschiedliche Klimaszenarien analysiert. Für...

Page 99, bmw-group-bericht-2024-de.pdf

SUPPORTED FRAMEWORKS

Briink supports all major ESG rating frameworks:

CDP

MSCI

ISS ESG

MORNINGSTAR SUSTAINALYTICS

EthiFinance

S&P Global

ecovadis

ethos

By using Briink's ESG-specific AI engine, you can unlock two core benefits:

- **Scaled workflow automation**
  - data gathering
  - benchmarking
  - scoring

  → Massively save time & budgets

- **Optimize rating results**
  - close data gaps
  - eliminate human errors

  → Get better ratings

This goes for all parties involved:
→ ESG rating providers → ESG teams of companies → ESG consultancies

Q&A session

ESG Ratings – AI Empowered

Kathinka Gruber
kathinka.gruber@kirchhoff.de

Dr. Julia Haake
julia.haake@ethifinance.com

Marcel von dem Berge
marcel@briink.com

Thanks for joining – let's keep the conversation going.