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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 | Dun & Bradstreet |
| Activity | Other Financial service providers |
| Are you representing an association? |[ ]
| Country/Region | International |

**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>

Dun & Bradstreet (D&B) welcomes the opportunity to respond to ESMA’s Consultation Paper on the Technical Standards under the ESG Rating Regulation. As a global provider of ESG data and analytics covering over 80 million business entities across 202 jurisdictions, Dun & Bradstreet (D&B) recognizes the importance of a robust regulatory framework that fosters trust and reliability in ESG ratings.

We support the authorities’ efforts to help establish a level-playing field not only for providers but for consumers and users of such products, especially in the areas of governance and conflict of interest. These efforts seek to support the further maturing of the industry through transparency. However, we encourage ESMA to apply the same principles of simplification and proportionality seen in the Omnibus process to these Regulatory Technical Standards (RTS), noting the benefits the Omnibus aims to deliver for growth and innovation by reducing administrative burden. This would help balance transparency with usability and support innovation across the ESG ecosystem.

Flexibility should be at the heart of any technical standards, noting the global nature of both theindustry, data and ratings providers and users. Recognition of the varying regulatory environments around the world will be central to supporting the global ESG rating industry and codifying the ESMA approach as a benchmark.

Companies such as D&B deliver insights and transparency on key international suppliers and business partners of European Union entities. Overly burdensome requirements would reduce the ability of users to identify and manage potential ESG risks across global value chains at scale, thereby undermining the efforts to have a more sustainability informed ecosystem, overall negating the benefits of providing comprehensive and trusted ESG ratings.

Under Article 6(3), ESMA is mandated to develop RTS that “specify the form and content” of this application. However, the RTS repeat, in substance and structure, several obligations already embedded in Annex I of the Regulation. This includes requirements relating to governance, internal control functions, conflict of interest policies, and methodology documentation.

Global providers already subject to multiple regulatory regimes must repackage identical content to comply with RTS-specific formats, creating inefficiencies without material benefit. We recommend replacing duplicative sections with structured cross-references to Annex I to reduce administrative burden and align with EU best practices. This would preserve regulatory consistency, reduce administrative burden, and align with EU best practices on layered compliance documentation.

We also suggest incorporating proportionality into the RTS—such as simplified documentation pathways or scaled expectations based on provider size, rating volume, or market share.

Regarding Article 12(9), while we support transparency in ESG models, the extensive documentation required on ESG rating models, including weighting, scoring, validation processes, and expert judgement risks exposing proprietary methodologies. While we agree that transparency is critical, the proposed level of disclosure may conflict with the commercial sensitivity of proprietary models lead to disclosure overload, where excessive detail obfuscates rather than informs and delay innovation cycles, especially when models must evolve rapidly in response to market or regulatory shifts. A modular or principles-based disclosure framework that communicates core methodology would better balance transparency with confidentiality and adaptability.

Annual updates or post-authorization notifications could supplement core documentation. While global providers can meet the requirements for key personnel disclosures, the RTS extend these demands in ways that appear overly granular and not necessarily relevant to supervisory risk. We suggest streamlining personnel disclosures to focus on governance functions, internal control roles, and ESG analysis leadership — not operational detail irrelevant to regulatory objectives.

<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>

Dun & Bradstreet (D&B) supports a risk-based approach to the separation of high-conflict functions such as consulting, credit ratings, benchmarks, investment services, statutory auditing, and other credit activities. We believe functional separation—rather than physical separation—is sufficient, provided robust policies and monitoring are in place.

Global firms with multi-line ESG operations can maintain integrity without rigid restructuring. Shared data infrastructure should be permitted as long as governance and decision-making are clearly separated to preserve the objectivity of ESG ratings.

At D&B, our data-first, automated scoring model relies on an objective methodology which uses innovative analytics and is supported by strong internal safeguards. We separate scoring from client-facing roles and operate under a comprehensive Conflict of Interest Policy specifically provides a framework for compliance and effective risk management to ensure that independence obligations under applicable laws and regulations are met. This structure allows us to manage risk effectively while maintaining operational efficiency and analytical integrity.

<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>

Dun & Bradstreet (D&B) supports ESMA’s efforts to enhance transparency and disclosure for ESG ratings for the benefit of the public, users of ESG ratings, rated items and issuers of rated items. We already provide detailed methodology documents publicly and to users, and our products include indicators such as score drivers and data depth to explain what influences our rankings. We continue to work closely with clients to improve these disclosures.

However, we believe it is essential to protect proprietary elements of ESG methodologies—particularly those involving innovative data analytics for non-regulated entities. Overly detailed disclosure requirements risk exposing algorithms, logic, and weightings, which could lead to the gamification of ESG ratings and increase greenwashing. A more proportionate approach would better balance transparency with integrity.

