



**2023/0177(COD)**

25.10.2023

# **AMENDMENTS**

## **98 - 518**

**Draft report**

**Aurore Lalucq**

(PE753.758v01-00)

Transparency and integrity of Environmental, Social and Governance (ESG)  
rating activities

Proposal for a regulation

(COM(2023)0314 – C9-0203/2023 – 2023/0177(COD))



**Amendment 98**  
**Dimitrios Papadimoulis**  
on behalf of The Left Group

**Proposal for a regulation**  
**Citation 1**

*Text proposed by the Commission*

Having regard to the Treaty on the Functioning of the European Union, and in particular *Article 114* thereof,

*Amendment*

Having regard to the Treaty on the Functioning of the European Union, and in particular *Articles 9, 114, 191 and 192* thereof,

Or. en

**Amendment 99**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Citation 1**

*Text proposed by the Commission*

Having regard to the Treaty on the Functioning of the European Union, and in particular *Article 114* thereof,

*Amendment*

Having regard to the Treaty on the Functioning of the European Union, and in particular *Articles 9, 114, 191 and 192* thereof,

Or. en

**Amendment 100**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Recital 1**

*Text proposed by the Commission*

(1) On 25 September 2015, the UN General Assembly adopted a new global sustainable development framework: the 2030 Agenda for Sustainable Development<sup>17</sup>, having at its core the

*Amendment*

(1) On 25 September 2015, the UN General Assembly adopted a new global sustainable development framework: the 2030 Agenda for Sustainable Development<sup>17</sup>, having at its core the

Sustainable Development Goals (SDGs). The Commission's Communication of 2016 on the next steps for a sustainable European future<sup>18</sup> links the SDGs to the Union policy framework to ensure that all Union actions and policy initiatives, within the Union and globally, take the SDGs on board at the outset. The European Council conclusions of 20 June 2017<sup>19</sup> confirmed the commitment of the Union and the Member States to the implementation of the 2030 Agenda in a full, coherent, comprehensive, integrated and effective manner and in close cooperation with partners and other stakeholders. On 11 December 2019, the Commission published its communication on 'The European Green Deal'<sup>20</sup>.

Sustainable Development Goals (SDGs). The Commission's Communication of 2016 on the next steps for a sustainable European future<sup>18</sup> links the SDGs to the Union policy framework to ensure that all Union actions and policy initiatives, within the Union and globally, take the SDGs on board at the outset. The European Council conclusions of 20 June 2017<sup>19</sup> confirmed the commitment of the Union and the Member States to the implementation of the 2030 Agenda in a full, coherent, comprehensive, integrated and effective manner and in close cooperation with partners and other stakeholders. On 11 December 2019, the Commission published its communication on 'The European Green Deal'<sup>20</sup>. ***On 30 June 2021, the Council of the European Union and the European Parliament agreed on the European Climate Law which enshrines into law the goal set out in the European Green Deal for Europe's economy and society to become climate-neutral by 2050.***

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<sup>17</sup> Transforming our World: The 2030 Agenda for Sustainable Development (UN 2015).

<sup>18</sup> COM(2016) 739 final.

<sup>19</sup> CO EUR 17, CONCL. 5.

<sup>20</sup> Communication from the Commission of 11 December 2019 on the European Green Deal, COM(2019) 640 final.

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<sup>17</sup> Transforming our World: The 2030 Agenda for Sustainable Development (UN 2015).

<sup>18</sup> COM(2016) 739 final.

<sup>19</sup> CO EUR 17, CONCL. 5.

<sup>20</sup> Communication from the Commission of 11 December 2019 on the European Green Deal, COM(2019) 640 final.

Or. en

**Amendment 101**  
**Dimitrios Papadimoulis**  
on behalf of The Left Group

**Proposal for a regulation**  
**Recital 2**

*Text proposed by the Commission*

*Amendment*

(2) The transition to a sustainable economy is key to ensuring the **long-term competitiveness** of the Union **economy**. Sustainability has long been at the heart of the Union project and the Union Treaties give recognition to its social and environmental dimensions.

(2) The transition to a sustainable economy is key to ensuring the **overall long-term sustainability** of the Union **and the quality of life of people in the Union as well as to adhering to the Union environmental and social objectives and commitments under the Paris Agreement, the 2030 Agenda for Sustainable Development, the European Green Deal and the European Pillar of Social Rights**. Sustainability has long been at the heart of the Union project and the Union Treaties give recognition to **the importance of** its social and environmental dimensions.

Or. en

## **Amendment 102** **Dorien Rookmaker**

### **Proposal for a regulation** **Recital 3**

*Text proposed by the Commission*

(3) Achieving SDG objectives in the Union requires the channelling of capital flows towards sustainable investments. It is important to exploit fully the potential of the internal market for the achievement of those goals. In that context, it is crucial to remove obstacles to the efficient movement of capital towards sustainable investments in the internal market and to prevent such obstacles from emerging.

*Amendment*

(3) Achieving SDG objectives in the Union requires the channelling of capital flows towards sustainable investments. It is important to exploit fully the potential of the internal market for the achievement of those goals, **while balancing these objectives with economic concerns**. In that context, it is crucial to remove obstacles to the efficient movement of capital towards sustainable investments in the internal market and to prevent such obstacles from emerging.

Or. en

## **Amendment 103** **Sirpa Pietikäinen**

### **Proposal for a regulation** **Recital 3**

*Text proposed by the Commission*

(3) Achieving SDG objectives in the Union requires the channelling of capital flows towards sustainable investments. It is important to exploit fully the potential of the internal market for the achievement of those goals. In that context, it is crucial to remove obstacles to the efficient movement of capital towards sustainable investments in the internal market and to prevent such obstacles from emerging.

*Amendment*

(3) Achieving SDG objectives in the Union requires the channelling of capital flows towards sustainable investments ***and de-incentivising unsustainable investments and through this, transferring investments from significant harm and unsustainable to sustainable***. It is important to exploit fully the potential of the internal market for the achievement of those goals. In that context, it is crucial to remove obstacles to the efficient movement of capital towards sustainable investments in the internal market and to prevent such obstacles from emerging.

Or. en

**Amendment 104**

**Dimitrios Papadimoulis**

on behalf of The Left Group

**Proposal for a regulation**

**Recital 3**

*Text proposed by the Commission*

(3) Achieving SDG objectives in the Union requires the channelling of capital flows towards sustainable investments. It is ***important*** to exploit fully the potential of the internal market for the achievement of those goals. In that context, it is crucial to remove obstacles to the efficient movement of capital towards sustainable investments in the internal market and to prevent such obstacles from emerging.

*Amendment*

(3) Achieving SDG objectives in the Union requires the channelling of capital flows towards sustainable investments. It is ***necessary*** to exploit fully the potential of the internal market for the achievement of those goals. In that context, it is crucial to remove obstacles to the efficient movement of capital towards sustainable investments in the internal market and to prevent such obstacles from emerging.

Or. en

**Amendment 105**

**Dorien Rookmaker**

**Proposal for a regulation**

**Recital 4**

*Text proposed by the Commission*

(4) The EU's approach to sustainable and inclusive growth is anchored in the 20 principles of the European Pillar of Social Rights ***to ensure a fair transition towards this goal and*** policies ***which leave no one behind***. Furthermore, the EU social acquis including the Union of Equality Strategies<sup>21</sup> provides standards in the areas of labour law, equality, accessibility, health and safety at work, and anti-discrimination.

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<sup>21</sup> Gender equality strategy; LGBTIQ equality strategy; Roma strategic framework; Strategy for the Rights of Persons with Disability.

*Amendment*

(4) The EU's approach to sustainable and inclusive growth is anchored in the 20 principles of the European Pillar of Social Rights, ***which enables EU coordination but also respects the principle of subsidiarity in social and employment*** policies. Furthermore, the EU social acquis including the Union of Equality Strategies<sup>21</sup> provides standards in the areas of labour law, equality, accessibility, health and safety at work, and anti-discrimination.

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<sup>21</sup> Gender equality strategy; LGBTIQ equality strategy; Roma strategic framework; Strategy for the Rights of Persons with Disability.

Or. en

**Amendment 106**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Recital 5**

*Text proposed by the Commission*

(5) In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth'<sup>22</sup>, setting up its strategy on sustainable finance. The objectives of that Action Plan are to mainstream sustainability factors into risk management and reorient capital flows towards sustainable investment to achieve sustainable and inclusive growth.

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<sup>22</sup> European Commission, Action Plan:

*Amendment*

(5) ***Financial markets have a crucial role in the channelling of capital toward investments necessary for the achievement of the EU climate and environmental objectives.*** In March 2018, the Commission published its Action Plan 'Financing Sustainable Growth'<sup>22</sup>, setting up its strategy on sustainable finance. The objectives of that Action Plan are to mainstream sustainability factors into risk management and reorient capital flows towards sustainable investment to achieve sustainable and inclusive growth.

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<sup>22</sup> European Commission, Action Plan:

## **Amendment 107**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

### **Proposal for a regulation**

#### **Recital 6**

##### *Text proposed by the Commission*

(6) As part of the Action Plan, the Commission commissioned a study entitled “Study on Sustainability Related Ratings, Data and Research”<sup>23</sup> to take stock of the developments in the sustainability-related products and services market, identify the main market participants and highlight potential shortcomings. That study provided an inventory and classification of market actors, sustainability products and services available in the market and an analysis of the use and perceived quality of sustainability-related products and services by market participants. The study highlighted the lack of transparency and accuracy of Environmental, Social and Governance (‘ESG’) ratings methodologies and the lack of clarity over the operations of ESG *rating* providers.

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<sup>23</sup> European Commission, Directorate-General for Financial Stability, Financial Services and Capital Markets Union, Study on sustainability-related ratings, data and research, Publications Office of the European Union, 2021, <https://data.europa.eu/doi/10.2874/14850>.

##### *Amendment*

(6) As part of the Action Plan, the Commission commissioned a study entitled “Study on Sustainability Related Ratings, Data and Research”<sup>23</sup> to take stock of the developments in the sustainability-related products and services market, identify the main market participants and highlight potential shortcomings. That study provided an inventory and classification of market actors, sustainability products and services available in the market and an analysis of the use and perceived quality of sustainability-related products and services by market participants. The study highlighted the lack of transparency and accuracy of Environmental, Social and Governance (‘ESG’) ratings methodologies and the lack of clarity over the operations of ESG *ratings and ESG data products* providers.

*(Amendment also applied to recitals 11, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30: ESG ratings and ESG data products providers.)*

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<sup>23</sup> European Commission, Directorate-General for Financial Stability, Financial Services and Capital Markets Union, Study on sustainability-related ratings, data and research, Publications Office of the European Union, 2021, <https://data.europa.eu/doi/10.2874/14850>.



## **Amendment 108**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Recital 8**

##### *Text proposed by the Commission*

(8) As a follow-up, the Commission announced in the renewed sustainable finance strategy, a public consultation on ESG ratings to feed into an impact assessment. In the public consultation that took place in 2022, stakeholders confirmed concerns with the lack of transparency of ESG ratings methodologies and objectives and clarity over ESG rating activities.

##### *Amendment*

(8) As a follow-up, the Commission announced in the renewed sustainable finance strategy, a public consultation on ESG ratings to feed into an impact assessment. In the public consultation that took place in 2022, stakeholders confirmed concerns with the lack of transparency of ESG ratings methodologies and objectives and clarity over ESG rating activities. ***As trust is pivotal in the functioning of financial markets, this lack of transparency and reliability of ESG ratings should be addressed urgently.***

Or. en

## **Amendment 109**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Recital 8 a (new)**

##### *Text proposed by the Commission*

##### *Amendment*

***(8 a) As part of the sustainable finance strategy, several legislative initiatives, such as the sustainability-related disclosures in the financial services sector (Regulation (EU) 2019/2088 of the European Parliament and of the Council), the establishment of the taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council) or the corporate sustainability***

*reporting (Directive (EU) 2022/2464 of the European Parliament and of the Council) should enhance the availability and quality of ESG data and contribute to the continuous improvement of ESG ratings' quality.*

Or. en

## **Amendment 110**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

### **Proposal for a regulation**

#### **Recital 9**

*Text proposed by the Commission*

(9) At international level, the International Organization of Securities Commissions ('IOSCO') has issued a report in November 2021 containing a set of recommendations on ESG ratings providers<sup>25</sup>.

