ESMA_QA_2853

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22/05/2026

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Additional Information

Level 1 Regulation
ESGR - Regulation (EU) 2024/3005

Topic
Scope (including exemptions)

Subject Matter
Defined ranking system

Question
What practical components should an ESG rating feature to demonstrate the existence of a defined ranking system of rating categories, as required by Article 3 of Regulation (EU) 2024/3005?

ESMA Answer

22-05-2026

Original language

ESG ratings, either in the form of opinions, scores or a combination of both, express a rating provider’s value judgement of a rated item and are prepared based on an established methodology and a defined ranking system of rating categories.

The defined ranking system reflects the rating provider’s value judgement in an ordinal or hierarchical structure and comprises two or more pre-determined rating categories, including the minimum and maximum levels, enabling consistent comparison across rated items. The rating categories can be represented by numbers, letters, colours or other symbols.