We also recommend a clear distinction between:

* Information that should be publicly disclosed,
* Information disclosed to ESMA, and
* Information that should remain proprietary.

Finally, we urge ESMA to differentiate between ESG providers that use analyst-driven assessments defined as “ESG Opinions” and those like D&B that rely on data-first, algorithmic models “ESG Scores”. We suggest distinguishing between ESG rating providers and ESG reference providers to reflect these different approaches.

<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>

Dun & Bradstreet (D&B) supports clearer guidance on disclosures but does not support mandating a fixed sequence and structure for disclosures as proposed.

Imposing a rigid format would be overly restrictive and could require significant changes to how ESG providers currently report, monitor, and track disclosures. Providers who have already published detailed methodologies may need to repackage their outputs just to comply with the new format.

Additionally, the proposed structure does not align with other EU frameworks like SFDR, CSRD, the EU Taxonomy, or DORA. This misalignment risks creating duplicate disclosures and confusion for users trying to reconcile different reporting systems—ultimately leading to fragmented, rather than integrated, ESG information. We note that uniform disclosure expectations do not account for variations in rating scope, complexity, or methodology (e.g. country/sector-specific vs. universal models).

Finally, a one-size-fits-all structure does not reflect the diversity of ESG rating models, which vary in scope, complexity, and methodology (e.g. sector-specific vs. universal models).

<ESMA\_QUESTION\_ ESGR\_4>

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

<ESMA\_QUESTION\_ ESGR\_5>

Dun & Bradstreet (D&B) appreciates the transparency underpinning the sharing of the cost-benefit analysis as well as the opportunity to respond to the assumptions as set out in the document. However, we believe the analysis may underestimate the operationalimpact and risk on global data providers, particularly in the following areas:

1. Risk of over disclosure

The analysis does not consider the risk that excessive methodological transparency could lead to the gamification of ESG ratings, undermining the goal of a more informed and trustworthy ESG marketplace.

1. Underestimated operational costs

The assumptions significantly underestimate the costs for data providers like D&B, which deliver credit and ESG analytics for millions of entities. In particular:

* Separation of personnel and office space between ESG and credit analytics would be highly burdensome.
* Many of our analysts work across both domains due to overlapping expertise and data inputs.
* Enforcing strict separation would increase costs, reduce efficiency, and hinder the integration of ESG into broader risk frameworks.

We recommend distinguishing between credit scoring providers like D&B and registered Credit Rating Agencies (CRAs) within the regulation.

1. Missed use cases and end-user impact

The analysis overlooks operational and supply chain use cases, which are critical for many end-users. If regulatory burdens increase, so too will the costs to users, potentially limiting access to ESG insights.

1. Pre-notification burden

The requirement to pre-notify rated as set out in Article 15(12)  is particularly costly for D&B, where millions of entities may be rated monthly. This could result in seven-figure operational costs, which are not reflected in the current cost benefit analysis. The impact is considered below:

* High administrative burden for providers with limited benefit to recipients, noting that many rated entities may not have the capacity to interpret or respond to ESG ratings.
* A potential solution is business model differentiation -recognising an additional “operational user-paid” model—where ESG ratings are used for supply chain and risk management—alongside the “investment user-paid” model already referenced in the regulation. Without this distinction, operational use cases risk being unintentionally penalised by requirements designed for investment-focused ratings.
* Proportionality - We support pre-notification where ratings may impact capital structure or public perception. However, we propose exemptions for:
	+ Data-driven, automated ratings (vs. analyst-led ratings)
	+ Operational use cases where ratings are not publicly disclosed
* If an entity disputes its rating, D&B investigates and updates the score if necessary, notifying affected users. This model ensures transparency and fairness without imposing unnecessary regulatory burden. D&B also provides:
	+ Free access to ESG data for rated entities.
	+ Option to submit corrections or additional data.
	+ Free ESG Self-Assessment survey for verified data contributions.
* Strict pre-notification and disclosure requirements could discourage innovation in AI and data analytics; reduce ESG coverage of non-EU entities; create compliance uncertainty, leading to excessive or “gold-plated” disclosures and undermine the competitiveness of EU firms in global markets
1. Impact on Specialist ESG Data Providers

Specialist ESG data providers—often non-profits—may struggle to comply with RTS requirements, risking increased data costs or service discontinuation. This could reduce data availability and harm end-users. D&B recommends explicitly exempting such entities from the regulation.

We urge ESMA to:

* Reassess the impact analysis to reflect diverse business models and use cases.
* Consider excluding operational and supply chain ESG use cases from the scope of the RTS if they are not adequately addressed.

D&B welcomes the opportunity to contribute to this important consultation. We support ESMA’s objectives and look forward to continued engagement as the regulatory framework evolves. We remain committed to promoting transparency, integrity, and innovation in ESG scores.

<ESMA\_QUESTION\_ ESGR\_5>