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<sup>25</sup> IOSCO Report on ESG ratings and data products providers, available at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf>.

*Amendment*

(9) At international level, the International Organization of Securities Commissions ('IOSCO') has issued a report in November 2021 containing a set of recommendations on ESG ratings **and data products** providers<sup>25</sup>.

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<sup>25</sup> IOSCO Report on ESG ratings and data products providers, available at: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf>.

Or. en

## **Amendment 111**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

### **Proposal for a regulation**

#### **Recital 10**

*Text proposed by the Commission*

(10) ESG ratings play an important role in global capital markets, as investors, borrowers and issuers increasingly use those ESG ratings as part of making informed, sustainable investment and financing decisions. Credit institutions,

*Amendment*

(10) ESG ratings **and ESG data products** play an important role in global capital markets, as investors, borrowers and issuers increasingly use those ESG ratings as part of making informed, sustainable investment and financing

investment firms, insurance undertakings, assurance undertakings, and reinsurance undertakings, amongst others, often use those ESG ratings as a reference for the sustainability performance or for the sustainability risks and opportunities in their investment activity. Consequently, ESG ratings have a significant impact on the operation of the markets and on the trust and confidence of investors and consumers. To ensure that ESG ratings used in the Union are independent, objective and of adequate quality, it is important that ESG rating activities are conducted in accordance with the principles of integrity, transparency, responsibility, and good governance. Better comparability and increased reliability of ESG ratings would enhance the efficiency of that fast-growing market, thereby facilitating progress towards the objectives of the Green Deal.

decisions. Credit institutions, investment firms, insurance undertakings, assurance undertakings, and reinsurance undertakings, amongst others, often use those ESG ratings **and ESG data products** as a reference for the sustainability performance or for the sustainability risks and opportunities in their investment activity. Consequently, ESG ratings **and ESG data products** have a significant impact on the operation of the markets and on the trust and confidence of investors and consumers. To ensure that ESG ratings **and ESG data products** used in the Union are independent, objective and of adequate quality, it is important that ESG rating **and ESG data products** activities are conducted in accordance with the principles of integrity, transparency, responsibility, and good governance. Better comparability and increased reliability of ESG ratings **and ESG data products** would enhance the efficiency of that fast-growing market, thereby facilitating progress towards the objectives of the Green Deal. **ESG data products can cover ESG “processed data”, including estimates or proxies of missing raw data from a company’s report. Processed ESG data are subject to a methodology applied by the provider that can be based on models or assumptions but may not qualify as ratings in the absence of a ranking system. Therefore processed ESG data should be subject to transparency requirements similarly to ESG ratings. ESG data products can also cover ESG “raw data” that do not need a specific methodology, model or assumption as they would generally come from the issuing entity, through its public report if available, or from responses to questionnaires or other sources. In such a case, there is no specific requirement of transparency over a methodology but the requirements of reliability, integrity, responsibility and good governance should apply in relation to the collection, formatting and re-dissemination of such**

*data by the ESG data product provider.*

Or. en

## **Amendment 112**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Recital 10**

*Text proposed by the Commission*

(10) ESG ratings play an important role in global capital markets, as investors, borrowers and issuers increasingly use those ESG ratings as part of making informed, sustainable investment and financing decisions. Credit institutions, investment firms, insurance ***undertakings, assurance*** undertakings, and reinsurance undertakings, amongst others, often use those ESG ratings as a reference for the sustainability performance or for the sustainability risks and opportunities in their investment activity. Consequently, ESG ratings have a significant impact on the operation of the markets and on the trust and confidence of investors and consumers. To ensure that ESG ratings used in the Union are independent, objective and of adequate quality, it is important that ESG rating activities are conducted in accordance with the principles of integrity, transparency, responsibility, ***and*** good governance. Better comparability and increased reliability of ESG ratings would enhance the efficiency of that fast-growing market, thereby facilitating progress towards the objectives of the Green Deal.

*Amendment*

(10) ESG ratings play an important role in global capital markets, as investors, borrowers and issuers increasingly use those ESG ratings as part of making informed, sustainable investment and financing decisions. Credit institutions, investment firms, insurance undertakings, and reinsurance undertakings, amongst others, often use those ESG ratings as a reference for the sustainability performance or for the sustainability risks and opportunities in their investment activity. Consequently, ESG ratings have a significant impact on the operation of the markets and on the trust and confidence of investors and consumers. To ensure that ESG ratings used in the Union are independent, objective, ***comparable*** and of adequate quality, it is important that ESG rating activities are conducted in accordance with the principles of integrity, transparency, responsibility, good governance ***and are elaborated in accordance with minimum standards.*** Better comparability and increased reliability of ESG ratings would enhance the efficiency of that fast-growing market, thereby facilitating progress towards the objectives of the Green Deal.

Or. en

## **Amendment 113**

PE754.956v01-00

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## Dorien Rookmaker

### Proposal for a regulation

#### Recital 10

*Text proposed by the Commission*

(10) ESG ratings play an important role in global capital markets, as investors, borrowers and issuers increasingly use those ESG ratings as part of making informed, sustainable investment and financing decisions. Credit institutions, investment firms, insurance undertakings, assurance undertakings, and reinsurance undertakings, amongst others, often use those ESG ratings as a reference for the sustainability performance or for the sustainability risks and opportunities in their investment activity. Consequently, ESG ratings have a significant impact on the operation of the markets and on the trust and confidence of investors and consumers. To ensure that ESG ratings used in the Union are independent, **objective** and of adequate quality, it is important that ESG rating activities are conducted in accordance with the principles of integrity, transparency, responsibility, and good governance. Better comparability and increased reliability of ESG ratings would enhance the efficiency of that fast-growing market, thereby facilitating progress towards the objectives of the Green Deal.

*Amendment*

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Or. en

## Amendment 114

**Billy Kelleher**

### Proposal for a regulation

#### Recital 10

*Text proposed by the Commission*

(10) ESG ratings play an important role in global capital markets, as investors,

*Amendment*

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*(This amendment applies throughout the text in the context of describing the desired characteristics of ESG ratings.)*

Or. en

**Amendment 115**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Recital 12**

*Text proposed by the Commission*

(12) It is necessary to acknowledge the various business models of the ESG rating market. A first business model is the user-paid model, where users are mainly investors that purchase ESG ratings for investment decisions. A second business model is the issuer-pay model, where

*Amendment*

(12) It is necessary to acknowledge the various business models of the ESG rating market. A first business model is the user-paid model, where users are mainly investors that purchase ESG ratings for investment decisions. A second business model is the issuer-pay model, where

undertakings purchase ESG ratings for assessing risks and opportunities with their operations.

undertakings purchase ESG ratings for assessing risks and opportunities with their operations. ***The different business models lead to different types of conflicts of interests which need to be managed accordingly.***

Or. en

**Amendment 116**  
**Billy Kelleher**

**Proposal for a regulation**  
**Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

***(12 a) Aside from their use in the financial services sector, ESG rating assessments are also used in the procurement and supply chain context. Therefore, ESMA should take account of the distinction between ESG ratings providers in the financial sectors and non-financial sectors in its supervision of ESG rating providers.***

Or. en

**Amendment 117**  
**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**  
**Recital 15**

*Text proposed by the Commission*

*Amendment*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by ***European*** financial

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by ***regulated*** financial

undertakings that **are** used for internal purposes. ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

undertakings that **may be, inter alia: i)** used for internal purposes, **or ii) provided externally as, or as part of, a product or service that is regulated by existing EU regulations or third country equivalents, such as Regulation (EU) 2019/2088 (SFDR), Regulation (EU) No 596/2014 (MAR), Directive 2014/65/EU (MiFID II) and Regulation (EU) 2019/2089 (Low Carbon Benchmark Regulation), or iii) used for providing in-house financial services and products, or iv) provided to intra-group entities included in the accounting consolidated group or to the assets under management of the group.** ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

Or. en

## **Amendment 118**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Recital 15**

*Text proposed by the Commission*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used for internal purposes. ESG ratings developed by European or national authorities and by

*Amendment*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used **exclusively** for internal purposes. **ESMA should develop draft regulatory standards to strictly**



central banks should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

*delimitate what constitutes an internal use. To preserve the level playing field, ESMA should ensure that the exclusion does not apply to ESG ratings provided by a financial undertaking to other parties, including parties belonging to the same group.* ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. *Likewise, this Regulation should not apply to non-profit civil society organisations or academics or journalists putting together scoreboards or rankings for non-commercial purposes, which represent a non-significant part of their overall activities.* Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

Or. en

## Amendment 119

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

### Proposal for a regulation

#### Recital 15

##### *Text proposed by the Commission*

(15) Rules on ESG **rating** providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used for internal purposes. ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. **Finally, such rules should not apply to the provision of ESG data that do not include an element of**

##### *Amendment*

(15) Rules on ESG **ratings and ESG data products** providers should not apply to private ESG ratings **or ESG data** produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings **and ESG data** produced by European financial undertakings that are used for internal purposes, **or shared within their group, or provided or disclosed as required by or derived from the regulation applicable to EU financial undertakings, services or products, or as**

*rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.*

*an element in conjunction with, and limited to, their regulated financial products or services. ESG ratings and ESG data developed by European or national authorities and by central banks should also be exempted from such rules.*

Or. en

## **Amendment 120**

**Markus Ferber**

### **Proposal for a regulation**

#### **Recital 15**

*Text proposed by the Commission*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used for internal purposes. ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

*Amendment*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used *solely* for internal *or intra-group* purposes. ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

Or. en

## **Amendment 121**

**José Manuel García-Margallo y Marfil**

### **Proposal for a regulation**

#### **Recital 15**

*Text proposed by the Commission*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used for internal purposes. ESG ratings developed by European or national authorities and by central banks should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

*Amendment*

(15) Rules on ESG rating providers should not apply to private ESG ratings produced pursuant to an individual order and provided exclusively to the person who placed the order and which are not intended for public disclosure or distribution by subscription or other means. Neither should such rules apply to ESG ratings produced by European financial undertakings that are used for internal purposes. ESG ratings developed by European or national authorities and by ***members of the European System of Central Banks (ESCB)*** should also be exempted from such rules. Finally, such rules should not apply to the provision of ESG data that do not include an element of rating or scoring and are not subject to any modelling or analysis resulting in the development of an ESG rating.

Or. en

**Amendment 122**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Recital 16**

*Text proposed by the Commission*

(16) It is important to lay down rules ensuring that ESG ratings provided by ESG rating providers authorised in the Union are of adequate quality, are subject to appropriate requirements and ensure market integrity. Those rules would apply to overall ESG ratings capturing Environmental, Social and Governance factors, and to ratings that are only looking at a single Environmental, Social or Governance factor or sub-component of that factor.

*Amendment*

(16) It is important to lay down rules ensuring that ESG ratings provided by ESG rating providers authorised in the Union are of adequate quality, are subject to appropriate requirements and ensure market integrity. Those rules would apply to overall ESG ratings capturing Environmental, Social and Governance factors, and to ratings that are only looking at a single Environmental, Social or Governance factor or sub-component of that factor. ***When providing aggregated ratings, the ESG ratings providers should disclose and justify the rate and the***

*weight granted to each component (E, S and G), taking into account that each component should receive a minimum weight of 20%.*

Or. en

### **Amendment 123**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

##### **Recital 16**

*Text proposed by the Commission*

(16) It is important to lay down rules ensuring that ESG ratings provided by ESG rating providers authorised in the Union are of adequate quality, are subject to appropriate requirements and ensure market integrity. Those rules would apply to overall ESG ratings capturing Environmental, Social and Governance factors, and to ratings that are only looking at a single Environmental, Social or Governance factor or sub-component of that factor.

