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| Reply form  for the Consultation Paper on Technical Standards under the Regulation on transparency and integrity of Environmental, Social and Governance (ESG) rating activities |
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**Responding to this paper**

ESMA invites comments on all matters in this consultation paper and in particular on the specific questions. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **20 June 2025.**

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Use this form and send your responses in Word format (**pdf documents will not be considered except for annexes**);
3. Please do not remove tags of the type <ESMA\_QUESTION \_ESGR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
4. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
5. When you have drafted your response, name your response form according to the following convention: ESMA\_EUGB\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_ESGR\_ABCD\_RESPONSEFORM.
6. Upload the form containing your responses, **in Word format**, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open Consultations” -> Consultation Paper on technical standards on the European Green Bonds Regulation”).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper**

# All interested stakeholders are invited to respond to this Consultation Paper. In particular, ESMA encourages entities that intend to apply for registration as external reviewers of European Green Bonds, as well as financial market participants who have or intend to issue or invest in green bonds or sustainability-linked bonds, to participate.

**General information about respondent**

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| --- | --- |
| Name of the company / organisation | Swedish Securities Markets Association (Svensk Värdepappersmarknad) |
| Activity | Investment Services |
| Are you representing an association? |  |
| Country/Region | Sweden |

**Questions**

**Q1** **Do you agree with ESMA’s proposals for the draft technical standard under Articles 6(3) and 12(9)?**

<ESMA\_QUESTION\_ESGR\_1>

***General remarks***

The Swedish Securities Markets Association (SSMA) welcomes the opportunity to provide its input to the ESMA Consultation Paper on Technical Standards under the Regulation on transparency and integrity of Environmental, Social and Governance (ESG) rating activities (the Consultation Paper).

The SSMA welcomes the simplification approach taken by ESMA whereby it has limited the number of regulatory technical standards and taken a building blocks approach where this works. However, the SSMA considers that even more could be done to simplify processes and information requirements. Some proposals to this effect are set out further down in this response, but the SSMA considers that even more could be done, e.g. by evaluating if all information to be provided to ESMA really must be so provided. An alternative solution could be to instead require ESG rating providers to hold such information available on their websites.

In connection with this, the SSMA would like to see further clarity from ESMA as to what implications, if any, ongoing and forthcoming simplification reviews of other ESG related regulatory frameworks incl. the CSRD may have on the rules relating to ESG Rating Providers.

The SSMA would also be curious to learn if further technical standards will be proposed under the ESG rating regulation, e.g. under Article 49.

***Information about analytical resources***

The draft RTS under Art. 6(3) and 12(9) provides in Art. 4 that applicants should provide information about the number of employees, and in Annex II, Part G) 1) requires that information be provided about the number of rating analysts, employees and other persons working for the applicant who are directly involved in ESG rating activities.

The SSMA acknowledges that it is important that sufficient information is provided by ESG rating providers, so that ESMA and users of ESG ratings are able to determine if an ESG rating provider has sufficient capacity and knowledge to carry out its activities in a proper manner.

However, it could be questioned if it is necessary for an ESG rating provider to provide details about “any person” referred to in point (1), as set out in point (2). We hereby note that the group with “any person” may be big, and all persons may not be crucial to the ESG rating business.

The SSMA would also question if and to what extent information about analysts will be made public or if it will be kept within ESMA. If such information is made public it may raise some privacy concerns for such analysts, and in any case a cost/benefit analysis should be carried out, so that we avoid costly unnecessary requirements.

The SSMA also notes that it is unclear if, when and how often information initially provided by ESG rating provides should be updated. Also, here it is important to find a balance between the cost and value, respectively, of asking for and providing such information.

***Information about methodology***

When it comes to methodology, the SSMA considers that a balance must be struck between what could be proprietary information that an ESG rating provider has a legitimate interest in keeping inhouse, and transparency.

In relation to Annex II, Part I), the SSMA notes and would like to question the reference to “methodologies that are based on scientific evidence” as there are areas where there is (at least not yet) an established scientific methodology, but where there may be other “standards” or similar.

With the proposed wording, the SSMA sees a risk that an ESG rating provider may be tempted to state or seek to create an illusion that a scientific methodology exists, where there is none.

The SSMA also see a need for clarification in the RTS on when updates must be made to information that has been provided. It should also be clarified when information will be provided to users about a change or review of methodology.

In this part, the SSMA considers that it would be useful with guidance on how significant a change must be to require the ESG rating provider to provide an update on its methodology, and how this will be brought to the attention of the market incl. any affected rated entities.

* Example: Would a change (or not) of approach/view from a human rights perspective on a country be considered as an “update” or “change” of methodology by a provider?

It may also be useful for users to learn e.g. what weight an ESG rating provider gives to certain factors or data, so that users can take this into account in their own use of the rating.

***Relationship with rated companies***

The SSMA notes that there is a concern amongst some rated companies that ESG rating providers do not communicate with them and that providers fail to correct information that is incorrect or incomplete. Against this background, the SSMS would like to point out the need for further clarity about when there is an obligation to correct and the timeframe for such corrections.

<ESMA\_QUESTION\_ESGR\_1>

**Q2** **Do you agree with ESMA’s proposals for the draft technical standard under Article 16(5)?**

<ESMA\_QUESTION\_ ESGR\_2>

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<ESMA\_QUESTION\_ ESGR\_2>

**Q3. Do you agree with ESMA’s proposals for the draft technical standard under Articles 23(4) and 24(3)?**

<ESMA\_QUESTION\_ ESGR\_3>

***Information about methodology***

When it comes to methodology, the SSMA considers that a balance must be struck between what could be proprietary information that an ESG rating provider has a legitimate interest in keeping inhouse, and transparency.

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With the proposed wording, the SSMA sees a risk that an ESG rating provider may be tempted to state or seek to create an illusion that a scientific methodology exists, where there is none.

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* Example: Would a change (or not) of approach/view from a human rights perspective on a country be considered as an “update” or “change” of methodology by a provider?

It may also be useful for users to learn e.g. what weight an ESG rating provider gives to certain factors or data, so that users can take this into account in their own use of the rating.

<ESMA\_QUESTION\_ ESGR\_3>

**Q4. Do you consider that the draft technical standards under Articles 23(4) or 24(3) should instead provide an expanded table in Annex proposing a sequence and structure for all disclosures to be made under parts 1 and 2 of Annex III? If yes, please explain the benefits of such an approach.**

<ESMA\_QUESTION\_ ESGR\_4>

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<ESMA\_QUESTION\_ ESGR\_4>

**Q5 Do you agree with ESMA’s proposed cost benefit analysis? If not, please explain.**

<ESMA\_QUESTION\_ ESGR\_5>

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<ESMA\_QUESTION\_ ESGR\_5>