



ESBG's response to the Commission call for feedback on its proposal for the regulation on the transparency and integrity of ESG rating activities.

Executive Summary

August 2023

ESBG Transparency Register ID
8765978796-80

On 3 August 2023, ESGB responded to the Commission call for feedback on its ESG ratings proposal. ESGB welcomes the objective to tackle greenwashing by overcoming current deficiencies in the ESG ratings market. Nevertheless, ESGB stresses that this should not lead to adverse impacts for financial undertakings, especially when it comes to disclosing financial information.

ESBG'S POSITION

First of all, ESGB welcomes this consultation as well as the possibility given by the Commission to provide feedbacks on its proposal for the regulation on the transparency and integrity of ESG rating activities. ESGB would like to stress its commitment to sustainability and its support when it comes to fighting greenwashing.

Nonetheless, ESGB sees some shortcomings in the Commission's proposal. Hence, ESGB would like to stress that Every rating agency, regardless of whether the rating report is solicited or not, should send the report to the client/rated undertaking to allow him to review it, in case the client wishes to provide additional information and/or corrections, if necessary, in order **to avoid any potential misinterpretation**. From a practical perspective, it will mean that ESG rating providers should provide their draft Rating report to the rated undertaking upon request. The rated undertaking shall have the right to review and correct data if necessary.

On top of that, ESGB would like to stress that if ESG rating agencies want more information, beside what is publicly available, and that financial undertakings cannot deliver that information (for confidentiality reasons for instance), not delivering that information must not have a negative impact on the rating. In other words, one can fully understand that ESG rating agencies might need to consult other documents besides the non-financial report of undertakings to have a more comprehensive view of a particular element. However, **it should not have a negative impact on the rating if certain (unaudited) information or documents cannot be provided due to e.g. confidentiality reasons.**

[READ THE FULL ESGB RESPONSE](#)