*Amendment*

(16) It is important to lay down rules ensuring that ESG ratings provided by ESG rating providers authorised in the Union are of adequate quality, are subject to appropriate requirements, *recognizing the existence of different business models*, and ensure market integrity. Those rules would apply to overall ESG ratings capturing Environmental, Social and Governance factors, and to ratings that are only looking at a single Environmental, Social or Governance factor or sub-component of that factor.

Or. en

### **Amendment 124**

**Pascal Durand, René Repasi, Pedro Silva Pereira**

#### **Proposal for a regulation**

##### **Recital 16**

*Text proposed by the Commission*

(16) It is important to lay down rules ensuring that ESG ratings provided by ESG rating providers authorised in the Union are of adequate quality, are subject to appropriate requirements and ensure market integrity. Those rules would apply to overall ESG ratings capturing

*Amendment*

(16) It is important to lay down rules ensuring that ESG ratings provided by ESG rating providers authorised in the Union are of adequate quality, are subject to appropriate requirements and ensure market integrity. Those rules would apply to overall ESG ratings capturing

Environmental, Social and Governance factors, and to *ratings that are only looking at a single Environmental, Social or Governance factor or sub-component of that factor.*

Environmental, Social and Governance factors, and to *these factors individually.*

Or. en

**Amendment 125**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Recital 16 a (new)**

*Text proposed by the Commission*

*Amendment*

*(16 a) ESG and ethical considerations are not a novel concept for businesses; they have held significant importance even before formal bureaucratic requirements. Every company aspiring to achieve long-term success has long recognised that it is no longer sufficient to solely focus on shareholder value but equally crucial to consider stakeholder value. Deception or unethical treatment of customers will inevitably jeopardize the sustainable success of a company over time. Inadequate treatment of employees within a company negatively affects their performance and may lead to employee turnover. Furthermore, any violation of legal regulations exposes the company to substantial legal and financial risks, including potential liability claims and the jeopardy of the company's existence. Misleading shareholders ultimately leads to regulatory sanctions in the stock market.*

Or. en

**Amendment 126**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

## Proposal for a regulation

### Recital 17

*Text proposed by the Commission*

(17) Given the use of ESG ratings from providers located outside the Union, it is necessary to introduce requirements based on which third-country ESG rating providers may offer their services in the Union. This is necessary to ensure market integrity, investor protection and proper enforcement. Therefore, **three** possible regimes are proposed for those third countries ESG rating providers: equivalence, endorsement **and recognition**. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. Therefore, ESG ratings provided by an ESG rating provider located in a third country can only be offered in the Union where a positive decision on equivalence of the third-country regime has been taken by the Commission. However, to avoid any adverse impact resulting from a possible abrupt cessation of the offering in the Union of ESG ratings provided by a third country ESG rating provider, it is also necessary to provide for certain other mechanisms, that is endorsement and recognition. Any ESG rating provider with a group structure should be able to use the mechanism of endorsement for the ESG ratings developed outside the Union, provided they establish, within the group, an authorised ESG rating provider in the Union. ***Smaller ESG rating providers, within the meaning of the maximum threshold of net turnover to define small undertakings in Directive 2013/34/EU<sup>26</sup>, that generally do not belong to a group, and may not have the means to have a legal entity authorised in the Union, should be able to continue or start offering their services in the Union and should therefore benefit from a lighter regime, that is recognition.*** Where the third country ESG provider is subject to

*Amendment*

(17) Given the use of ESG ratings from providers located outside the Union, it is necessary to introduce requirements based on which third-country ESG rating providers may offer their services in the Union. This is necessary to ensure market integrity, investor protection and proper enforcement. Therefore, **two** possible regimes are proposed for those third countries ESG rating providers: equivalence **and** endorsement. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. Therefore, ESG ratings provided by an ESG rating provider located in a third country can only be offered in the Union where a positive decision on equivalence of the third-country regime has been taken by the Commission. However, to avoid any adverse impact resulting from a possible abrupt cessation of the offering in the Union of ESG ratings provided by a third country ESG rating provider, it is also necessary to provide for certain other mechanisms, that is endorsement and recognition. Any ESG rating provider with a group structure should be able to use the mechanism of endorsement for the ESG ratings developed outside the Union, provided they establish, within the group, an authorised ESG rating provider in the Union. Where the third country ESG provider is subject to supervision, appropriate cooperation arrangements should be put in place in order to ensure the proper exchange of information with the relevant competent authority of the third country.

supervision, appropriate cooperation arrangements should be put in place in order to ensure the proper exchange of information with the relevant competent authority of the third country.

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***<sup>26</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).***

Or. en

**Amendment 127**  
**Markus Ferber**

**Proposal for a regulation**  
**Recital 17**

*Text proposed by the Commission*

(17) Given the use of ESG ratings from providers located outside the Union, it is necessary to introduce requirements based on which third-country ESG rating providers may offer their services in the Union. This is necessary to ensure market integrity, investor protection and proper enforcement. Therefore, three possible regimes are proposed for those third countries ESG rating providers: equivalence, endorsement and recognition. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. Therefore, ESG ratings provided by an ESG rating provider located in a third country can only be offered in the Union where a positive decision on equivalence of the third-country regime has been taken by the

*Amendment*

(17) Given the use of ESG ratings from providers located outside the Union, it is necessary to introduce requirements based on which third-country ESG rating providers may offer their services in the Union. This is necessary to ensure market integrity, investor protection and proper enforcement. Therefore, three possible regimes are proposed for those third countries ESG rating providers: equivalence, endorsement and recognition. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. Therefore, ESG ratings provided by an ESG rating provider located in a third country can only be offered in the Union where a positive decision on equivalence of the third-country regime has been taken by the

Commission. However, to avoid any adverse impact resulting from a possible abrupt cessation of the offering in the Union of ESG ratings provided by a third country ESG rating provider, it is also necessary to provide for certain other mechanisms, that is endorsement and recognition. ***Any ESG rating provider with a group structure should be able to use the mechanism of endorsement for the ESG ratings developed outside the Union, provided they establish, within the group, an authorised ESG rating provider in the Union. Smaller ESG rating providers, within the meaning of the maximum threshold of net turnover to define small undertakings in Directive 2013/34/EU<sup>26</sup>, that generally do not belong to a group, and may not have the means to have a legal entity authorised in the Union, should be able to continue or start offering their services in the Union and should therefore benefit from a lighter regime, that is recognition. Where the third country ESG provider is subject to supervision, appropriate cooperation arrangements should be put in place in order to ensure the proper exchange of information with the relevant competent authority of the third country.***

Commission. However, to avoid any adverse impact resulting from a possible abrupt cessation of the offering in the Union of ESG ratings provided by a third country ESG rating provider, it is also necessary to provide for certain other mechanisms, that is endorsement and recognition.

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<sup>26</sup> ***Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).***

Or. en

**Amendment 128**  
**Billy Kelleher**



## Proposal for a regulation

### Recital 17

*Text proposed by the Commission*

(17) Given the use of ESG ratings from providers located outside the Union, it is necessary to introduce requirements based on which third-country ESG rating providers may offer their services in the Union. This is necessary to ensure market integrity, investor protection and proper enforcement. Therefore, three possible regimes are proposed for those third countries ESG rating providers: equivalence, endorsement and recognition. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. Therefore, ESG ratings provided by an ESG rating provider located in a third country can only be offered in the Union where a positive decision on equivalence of the third-country regime has been taken by the Commission. However, to avoid any adverse impact resulting from a possible abrupt cessation of the offering in the Union of ESG ratings provided by a third country ESG rating provider, it is also necessary to provide for certain other mechanisms, that is endorsement and recognition. Any ESG rating provider with a group structure should be able to use the mechanism of endorsement for the ESG ratings developed outside the Union, provided they establish, within the group, an authorised ESG rating provider in the Union. Smaller ESG rating providers, within the meaning of the maximum threshold of net turnover to define small undertakings in Directive 2013/34/EU<sup>26</sup>, that generally do not belong to a group, and may not have the means to have a legal entity authorised in the Union, should be able to continue or start offering their services in the Union and should therefore benefit from a lighter regime, that is recognition. Where the third country ESG provider is subject to supervision,

*Amendment*

(17) Given the use of ESG ratings from providers located outside the Union, it is necessary to introduce requirements based on which third-country ESG rating providers may offer their services in the Union. This is necessary to ensure market integrity, investor protection and proper enforcement. ***There are objective reasons why a third country ESG rating provider has to provide the ESG rating and why that ESG rating should be endorsed for use in the Union, including proximity to the issuer, a particular industry, centres of excellence for sub-components of ESG factors, expertise of staff employed outside the EU, and the development of ratings through the collaboration of global teams***. Therefore, three possible regimes are proposed for those third countries ESG rating providers: equivalence, endorsement and recognition. As an overarching principle, supervision and regulation in a third country should be equivalent to Union supervision and regulation of ESG ratings. Therefore, ESG ratings provided by an ESG rating provider located in a third country can only be offered in the Union where a positive decision on equivalence of the third-country regime has been taken by the Commission. However, to avoid any adverse impact resulting from a possible abrupt cessation of the offering in the Union of ESG ratings provided by a third country ESG rating provider, it is also necessary to provide for certain other mechanisms, that is endorsement and recognition. Any ESG rating provider with a group structure should be able to use the mechanism of endorsement for the ESG ratings developed outside the Union, provided they establish, within the group, an authorised ESG rating provider in the Union. Smaller ESG rating providers, within the meaning of the maximum

appropriate cooperation arrangements should be put in place in order to ensure the proper exchange of information with the relevant competent authority of the third country.

threshold of net turnover *in the Union* to define small undertakings in Directive 2013/34/EU<sup>26</sup>, that generally do not belong to a group, and may not have the means to have a legal entity authorised in the Union, should be able to continue or start offering their services in the Union and should therefore benefit from a lighter regime, that is recognition. Where the third country ESG provider is subject to supervision, appropriate cooperation arrangements should be put in place in order to ensure the proper exchange of information with the relevant competent authority of the third country.

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<sup>26</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

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<sup>26</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

Or. en

## **Amendment 129**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Recital 20**

*Text proposed by the Commission*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, objective, continuous and subject to validation. ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually.

*Amendment*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, objective, continuous and subject to validation. ***Therefore, these methodologies should be developed in accordance with the minimum requirements set out in this Regulation. As a matter of principle, an ESG rating***

*should always address the material impact of the rated entity on the environment and society in general.* ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually, *including to take into account European and International developments affecting the E, S and/or G factors.*

Or. en

**Amendment 130**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Recital 20**

*Text proposed by the Commission*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, objective, continuous *and subject to validation*. ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually.

*Amendment*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, objective, *and* continuous. ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually, *and should regularly evaluate their methodologies against the outputs which they have been used to produce.*

Or. en

**Amendment 131**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Recital 20**

*Text proposed by the Commission*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, objective, continuous and subject to validation. ESG rating providers should review ESG ratings

*Amendment*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, objective, continuous and subject to validation. *However, it is key to leave it to the ESG rating providers*

methodologies on an on-going basis and at least annually.

***themselves to determine their own methodologies according to the above principles.*** ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually.

Or. en

**Amendment 132**  
**Billy Kelleher**

**Proposal for a regulation**  
**Recital 20**

*Text proposed by the Commission*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, ***objective***, continuous and subject to ***validation***. ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually.

*Amendment*

(20) To ensure the quality and reliability of ESG ratings, ESG rating providers should use rating methodologies that are rigorous, systematic, ***independent***, continuous and subject to ***justification***. ESG rating providers should review ESG ratings methodologies on an on-going basis and at least annually.

Or. en

**Amendment 133**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Recital 20 a (new)**

*Text proposed by the Commission*

*Amendment*

***(20 a) Taking into account the Union objectives and international standards for each factor is a prerequisite to ensure a sufficient level of quality of ESG ratings. As such, for the “E” factor, ESG ratings providers should ensure that the rated entity’s activities are aligned with the objectives set in the Paris agreement.***

Or. en

## Amendment 134

Pascal Durand, René Repasi, Pedro Silva Pereira, Paul Tang

### Proposal for a regulation

#### Recital 21

*Text proposed by the Commission*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly ***disclose which dimension*** of the double materiality ***the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them.*** They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

*Amendment*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, ***they should, to the greatest extent possible, take into account all relevant information, in each of the materiality dimensions, on sustainability matters falling within the scope of the rated entity's activities. As a result,*** the rating products should explicitly ***address both dimensions*** of the double materiality, ***that is, both the material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general. On the one hand, an impact dimension pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term. Impacts include those connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships, as defined in the delegated act supplementing Directive 2013/34/EU. On the other hand, a financial dimension should be considered if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. This is the case when a sustainability matter generates or may generate risks or opportunities that have a material influence, or could reasonably be expected to have a material influence, on***

*the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term.* ESG rating providers should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

Or. en

## **Amendment 135**

**Billy Kelleher, Gilles Boyer, Pascal Canfin, Stéphanie Yon-Courtin**

### **Proposal for a regulation**

#### **Recital 21**

##### *Text proposed by the Commission*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more

##### *Amendment*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more

detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. ***In particular, ESG ratings providers should disclose whether E, S, or G factors are taken into account, or an aggregation thereof, the rating given to each relevant factor, and the weighting each of these factors is given in the aggregation.*** Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

Or. en

**Amendment 136**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Recital 21**

*Text proposed by the Commission*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to

*Amendment*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to

subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation. ***The non-disclosure of information related to their intellectual capital, intellectual property and other information qualified as trade secrets, is key to the viability of these companies and the promotion of innovation.***

Or. en

## **Amendment 137**

### **Dorien Rookmaker**

#### **Proposal for a regulation**

##### **Recital 21**

###### *Text proposed by the Commission*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG

###### *Amendment*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether it is both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only one of them. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG



ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information, ***proprietary knowledge*** or impede innovation. ***Striking this balance is essential for the functioning and progress of industries in the modern economy.***

Or. en

### **Amendment 138**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Recital 21**

*Text proposed by the Commission*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether ***it is*** both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only ***one of them***. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or not on those ESG ratings. Disclosure of information concerning models should

*Amendment*

(21) To ensure a higher-level transparency, ESG rating providers should disclose information to the public on the methodologies, models and key rating assumptions which those providers use in their ESG rating activities and in each of their ESG ratings product. In light of the uses of ESG ratings by investors, the rating products should explicitly disclose which dimension of the double materiality the rating addresses, whether ***the rating addresses*** both material financial risk to the rated entity and the material impact of the rated entity on the environment and society in general or whether it takes into account only ***the material impact of the rated entity on the environment and society in general***. They should also explicitly disclose whether the rating addresses other dimensions. For the same reason, ESG rating providers should provide more detailed information on the methodologies, models and key rating assumptions to subscribers of ESG ratings. That information should enable users of ESG ratings to perform their own due diligence when assessing whether to rely or

however not reveal sensitive business information or impede innovation.

not on those ESG ratings. Disclosure of information concerning models should however not reveal sensitive business information or impede innovation.

Or. en

### **Amendment 139**

**Billy Kelleher, Gilles Boyer, Pascal Canfin, Stéphanie Yon-Courtin**

#### **Proposal for a regulation**

##### **Recital 21 a (new)**

*Text proposed by the Commission*

*Amendment*

***(21 a) This Regulation should not interfere with the ESG rating methodologies or content. Diversity in the methodologies of ESG ratings providers ensures that the broad requirements of users can be met and promotes competition in the market.***

Or. en

### **Amendment 140**

**Markus Ferber**

#### **Proposal for a regulation**

##### **Recital 22**

*Text proposed by the Commission*

*Amendment*

(22) ESG rating providers should ensure that they provide ESG ratings that are independent, objective and of adequate quality. It is important to introduce organisational requirements ensuring the prevention and mitigation of potential conflicts of interests. To ensure their independence, ESG rating providers should avoid situations of conflict of interest and manage those conflicts adequately where they are unavoidable. ESG rating providers should disclose conflicts of interest in a timely manner. They should also keep

(22) ESG rating providers should ensure that they provide ESG ratings that are independent, objective and of adequate quality. It is important to introduce organisational requirements ensuring the prevention and mitigation of potential conflicts of interests. To ensure their independence, ESG rating providers should avoid situations of conflict of interest and manage those conflicts adequately where they are unavoidable. ESG rating providers should disclose conflicts of interest in a timely manner. They should also keep

records of all significant threats to the independence of the ESG rating provider and that of its employees and other persons involved in the rating process, and the safeguards applied to mitigate those threats. ***In addition, to avoid potential conflicts of interest, ESG rating providers should not be allowed to offer a number of other services including consulting services, credit ratings, benchmarks, investment activities, audit, or banking, insurance and reinsurance activities.*** Finally, to prevent, identify, eliminate or manage and disclose any conflicts of interest and ensure the quality, integrity and thoroughness of the ESG rating and review process at all times, ESG rating providers should establish appropriate internal policies and procedures in relation to employees and other persons involved in the rating process. Such policies and procedures should, in particular, include internal control mechanisms and a compliance function.

records of all significant threats to the independence of the ESG rating provider and that of its employees and other persons involved in the rating process, and the safeguards applied to mitigate those threats. Finally, to prevent, identify, eliminate or manage and disclose any conflicts of interest and ensure the quality, integrity and thoroughness of the ESG rating and review process at all times, ESG rating providers should establish appropriate internal policies and procedures in relation to employees and other persons involved in the rating process. Such policies and procedures should, in particular, include internal control mechanisms and a compliance function.

Or. en

**Amendment 141**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Recital 22**

*Text proposed by the Commission*

(22) ESG rating providers should ensure that they provide ESG ratings that are independent, objective and of adequate quality. It is important to introduce organisational requirements ensuring the prevention and mitigation of potential conflicts of interests. To ensure their independence, ESG rating providers should avoid situations of conflict of interest and manage those conflicts adequately where they are unavoidable. ESG rating providers should disclose conflicts of interest in a timely manner. They should also keep

*Amendment*

(22) ESG rating providers should ensure that they provide ESG ratings that are independent, objective and of adequate quality. It is important to introduce organisational requirements ensuring the prevention and mitigation of potential conflicts of interests. To ensure their independence, ESG rating providers should avoid situations of conflict of interest and manage those conflicts adequately where they are unavoidable. ESG rating providers should disclose conflicts of interest in a timely manner. They should also keep

records of all significant threats to the independence of the ESG rating provider and that of its employees and other persons involved in the rating process, and the safeguards applied to mitigate those threats. In addition, to avoid potential conflicts of interest, ESG rating providers should not be allowed to offer *a number of other services including* consulting services, *credit ratings, benchmarks, investment activities*, audit, *or banking, insurance and reinsurance* activities. Finally, to prevent, identify, eliminate or manage and disclose any conflicts of interest and ensure the quality, integrity and thoroughness of the ESG rating and review process at all times, ESG rating providers should establish appropriate internal policies and procedures in relation to employees and other persons involved in the rating process. Such policies and procedures should, in particular, include internal control mechanisms and a compliance function.

records of all significant threats to the independence of the ESG rating provider and that of its employees and other persons involved in the rating process, and the safeguards applied to mitigate those threats. In addition, to avoid potential conflicts of interest, ESG rating providers should not be allowed to offer consulting services *and* audit activities. Finally, to prevent, identify, eliminate or manage and disclose any conflicts of interest and ensure the quality, integrity and thoroughness of the ESG rating and review process at all times, ESG rating providers should establish appropriate internal policies and procedures in relation to employees and other persons involved in the rating process. Such policies and procedures should, in particular, include internal control mechanisms and a compliance function.

Or. en

## **Amendment 142**

**Valentino Grant, Antonio Maria Rinaldi**

### **Proposal for a regulation**

#### **Recital 22**

##### *Text proposed by the Commission*

(22) ESG rating providers should ensure that they provide ESG ratings that are independent, objective and of adequate quality. It is important to introduce organisational requirements ensuring the prevention and mitigation of potential conflicts of interests. To ensure their independence, ESG rating providers should avoid situations of conflict of interest and manage those conflicts adequately where they are unavoidable. ESG rating providers should disclose conflicts of interest in a timely manner. They should also keep

##### *Amendment*

(22) ESG rating providers should ensure that they provide ESG ratings that are independent, objective and of adequate quality. It is important to introduce organisational requirements ensuring the prevention and mitigation of potential conflicts of interests. To ensure their independence, ESG rating providers should avoid situations of conflict of interest and manage those conflicts adequately where they are unavoidable. ESG rating providers should disclose conflicts of interest in a timely manner. They should also keep

records of all significant threats to the independence of the ESG rating provider and that of its employees and other persons involved in the rating process, and the safeguards applied to mitigate those threats. In addition, to avoid potential conflicts of interest, ESG rating providers should not be allowed to offer a number of other services including consulting services, credit ratings, benchmarks, investment activities, audit, or banking, insurance and reinsurance activities. Finally, to prevent, identify, eliminate or manage and disclose any conflicts of interest and ensure the quality, integrity and thoroughness of the ESG rating and review process at all times, ESG rating providers should establish appropriate internal policies and procedures in relation to employees and other persons involved in the rating process. Such policies and procedures should, in particular, include internal control mechanisms and a compliance function.

records of all significant threats to the independence of the ESG rating provider and that of its employees and other persons involved in the rating process, and the safeguards applied to mitigate those threats. In addition, to avoid potential conflicts of interest, ESG rating providers should not be allowed to offer a number of other services including consulting services, credit ratings, benchmarks, investment activities, audit, or banking, insurance and reinsurance activities. Finally, to prevent, identify, eliminate or manage and disclose any conflicts of interest and ensure the quality, integrity and thoroughness of the ESG rating and review process at all times, ESG rating providers should establish appropriate internal policies and procedures in relation to employees and other persons involved in the rating process. Such policies and procedures should, in particular, include internal control mechanisms and a compliance function. ***Finally, the incompatibility, at least for one year, of the subjects who carried out evaluation activities in providing the rating of the company involved should be established for managerial positions.***

Or. en

**Amendment 143**  
**Sirpa Pietikäinen**

**Proposal for a regulation**  
**Recital 22 a (new)**

*Text proposed by the Commission*

*Amendment*

***(22 a) The Commission should review the Credit Rating Agencies Regulation to include the obligation to rate sustainability aspects in both, public and private sectors.***

Or. en

**Amendment 144**  
**Sirpa Pietikäinen**

**Proposal for a regulation**  
**Recital 22 b (new)**

*Text proposed by the Commission*

*Amendment*

***(22 b) The ratings need to be based on harmonised life cycle assessment methodologies and science. These methodologies should be disclosed transparently. The negative impacts of the ESG risks should be clearly rated, in case of prevailing risk or significant harm, according to the do no significant harm principle.***

Or. en

**Amendment 145**  
**Sirpa Pietikäinen**

**Proposal for a regulation**  
**Recital 22 c (new)**

*Text proposed by the Commission*

*Amendment*

***(22 c) ESG ratings should work in a social and climate-just way within the planetary boundaries.***

Or. en

**Amendment 146**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 1 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

This Regulation introduces a common regulatory approach to enhance the

This Regulation introduces a common regulatory approach to enhance the

integrity, transparency, responsibility, good governance, and independence of ESG rating activities, contributing to the **transparency** and quality of ESG ratings. It aims to contribute to the smooth functioning of the internal market, while achieving a high level of consumer and investor protection and preventing greenwashing or other types of misinformation, including social-washing, by introducing transparency requirements related to ESG ratings and rules on the organisation and conduct of ESG rating providers.

integrity, **comparability**, transparency, responsibility, good governance, and independence of ESG rating activities, contributing to the **reliability** and quality of ESG ratings. It aims to contribute to the smooth functioning of the internal market, while achieving a high level of consumer and investor protection and preventing greenwashing or other types of misinformation, including social-washing, by introducing transparency **and minimum** requirements related to ESG ratings and rules on the organisation and conduct of ESG rating providers.

Or. en

#### **Amendment 147** **Dorien Rookmaker**

##### **Proposal for a regulation** **Article 1 – paragraph 1**

###### *Text proposed by the Commission*

This Regulation introduces a common regulatory approach to enhance the integrity, transparency, responsibility, good governance, and independence of ESG rating activities, contributing to the transparency and **quality** of ESG ratings. It aims to contribute to the smooth functioning of the internal market, while achieving a high level of consumer and investor protection and preventing greenwashing or other types of misinformation, including social-washing, by introducing transparency requirements related to ESG ratings and rules on the organisation and conduct of ESG rating providers.

###### *Amendment*

This Regulation introduces a common regulatory approach to enhance the integrity, transparency, responsibility, good governance, and independence of ESG rating activities, contributing to the **consistency**, transparency and **comparability** of ESG ratings. It aims to contribute to the smooth functioning of the internal market, while achieving a high level of consumer and investor protection and preventing greenwashing or other types of misinformation, including social-washing, by introducing transparency requirements related to ESG ratings and rules on the organisation and conduct of ESG rating providers.

Or. en

#### **Amendment 148** **Billy Kelleher**

**Proposal for a regulation**  
**Article 1 a (new)**

*Text proposed by the Commission*

*Amendment*

**Article 1a**

***Use of an ESG rating***

***A regulated financial undertaking may use an ESG rating or a combination of ESG ratings in the Union if the ESG rating is provided by an ESG rating provider included in the register referred to in Article 13 or if it has developed the ESG rating exclusively for in-house use.***

Or. en

**Amendment 149**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 2 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. This Regulation applies to ESG ratings issued by ESG **rating** providers operating in the Union that are disclosed publicly or that are distributed to regulated financial undertakings in the Union, undertakings that fall under the scope of Directive 2013/34/EU of the European Parliament and of the Council, or Union or Member States public authorities.

1. This Regulation applies to ESG ratings **and ESG data products** issued by ESG **ratings and ESG data products** providers operating in the Union that are disclosed publicly or that are distributed to regulated financial undertakings in the Union, undertakings that fall under the scope of Directive 2013/34/EU of the European Parliament and of the Council, or Union or Member States public authorities.

Or. en

*Justification*

*In line with IOSCO definitions*

**Amendment 150**  
**Valentino Grant, Antonio Maria Rinaldi**



## Proposal for a regulation

### Article 2 – paragraph 1

*Text proposed by the Commission*

1. This Regulation applies to ESG ratings issued by ESG rating providers operating in the Union that are disclosed publicly or that are distributed to regulated financial undertakings in the Union, undertakings that fall under the scope of Directive 2013/34/EU of the European Parliament and of the Council, or Union or Member States public authorities.

*Amendment*

1. This Regulation applies to ESG ratings issued by ESG rating providers operating in the Union **and to ESG DATA estimates** that are disclosed publicly or that are distributed to regulated financial undertakings in the Union, undertakings that fall under the scope of Directive 2013/34/EU of the European Parliament and of the Council, or Union or Member States public authorities.

Or. en

## Amendment 151

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

## Proposal for a regulation

### Article 2 – paragraph 2 – point a

*Text proposed by the Commission*

(a) private ESG ratings which are not intended for public disclosure or for distribution;

*Amendment*

(a) private ESG ratings **and ESG data products** which are not intended for public disclosure or for distribution;

Or. en

## Amendment 152

Erik Poulsen

## Proposal for a regulation

### Article 2 – paragraph 2 – point b

*Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that **are** used for internal purposes **or** for providing in-house financial services and products;

*Amendment*

(b) ESG ratings produced by regulated financial undertakings in the Union that **may be, inter alia:**

**(i)** used for internal purposes; **or**

*(ii) provided externally as, or as part of, a product or service that is regulated by existing EU regulations or third country equivalents, such as Regulation (EU) 2019/2088 (SFDR), Regulation (EU) No 596/2014 (MAR), Directive 2014/65/EU (MiFID II), Regulation (EU) 2019/2089 (Low Carbon Benchmark Regulation), Directive 2009/65/EC (UCITS) and Directive 2011/61/EU (AIFMD); or*

*(iii) used for providing in-house financial services and products; or*

*(iv) provided to intra-group entities included in the accounting consolidated group or to the assets under management of the group;*

Or. en

#### *Justification*

*It is assumed, that the intention of the proposal is not to regulate ESG ratings that are part of an investment product or investment service. This is – among other things – important to ensure a level playing field between internal and external production of investment products and investment services. The amendment seeks to clarify this. In addition, ESG ratings and ESG assessments for internal purposes prepared by third-party companies, including jointly owned data centres, are excluded from the scope of the proposal, cf. Article 2(2)(a) and/or (b), as these ESG ratings and ESG assessments are also not for public disclosure. This is important to maintain.*

### **Amendment 153**

**Valentino Grant, Antonio Maria Rinaldi**

#### **Proposal for a regulation**

#### **Article 2 – paragraph 2 – point b**

##### *Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that **are** used for internal purposes **or** for providing in-house financial services and products;

##### *Amendment*

(b) ESG ratings produced by regulated financial undertakings in the Union that **may be, inter alia:**

**i) used for internal purposes; or**

**ii) provided externally as, or as part of, a product or service that is regulated by**

*existing EU regulations or third country equivalents, such as Regulation (EU) 2019/2088 (SFDR), Regulation (EU) 596/2014 (MAR), Directive 2014/65/EU (MiFID II) and / or Regulation 2019/2089 (Low Carbon Benchmark Regulation); or*

*iii) used for providing in-house financial services and products; or*

*iv) provided to intra-group entities included in the accounting consolidated group or to the assets under management of the group;*

Or. en

#### **Amendment 154**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 2 – paragraph 2 – point b**

*Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used for internal purposes **or for providing in-house** financial services **and** products;

*Amendment*

(b) ESG ratings **and ESG data products** produced by regulated financial undertakings in the Union that are:

*i) used for internal purposes, or provided to other entities that are part of the same consolidated group; or*

*ii) provided or disclosed as an element in conjunction with, and limited to, a regulated financial service or product; or*

*iii) required by or derived from the regulations applicable to EU regulated financial undertakings, services or products;*

Or. en

#### **Amendment 155**

**Billy Kelleher**

#### **Proposal for a regulation**

## Article 2 – paragraph 2 – point b

*Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used for internal purposes or for providing in-house financial services and products;

*Amendment*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used for internal purposes or for providing in-house financial services and products ***and that are not used in external marketing of products or advice issued by the financial undertakings;***

Or. en

## Amendment 156

**José Manuel García-Margallo y Marfil**

### Proposal for a regulation

#### Article 2 – paragraph 2 – point b

*Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used for internal purposes or for providing in-house financial services and products;

*Amendment*

(b) ESG ratings produced by regulated financial undertakings in the Union that ***are neither published nor provided to clients and*** are used for internal purposes or for providing in-house financial services and products, ***including services to other entities that are part of the same group;***

Or. en

## Amendment 157

**Markus Ferber**

### Proposal for a regulation

#### Article 2 – paragraph 2 – point b

*Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used for internal purposes or for providing in-house financial services and products;

*Amendment*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used ***exclusively*** for internal purposes or for providing in-house ***or intra-group*** financial services and products ***as long as those ratings are not disclosed to third***

*parties beyond the group;*

Or. en

**Amendment 158**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 2 – paragraph 2 – point b**

*Text proposed by the Commission*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used for internal purposes or for providing in-house financial services and products;

*Amendment*

(b) ESG ratings produced by regulated financial undertakings in the Union that are used ***exclusively*** for internal purposes or for providing in-house financial services and products;

Or. en

**Amendment 159**

**Billy Kelleher**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(ba) ESG scores or factors that are produced as part of and incorporated into the public methodologies for credit ratings and are not marketed independently;***

Or. en

**Amendment 160**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point c**

*Text proposed by the Commission*

*Amendment*

*(c) the provision of raw ESG data that do not contain an element of rating or scoring, and is not subject to any modelling or analysis resulting in the development of an ESG rating;* **deleted**

Or. en

**Amendment 161**  
**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) the provision of raw ESG data that do not contain **an** element of rating or scoring, and is not subject to any modelling or analysis resulting in the development of an ESG rating;

*Amendment*

(c) the provision of raw ESG data that do not contain **and** element of rating or scoring **or estimate and are gathered by ESG data products providers from companies' public disclosures or from other publicly available information** and is not subject to any modelling or analysis resulting in the development of an ESG rating **or ESG estimates**;

Or. en

*Justification*

*Vedere Motivazione Am 3.*

**Amendment 162**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) the provision of **raw** ESG data that do not contain an element of rating or scoring, and is not subject to any modelling or analysis **resulting in the development of an ESG rating**;

*Amendment*

(c) the provision of ESG data that do not contain an element of rating or scoring, and is not subject to any modelling or analysis;

**Amendment 163**

**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point c a (new)**

*Text proposed by the Commission*

*Amendment*

**(ca) ESG ratings which are produced and disclosed within the scope of existing EU regulations;**

Or. en

**Amendment 164**

**Markus Ferber**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point d**

*Text proposed by the Commission*

*Amendment*

(d) credit ratings issued pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council<sup>30</sup> ;

(d) credit ratings issued pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council<sup>30</sup> **and any ESG-related scores that are used as components of credit ratings as part of the public methodology for credit ratings;**

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<sup>30</sup> Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

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<sup>30</sup> Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

Or. en

**Amendment 165**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point d**

*Text proposed by the Commission*

(d) credit ratings issued pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council<sup>30</sup> ;

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<sup>30</sup> Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

*Amendment*

(d) credit ratings issued pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council<sup>30</sup> ***and any assessments of ESG factors that are created in relation to the analysis of, or as an output of, credit ratings;***

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<sup>30</sup> Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

Or. en

**Amendment 166**

**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point e**

*Text proposed by the Commission*

(e) ***products or services that incorporate*** an element of ***an*** ESG rating;

**Amendment 167**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point e**

*Text proposed by the Commission*

(e) products or services that incorporate an element of an ESG rating;

*Amendment*

(e) ***“recommendations” containing*** an element of ESG rating ***within the meaning of Article 1(3) Commission Directive 2003/125/EC;***

(e) products or services that incorporate an element of an ESG rating ***or of an ESG data product;***

Or. en



**Amendment 168**  
**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point e a (new)**

*Text proposed by the Commission*

*Amendment*

***(ea) ESG ratings produced internally and forming part of “investment research” products as defined in Article 24(1) of Directive 2006/73/EC and other forms of general ESG-related recommendations, relating to transactions in financial instruments or to financial obligations (such as MAR and MiFID II - delegated acts on investment recommendation and research);***

Or. en

**Amendment 169**  
**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point e b (new)**

*Text proposed by the Commission*

*Amendment*

***(eb) opinions about the sustainability profile of a financial instrument or a financial obligation;***

Or. en

**Amendment 170**  
**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point e c (new)**

*Text proposed by the Commission*

*Amendment*

*(ec) opinions about the sustainability profile of a financial instrument or a financial obligation; (h) credit ratings issued pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council;*

Or. en

**Amendment 171**

**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point e d (new)**

*Text proposed by the Commission*

*Amendment*

*(ed) ESG rating elements that are used or provided or disclosed as complementary or substantial to financial products or services that incorporate an element of an ESG rating;*

Or. en

**Amendment 172**

**Markus Ferber**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point f**

*Text proposed by the Commission*

*Amendment*

(f) second-party opinions *on sustainability bonds*;

(f) second-party opinions;

Or. en

**Amendment 173**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point f**

*Text proposed by the Commission*

*Amendment*

(f) second-party opinions on sustainability bonds;

(f) second-party opinions on ***all types of green, social, sustainability and sustainability-linked*** bonds ***and loans***;

Or. en

**Amendment 174**

**Billy Kelleher**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point f**

*Text proposed by the Commission*

*Amendment*

(f) second-party opinions on sustainability bonds;

(f) second-party opinions on ***sustainable debt instruments, including but not limited to*** sustainability bonds, ***loans and other types of debt instruments, as well as financing frameworks that govern the use of such instruments***;

Or. en

**Amendment 175**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point g**

*Text proposed by the Commission*

*Amendment*

(g) ESG ratings produced by Union or Member States' public authorities;

(g) ESG ratings ***and ESG data products*** produced by Union or Member States' public authorities;

Or. en

**Amendment 176**

**Billy Kelleher**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

(h) ESG ratings from an authorised ESG rating provider that are made available to users by a third party;

(h) ESG ratings from an authorised ESG rating provider that are made available to users by a third party ***or an affiliate of the authorised ESG rating provider within the same group structure;***

Or. en

**Amendment 177**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

(h) ESG ratings from an authorised ESG ***rating*** provider that are made available to users by a third party;

(h) ESG ratings ***and ESG data products*** from an authorised ESG ***ratings and ESG data products*** provider that are made available to users by a third party;

Or. en

**Amendment 178**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i – introductory part**

*Text proposed by the Commission*

*Amendment*

(i) ESG ratings produced by central banks that fulfil all of the following conditions:

(i) ESG ratings ***and ESG data products*** produced by central banks that fulfil all of the following conditions:

Or. en

**Amendment 179**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i – introductory part**

*Text proposed by the Commission*

*Amendment*

(i) ESG ratings produced by central banks **that fulfil all of the following conditions:**

(i) ESG ratings produced by **members of the European System of Central Banks (ESCB);**

Or. en

**Amendment 180**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i – introductory part**

*Text proposed by the Commission*

*Amendment*

(i) ESG ratings produced by central banks that fulfil **all of** the following conditions:

(i) ESG ratings produced by **members of the European System of Central Banks (ESCB)** that fulfil the following conditions:

Or. en

**Amendment 181**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i – point a**

*Text proposed by the Commission*

*Amendment*

(a) **they are not paid for by the rated entity;**

**deleted**

Or. en

**Amendment 182**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i – point b**

*Text proposed by the Commission*

*Amendment*

**(b)** *they are not disclosed to the public;* **deleted**

Or. en

**Amendment 183**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i – point b**

*Text proposed by the Commission*

*Amendment*

**(b)** they are not *disclosed to the public*; **(b)** they are not *produced or disseminated for commercial purposes*;

Or. en

**Amendment 184**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i – point c**

*Text proposed by the Commission*

*Amendment*

**(c)** *they are provided in accordance with the principles, standards and procedures which ensure the adequacy, integrity and independence of rating activities, as provided for by this Regulation, and* **deleted**

Or. en

**Amendment 185**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i – point c**

*Text proposed by the Commission*

*Amendment*

**(c)** *they are provided in accordance with the principles, standards and procedures which ensure the adequacy, integrity and independence of rating activities, as provided for by this Regulation, and* **deleted**

Or. en

**Amendment 186**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i – point d**

*Text proposed by the Commission*

*Amendment*

**(d)** *they do not relate to financial instruments issued by the respective central banks' Member States.* **deleted**

Or. en

**Amendment 187**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i – point d**

*Text proposed by the Commission*

*Amendment*

**(d)** *they do not relate to financial instruments issued by the respective central banks' Member States.* **deleted**

Or. en

**Amendment 188**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(d a) the transparency of methodology requirements pursuant to Article 13 of Regulation 2016/1011;***

Or. en

**Amendment 189**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(ia) non-profit civil society organisations or academics or journalists putting together scoreboards or rankings for non-commercial purposes, which represent a non-significant part of their overall activities.***

Or. en

**Amendment 190**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 2 – paragraph 2 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) investment research products, such as equity research reports, which may incorporate ESG considerations, but which are different to the ratings of only ESG matters.***

Or. en



**Amendment 191**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) the mandatory disclosures pursuant to Articles 6, 8 and 9 of Regulation (EU) 2019/2088;***

Or. en

*Justification*

*Making clear that Asset Managers' SFDR reporting and the BMR's transparency of methodology obligations are not captured by the ESG rating providers regulation.*

**Amendment 192**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i b (new)**

*Text proposed by the Commission*

*Amendment*

***(i b) the disclosures pursuant to Articles 5, 6 and 8 of Regulation (EU) 2020/852;***

Or. en

**Amendment 193**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i c (new)**

*Text proposed by the Commission*

*Amendment*

***(i c) the transparency of methodology requirements to Article 13 and Annex III of Regulation 2019/2089;***

**Amendment 194**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i d (new)**

*Text proposed by the Commission*

*Amendment*

***(i d) the transparency of methodology requirements to Article 13 of Regulation 2019/2175;***

Or. en

**Amendment 195**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 2 – paragraph 2 – point i e (new)**

*Text proposed by the Commission*

*Amendment*

***(ie) the transparency of methodology requirements to Article 13 of Regulation 2021/168.***

Or. en

**Amendment 196**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 2 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. ESMA shall develop draft regulatory technical standards to specify further what constitutes a use exclusively for internal purposes or for providing in-house financial services and products in***

*accordance with point (b) of paragraph 2.*

*ESMA shall submit those draft regulatory technical standards to the Commission by [12 months after the entry into force of this Regulation].*

*Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with the procedure laid down in Articles 10 to 14 of Regulation (EU) 1095/2010.*

Or. en

**Amendment 197**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology **and** defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

*Amendment*

(1) ‘ESG rating’ means **a product marketed as providing** an opinion, a score or a combination of both, **or the analysis or modelling of data** regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology **or** defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

Or. en

**Amendment 198**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s **ESG** profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology and defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

*Amendment*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s **Environmental, Social and/or Governance** profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on **both** an established methodology and defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

Or. en

**Amendment 199**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology and defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

*Amendment*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established **and transparent** methodology and defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

Or. en

**Amendment 200**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology and defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

*Amendment*

(1) ‘ESG rating’ means an **ESG** opinion, a **ESG** score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology and defined ranking system of rating categories and that are provided to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

Or. en

**Amendment 201**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology and defined ranking system of rating categories and that are **provided** to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

*Amendment*

(1) ‘ESG rating’ means an opinion, a score or a combination of both, regarding an entity, a financial instrument, a financial product, or an undertaking’s ESG profile or characteristics or exposure to ESG risks or the impact on people, society and the environment, that are based on an established methodology and defined ranking system of rating categories and that are **marketed** to third parties, irrespective of whether such ESG rating is explicitly labelled as ‘rating’ or ‘ESG score’;

Or. en

**Amendment 202**

**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***(1 a) ‘ESG data estimates’ means raw data relative to ESG profile or characteristics of an undertaking that do not result from the gathering of ESG data from companies’ public disclosures or from other publicly available information but rather derive from estimates or approximations by the ESG data providers - where pure raw data are not available;***

Or. en

**Amendment 203**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 2**

*Text proposed by the Commission*

*Amendment*

**(2) ‘opinion’ means an assessment *that based on a rules-based methodology and defined ranking system of rating categories*, involving directly a rating analyst in the rating process or systems process;**

**(2) ‘opinion’ means an assessment, involving directly a rating analyst in the rating process or systems process;**

Or. en

**Amendment 204**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 2**

*Text proposed by the Commission*

*Amendment*

(2) ‘opinion’ means an assessment that based on a rules-based methodology and defined ranking system of rating categories, involving directly a rating analyst in the rating process or systems process;

(2) ‘**ESG** opinion’ means an **ESG** assessment that based on a rules-based methodology and defined ranking system of rating categories, involving directly a rating analyst in the rating process or systems process;

Or. en

**Amendment 205**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 3**

*Text proposed by the Commission*

(3) ‘score’ means a measure derived from data, **using a rule-based methodology**, and based only on a pre-established statistical or algorithmic system or model, without any additional substantial analytical input from an analyst;

*Amendment*

(3) ‘score’ means a measure derived from data and based only on a pre-established statistical or algorithmic system or model, without any additional substantial analytical input from an analyst;

Or. en

**Amendment 206**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 3**

*Text proposed by the Commission*

(3) ‘score’ means a measure derived from data, using a rule-based methodology, and based only on a pre-established statistical or algorithmic system or model, without any additional substantial analytical input from an analyst;

*Amendment*

(3) ‘**ESG** score’ means a **ESG** measure derived from data, using a rule-based methodology, and based only on a pre-established statistical or algorithmic system or model, without any additional substantial analytical input from an analyst;

Or. en

**Amendment 207**

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**(3 a) ‘ESG data product’ means a product marketed as providing either a specific E, S, or G focus or a holistic or combined ESG focus on an entity, financial instrument, product or company’s ESG profile or characteristics or exposure to ESG, climatic or environmental risks or impact on society and the environment, whether or not they are explicitly labelled as “ESG data products”.**

**ESG data products include:**

**(i) ‘ESG raw data’ gathered from companies’ publicly available reportings whenever possible or other sources otherwise, formatted and re-disseminated, and**

**(ii) ‘ESG processed data’ that have been determined or estimated according to a methodology applied by the provider, including, but not limited to, estimates, sectoral data and proxies of missing raw data, and that do not qualify as ESG ratings;**

Or. en

*Justification*

*In line with IOSCO definition.*

**Amendment 208**

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

**Proposal for a regulation**

**Article 3 – paragraph 1 – point 4**

*Text proposed by the Commission*

*Amendment*

**(4) ‘ESG rating providers’ means a**

**(4) ‘ESG ratings provider’ means a**



legal person whose occupation includes the **offering and distribution** of ESG ratings **or scores** on a professional basis;

legal person whose occupation includes the **marketing** of ESG ratings on a professional basis, **and for a charge**;

Or. en

**Amendment 209**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 4**

*Text proposed by the Commission*

(4) ‘ESG rating providers’ means a legal person whose occupation includes the **offering and distribution** of ESG ratings **or scores** on a professional basis;

*Amendment*

(4) ‘ESG rating providers’ means a legal person whose occupation includes the **issuing** of ESG ratings on a professional basis;

Or. en

*Justification*

*Individuals providing services related to ESG rating distribution should be exempted from the proposed Regulation if they are not involved in issuing the ratings.*

**Amendment 210**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 4**

*Text proposed by the Commission*

(4) ‘ESG rating providers’ means a legal person whose occupation includes the **offering and distribution** of ESG ratings or scores on a professional basis;

*Amendment*

(4) ‘ESG rating providers’ means a legal person whose occupation includes the **issuance** of ESG ratings or scores on a professional basis;

Or. en

**Amendment 211**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 4**

*Text proposed by the Commission*

(4) ‘ESG rating providers’ means a legal person whose occupation includes the ***offering and distribution*** of ESG ratings or scores on a professional basis;

*Amendment*

(4) ‘ESG rating providers’ means a legal person whose occupation includes the ***issuance*** of ESG ratings or scores on a professional basis;

Or. en

**Amendment 212**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***(4a) ‘ESG data products provider’ means a legal person whose occupation includes the marketing of ESG data products on a professional basis, and for a charge;***

Or. en

**Amendment 213**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 4 b (new)**

*Text proposed by the Commission*

*Amendment*

***(4 b) ‘ESG ratings and ESG data products provider’ cover an ESG rating provider, or an ESG data product provider, or a provider marketing both ESG ratings and ESG data products on a professional basis, and for a charge;***

Or. en

**Amendment 214**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 7**

*Text proposed by the Commission*

(7) ‘rated entity’ means a legal person, a financial instrument, a financial product or a public authority or a body governed by public law which is explicitly **or implicitly** rated in the ESG rating **or score**, irrespective of whether such rating has been requested for and irrespective of whether the legal person has provided information for that ESG rating or score;

*Amendment*

(7) ‘rated entity’ means a legal person, a financial instrument, a financial product or a public authority or a body governed by public law which is explicitly rated in the ESG rating, irrespective of whether such rating has been requested for and irrespective of whether the legal person has provided information for that ESG rating or score;

Or. en

*Justification*

*Clarity in defining rated entities is crucial, and focusing solely on explicit ratings ensures precision.*

**Amendment 215**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 8**

*Text proposed by the Commission*

(8) ‘user’ means a natural or legal person, including a public authority or a body governed by public law, to which an ESG rating is provided;

*Amendment*

(8) ‘user’ means a natural or legal person, including a public authority or a body governed by public law, to which an ESG rating is provided, **on the basis of a contract with an ESG rating provider**;

Or. en

*Justification*

*To provide a rating, a documented contractual accord between the ESG rating provider and the recipient is essential. While specific ESG ratings might be publicly accessible online, either via the ESG rating provider or an external entity, individuals obtaining ratings through these methods must not be considered “users” of the rating as outlined in the proposed Regulation.*

**Amendment 216**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 9 a (new)**

*Text proposed by the Commission*

*Amendment*

**(9a) ‘management body’ means the body or bodies of an ESG rating provider which are empowered to define the ESG rating provider’s strategy and objectives, and responsible for overseeing and monitoring the ESG rating provider’s activities.**

Or. en

**Amendment 217**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 3 – paragraph 1 – point 10**

*Text proposed by the Commission*

*Amendment*

**(10) ‘senior management’ means the person or persons who effectively direct the business of the ESG rating provider and the member or members of the ESG rating provider’s administrative or supervisory board.**

*deleted*

Or. en

*Justification*

*The term is not present in the text, therefore its definition is redundant.*

**Amendment 218**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**

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### Article 3 – paragraph 1 – point 10

*Text proposed by the Commission*

(10) ‘senior management’ means the person or persons who effectively **direct** the business of the ESG rating provider and the member or members of the ESG rating provider’s administrative or supervisory board.

*Amendment*

(10) ‘senior management’ means the person or persons who effectively **run** the business of the ESG rating provider and the member or members of the ESG rating provider’s administrative or supervisory board.

Or. en

### Amendment 219

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

#### Proposal for a regulation

### Article 3 – paragraph 1 – point 11

*Text proposed by the Commission*

(11) ‘group of ESG rating providers’ means a group of undertakings established in the Union consisting of a parent undertaking and its subsidiaries within the meaning of Article 2 of Directive 2013/34/EU, and undertakings linked to each other by a relationship and whose occupation includes the provision of ESG ratings.

*Amendment*

(11) ‘group of ESG rating **and ESG data products** providers’ means a group of undertakings established in the Union consisting of a parent undertaking and its subsidiaries within the meaning of Article 2 of Directive 2013/34/EU, and undertakings linked to each other by a relationship and whose occupation includes the provision of ESG ratings **and/or ESG data products**.

Or. en

### Amendment 220

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

#### Proposal for a regulation

### Title II

*Text proposed by the Commission*

Provision of ESG ratings in the Union

*Amendment*

Provision of ESG ratings **and ESG data products** in the Union

Or. en

**Amendment 221**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 4 – title**

*Text proposed by the Commission*

Requirements to provide ESG ratings in the Union

*Amendment*

Requirements to provide ESG ratings *and ESG data products* in the Union

Or. en

**Amendment 222**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 4 – paragraph 1 – introductory part**

*Text proposed by the Commission*

Any *legal person* who wishes to provide ESG ratings in the Union shall be subject to either of the following:

*Amendment*

Any *ESG rating or ESG data products provider* who wishes to provide ESG ratings *and/or ESG data products* in the Union shall be subject to either of the following:

Or. en

**Amendment 223**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 4 – paragraph 1 – point d**

*Text proposed by the Commission*

*(d) a recognition as referred to in Article 11;*

*Amendment*

*deleted*

Or. en

**Amendment 224**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Title II – Chapter 1 – title**

*Text proposed by the Commission*

1 Authorisation to provide ESG ratings in the Union

*Amendment*

1 Authorisation to provide ESG ratings **and ESG data products** in the Union

Or. en

**Amendment 225**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 5 – title**

*Text proposed by the Commission*

Application for an authorisation to provide **an ESG rating**

*Amendment*

Application for an authorisation to provide **ESG ratings and data products**

Or. en

**Amendment 226**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 5 – paragraph 1**

*Text proposed by the Commission*

1. **Legal persons** established in the Union that wish to provide ESG ratings in the Union shall apply for authorisation to ESMA.

*Amendment*

1. **ESG ratings and ESG data products providers** established in the Union that wish to provide ESG ratings in the Union shall apply for authorisation to ESMA.

*(Amendment applies throughout article 5: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 227**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 5 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

ESMA shall submit those draft regulatory technical standards to the Commission by **XX XXXX XXXX**.

*Amendment*

ESMA shall submit those draft regulatory technical standards to the Commission by **[9 months after the entry into force of this Regulation]**.

Or. en

**Amendment 228**

**Lídia Pereira**

**Proposal for a regulation**

**Article 5 – paragraph 3 – subparagraph 3**

*Text proposed by the Commission*

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with the procedure laid down in Articles 10 to 14 of Regulation (EU) No 1095/2010.

*Amendment*

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph, **including the ones related to material changes provisioned in paragraph 5a**, in accordance with the procedure laid down in Articles 10 to 14 of Regulation (EU) No 1095/2010.

Or. en

**Amendment 229**

**Lídia Pereira**

**Proposal for a regulation**

**Article 5 – paragraph 5**

*Text proposed by the Commission*

5. ESG rating providers shall notify ESMA of any material changes to the

*Amendment*

5. ESG rating providers shall notify ESMA of any material changes to the



conditions for initial authorisation, ***including any opening or closing of a branch within the Union***, without undue delay.

conditions for initial authorisation, without undue delay.

Or. en

**Amendment 230**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 5 – paragraph 5 a (new)**

*Text proposed by the Commission*

*Amendment*

**5a. ESMA shall develop draft regulatory technical standards to specify what constitutes a material change as referred in paragraph 5.**

Or. en

**Amendment 231**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 6 – title**

*Text proposed by the Commission*

*Amendment*

Examination of the application for authorisation of ESG ***rating*** providers by ESMA

Examination of the application for authorisation of ESG ***ratings and ESG data products*** providers by ESMA

*(Amendment applies throughout article 6: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 232**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**

## Article 6 – paragraph 1

*Text proposed by the Commission*

1. Within **30** working days of receipt of the application referred to in Article 5(2), ESMA shall assess whether the application is complete. Where the application is not complete, ESMA shall set a deadline by which the applicant is to provide additional information.

*Amendment*

1. Within **20** working days of receipt of the application referred to in Article 5(2), ESMA shall assess whether the application is complete. Where the application is not complete, ESMA shall set a deadline by which the applicant is to provide additional information.

Or. en

### Amendment 233

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### Proposal for a regulation

#### Article 6 – paragraph 3

*Text proposed by the Commission*

3. Within **120** working days of the notification referred to in paragraph 2, ESMA shall adopt a fully reasoned decision to authorise or refuse authorisation.

*Amendment*

3. Within **45** working days of the notification referred to in paragraph 2, ESMA shall adopt a fully reasoned decision to authorise or refuse authorisation.

Or. en

### Amendment 234

**Lídia Pereira**

### Proposal for a regulation

#### Article 6 – paragraph 3

*Text proposed by the Commission*

3. Within **120** working days of the notification referred to in paragraph 2, ESMA shall adopt a fully reasoned decision to authorise or refuse authorisation.

*Amendment*

3. Within **90** working days of the notification referred to in paragraph 2, ESMA shall adopt a fully reasoned decision to authorise or refuse authorisation.

Or. en

**Amendment 235**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 6 – paragraph 4 – introductory part**

*Text proposed by the Commission*

4. ESMA may extend the period referred to in the paragraph 3 **to 140** working days in particular where the applicant:

*Amendment*

4. ESMA may extend the period referred to in the paragraph 3 **by 15** working days in particular where the applicant:

Or. en

**Amendment 236**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 6 – paragraph 4 – introductory part**

*Text proposed by the Commission*

4. ESMA may extend the period referred to in the paragraph 3 to **140** working days in particular where the applicant:

*Amendment*

4. ESMA may extend the period referred to in the paragraph 3 to **120** working days in particular where the applicant:

Or. en

**Amendment 237**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 6 – paragraph 5 a (new)**

*Text proposed by the Commission*

*Amendment*

**5 a. After its notification according to Article 48(1), the rating provider shall be registered as temporarily authorised in the register referred to in Article 13 and be permitted to continue providing services in the Union until its application has been**

*approved or denied.*

Or. en

**Amendment 238**  
**Sirpa Pietikäinen**

**Proposal for a regulation**  
**Article 6 – paragraph 5 a (new)**

*Text proposed by the Commission*

*Amendment*

**5 a. If no decision is adopted by ESMA within the period referred to in paragraph 3 or 4, as applicable, the applicant shall not be considered authorised to provide ESG ratings in the Union. Authorities' adequate expertise to analyse the sustainability risks should be granted.**

Or. en

**Amendment 239**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 7 – title**

*Text proposed by the Commission*

*Amendment*

Decision to grant or to refuse the authorisation to provide ESG ratings and notification of that decision

Decision to grant or to refuse the authorisation to provide ESG ratings and **ESG data products and** notification of that decision

*(Amendment applies throughout article 7: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 240**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

## Article 8 – paragraph 1 – introductory part

*Text proposed by the Commission*

1. ESMA shall withdraw or suspend the authorisation of an ESG **rating** provider in any of the following cases:

*Amendment*

1. ESMA shall withdraw or suspend the authorisation of an ESG **ratings and ESG data products** provider(s) in any of the following cases:

*(Amendment applies throughout article 8: ESG ratings and ESG data products providers.)*

Or. en

## Amendment 241

Lídia Pereira

### Proposal for a regulation

#### Article 8 – paragraph 1 – point a

*Text proposed by the Commission*

(a) the ESG rating provider has expressly renounced the authorisation or has provided no ESG ratings for **nine** months preceding that withdrawal or suspension;

*Amendment*

(a) the ESG rating provider has expressly renounced the authorisation or has provided no ESG ratings for **twelve** months preceding that withdrawal or suspension;

Or. en

## Amendment 242

Billy Kelleher, Gilles Boyer, Stéphanie Yon-Courtin

### Proposal for a regulation

#### Article 8 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2a. In the event of a withdrawal or suspension on the basis of the cases listed in points (b)-(d) of paragraph 1, ESMA shall publish the decision on its website.**

Or. en

**Amendment 243**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Title II – Chapter 2 – title**

*Text proposed by the Commission*

2 Provision of ESG ratings in the Union by third country ESG **rating** providers

*Amendment*

2 Provision of ESG ratings **and ESG data products** in the Union by third country ESG **ratings and ESG data products** providers

Or. en

**Amendment 244**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. A third country ESG **rating provider** that wishes to provide ESG ratings in the Union shall only be able to do so where it is included in the register referred to in Article 13 and provided that all of the following conditions have been complied with:

*Amendment*

1. A third country ESG **ratings and ESG data products providers(s)** that wishes to provide ESG ratings **and ESG data products** in the Union shall only be able to do so where it is included in the register referred to in Article 13 and provided that all of the following conditions have been complied with:

*(Amendment applies throughout article 9: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 245**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) the third country ESG rating provider is a legal person, is authorised *or registered* as an ESG rating provider in the third country concerned, and is subject to supervision by that third country;

(a) the third country ESG rating provider is a legal person, is authorised as an ESG rating provider in the third country concerned, and is subject to supervision by that third country;

Or. en

**Amendment 246**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 9 – paragraph 1 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

*(da) establishment in the EU would be disproportionate to the nature, scale and complexity of the ESG rating providers' ESG rating activities in the EU;*

Or. en

**Amendment 247**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 9 – paragraph 1 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

*(d a) establishment in the EU would be disproportionate to the nature scale and complexity of the ESG rating providers' ESG rating activities in the EU;*

Or. en

**Amendment 248**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 9 – paragraph 1 – point d b (new)**

*Text proposed by the Commission*

*Amendment*

**(db) the third country ESG ratings provider has been authorised by ESMA in accordance with Article 5.**

Or. en

**Amendment 249**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 9 – paragraph 1 – point d b (new)**

*Text proposed by the Commission*

*Amendment*

**(d b) the third country rating provider has been authorised by ESMA in accordance with Article 5.**

Or. en

**Amendment 250**

**Pascal Durand, René Repasi, Pedro Silva Pereira, Paul Tang**

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

The Commission *may* adopt an implementing decision stating that the legal framework and supervisory practice of a third country ensures that:

The Commission ***shall, where applicable,*** adopt an implementing decision stating that the legal framework and supervisory practice of a third country ensures that:

Or. en

**Amendment 251**

**Lídia Pereira**

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 1 – point b**



*Text proposed by the Commission*

*Amendment*

(b) compliance with the binding requirements referred to in point (a) is subject to effective supervision and enforcement on an on-going basis in that third country.

(b) compliance with the binding requirements referred to in point (a) is subject to effective, **regular and equivalent** supervision and enforcement on an on-going basis in that third country.

Or. en

**Amendment 252**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*For the purposes of point (a), the Commission shall take into account whether the legal framework and supervisory practice of a third country ensures compliance with the IOSCO recommendations for ESG Ratings published in November 2021.*

*deleted*

Or. en

**Amendment 253**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

For the purposes of point (a), **the Commission** shall **take** into account whether the legal framework and supervisory practice of a third country ensures compliance with the IOSCO recommendations for ESG Ratings published in November 2021.

For the purposes of point (a), **by XXXX, ESMA shall adopt regulatory technical standards to further specify the implementation of the conditions listed in paragraph 2a), including taking** into account whether the legal framework and supervisory practice of a third country ensures compliance with the IOSCO

recommendations for ESG Ratings **and ESG data products** published in November 2021.

Or. en

*Justification*

*Essntial to ensure a level playing field between EU and non-EU ESG ratings and ESG data products providers.*

**Amendment 254**

**Pascal Durand, René Repasi, Pedro Silva Pereira**

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

For the purposes of point (a), the Commission shall take into account whether the legal framework and supervisory practice of a third country ensures compliance with the IOSCO recommendations for ESG Ratings published in November 2021.

*Amendment*

For the purposes of point (a), the Commission shall take into account whether the legal framework and supervisory practice of a third country ensures compliance with the IOSCO recommendations for ESG Ratings published in November 2021 ***as well as with all European Union legislation relating to sustainability disclosure, including Regulation (EU) 2019/2088 of the European Parliament and of the Council, Regulation (EU) 2020/852 of the European Parliament and of the Council and Directive (EU) 2022/2464 of the European Parliament and of the Council.***

Or. en

**Amendment 255**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

For the purposes of point (a), the

*Amendment*

For the purposes of point (a), the

Commission shall take into account whether the legal framework and supervisory practice of a third country ensures compliance with the IOSCO recommendations for ESG Ratings published in November 2021.

Commission shall take into account whether the legal framework and supervisory practice of a third country ensures **at least** compliance with the IOSCO recommendations for ESG Ratings published in November 2021.

Or. en

#### **Amendment 256**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

##### **Article 9 – paragraph 4 – point a**

###### *Text proposed by the Commission*

(a) the mechanism for exchanging information between ESMA and the competent authorities of third countries concerned, including access to all relevant information requested by ESMA regarding the ESG rating provider authorised or registered in that third country;

###### *Amendment*

(a) the mechanism for exchanging information **on a regular and ad-hoc basis** between ESMA and the competent authorities of third countries concerned, including access to all relevant information requested by ESMA regarding the ESG rating provider authorised or registered in that third country;

Or. en

#### **Amendment 257**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

##### **Article 10 – title**

###### *Text proposed by the Commission*

Endorsement of ESG ratings provided by a third country ESG **rating** provider

###### *Amendment*

Endorsement of ESG ratings **and ESG data products** provided by a third country ESG **ratings and ESG data products** provider(s)

*(Amendment applies throughout article 10: ESG ratings and ESG data products providers.)*

**Amendment 258**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 10 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

An ESG rating provider located in the Union and authorised in accordance with Article 7 may endorse ESG ratings provided by a third country ESG rating provider belonging to the same group, provided that all of the following conditions have been met:

*Amendment*

An ESG rating provider located in the Union and authorised in accordance with Article 7, ***or any other regulated financial undertaking in the Union with a clear and well-defined role within the control or accountability framework of a third country ESG rating provider***, may endorse ESG ratings provided by a third country ESG rating provider belonging to the same group, provided that all of the following conditions have been met:

Or. en

**Amendment 259**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 10 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

(a) the ESG rating provider ***located*** in the Union has ***applied*** to ESMA for authorisation of such endorsement;

*Amendment*

(a) the ***endorsing*** ESG rating provider ***or other regulated financial undertaking*** in the Union has ***submitted a request*** to ESMA for authorisation of such endorsement;

Or. en

**Amendment 260**  
**Dorien Rookmaker**

**Proposal for a regulation**

## Article 10 – paragraph 1 – subparagraph 1 – point b

*Text proposed by the Commission*

(b) the ESG rating provider *located* in the Union has verified and is able to demonstrate on an *on-going* basis to ESMA that the provision of the ESG rating to be endorsed fulfils requirements which are at least as stringent as the requirements of this Regulation;

*Amendment*

(b) the *endorsing* ESG rating provider *or other regulated financial undertaking* in the Union has verified and is able to demonstrate on an *on-going* basis to ESMA that the provision of the ESG rating to be endorsed fulfils requirements which are at least as stringent as the requirements of this Regulation;

Or. en

### Amendment 261 Dorien Rookmaker

#### Proposal for a regulation

## Article 10 – paragraph 1 – subparagraph 1 – point c

*Text proposed by the Commission*

(c) the ESG rating provider *located* in the Union has the necessary expertise to monitor the provision of ESG ratings by the third country ESG rating provider effectively, and to manage any associated risks;

*Amendment*

(c) the *endorsing* ESG rating provider *or other regulated financial undertaking* in the Union has the necessary expertise to monitor the provision of ESG ratings by the third country ESG rating provider effectively, and to manage any associated risks;

Or. en

### Amendment 262 Dorien Rookmaker

#### Proposal for a regulation

## Article 10 – paragraph 1 – subparagraph 1 – point e

*Text proposed by the Commission*

(e) the ESG rating provider *located* in the Union *provides ESMA at its* request *with all the* information necessary to *enable ESMA to supervise the compliance by the third country ESG rating provider*

*Amendment*

(e) the *endorsing* ESG rating provider *or other regulated financial undertaking* in the Union *that submits a* request *for endorsement shall provide all* information necessary to *satisfy ESMA that, at the*

*with this Regulation on an ongoing basis;*

*time of application, all the conditions referred to in this paragraph 1 are fulfilled;*

Or. en

#### **Amendment 263**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 10 – paragraph 1 – subparagraph 1 – point e**

##### *Text proposed by the Commission*

(e) the ESG rating provider located in the Union provides ESMA at its request with all the information necessary to enable ESMA to supervise the compliance by the third country ESG rating provider with this Regulation on an ongoing basis;

##### *Amendment*

(e) the ESG rating provider located in the Union provides ESMA at its request with all the information necessary to enable ESMA to supervise the compliance by the third country ESG rating provider with this Regulation on an ongoing basis, ***in accordance with Article 30;***

Or. en

#### **Amendment 264**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 1 – subparagraph 2**

##### *Text proposed by the Commission*

For the purposes of point (b) of the ***first subparagraph, ESMA may consider that*** compliance of the provision of the ESG rating to be endorsed with the IOSCO recommendations for ESG ratings is equivalent to compliance with the requirements of this Regulation.

##### *Amendment*

For the purposes of point (b), ***by XXXX, ESMA shall adopt regulatory technical standards to further specify the implementation of the conditions listed in paragraph 1, including taking into account whether*** compliance of the provision of the ESG rating to be endorsed with the IOSCO recommendations for ESG ratings ***and data products*** is equivalent to compliance with the requirements of this Regulation.

Or. en

## *Justification*

*Essential to ensure a level playing field between EU and non-EU ESG ratings and ESG data products providers.*

### **Amendment 265**

**Pascal Durand, René Repasi, Pedro Silva Pereira**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 1 – subparagraph 2**

##### *Text proposed by the Commission*

For the purposes of point (b) of the first subparagraph, ESMA may consider that compliance of the provision of the ESG rating to be endorsed with the IOSCO recommendations for ESG ratings is equivalent to compliance with the requirements of this Regulation.

##### *Amendment*

For the purposes of point (b) of the first subparagraph, ESMA may consider that compliance of the provision of the ESG rating to be endorsed with the IOSCO recommendations for ESG ratings ***as well as with all European Union legislation relating to sustainability disclosure, including Regulation (EU) 2019/2088 of the European Parliament and of the Council, Regulation (EU) 2020/852 of the European Parliament and of the Council and Directive (EU) 2022/2464 of the European Parliament and of the Council*** is equivalent to compliance with the requirements of this Regulation.

Or. en

### **Amendment 266**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 10 – paragraph 1 – subparagraph 2**

##### *Text proposed by the Commission*

For the purposes of point (b) of the first subparagraph, ESMA ***may consider*** that compliance of the provision of the ESG ***rating to be endorsed with the IOSCO recommendations for ESG ratings is equivalent to compliance*** with the

##### *Amendment*

For the purposes of point (b) of the first subparagraph, ESMA ***shall assess*** that compliance of the provision of the ESG ratings with the requirements of this Regulation.

requirements of this Regulation.

Or. en

**Amendment 267**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 10 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

For the purposes of point (b) of the first subparagraph, ESMA may consider that compliance of the provision of the ESG rating to be endorsed with the IOSCO recommendations for ESG ratings is equivalent to compliance with the requirements of this Regulation.

*Amendment*

For the purposes of point (b) of the first subparagraph, ESMA may consider **as a *baseline*** that compliance of the provision of the ESG rating to be endorsed with the IOSCO recommendations for ESG ratings is equivalent to compliance with the requirements of this Regulation.

Or. en

**Amendment 268**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 10 – paragraph 1 – subparagraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***The endorsement of ESG ratings or ESG data products cannot represent the main activity of an ESG rating provider authorised in accordance with Article 7.***

Or. en

**Amendment 269**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 10 – paragraph 1 – subparagraph 2 b (new)**



***For the purposes of point (d) of the first subparagraph, ESMA shall develop regulatory technical standards to specify the objective reasons to be accepted.***

Or. en

**Amendment 270**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 10 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. Within **90** working days of receipt of the application for endorsement referred to in paragraph 1, ESMA shall ***examine*** the application ***and decide either to authorise the endorsement or to refuse it.*** ESMA shall publicly notify the decision to endorse provided by a third country ESG rating provider.

3. Within **30** working days of receipt of the application for endorsement referred to in paragraph 1, ESMA shall ***assess whether*** the application ***is complete.*** ***Where the application is not complete, ESMA shall notify the ESG rating provider that applied for endorsement and shall set a deadline by which the ESG rating provider that applied for endorsement is to provide additional information. Where the application is complete, ESMA shall notify the ESG rating provider.***

***Within 45 working days of receipt of a complete application for recognition, ESMA shall verify that the requirements laid down in paragraphs 1 and 2 are fulfilled.*** ESMA shall publicly notify the decision to endorse provided by a third country ESG rating provider.

Or. en

**Amendment 271**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 10 – paragraph 3**

*Text proposed by the Commission*

3. Within 90 working days of receipt of the application for endorsement referred to in paragraph 1, ESMA shall examine the application and decide either to authorise the endorsement or to refuse it. ESMA shall publicly notify the decision to endorse provided by a third country ESG rating provider.

*Amendment*

3. ***Within 30 working days of receipt of the application for endorsement referred to in paragraph 1, ESMA shall assess whether the application is complete. When the application is not complete, ESMA shall notify the ESG rating provider and shall set a deadline by which the applicant must complete its application. ESMA shall refuse the authorisation where the ESG rating provider fails to complete its application within the deadline.***

Within 90 working days of receipt of the application for endorsement referred to in paragraph 1, ESMA shall examine the application and decide either to authorise the endorsement or to refuse it. ESMA shall publicly notify the decision to endorse provided by a third country ESG rating provider.

Or. en

**Amendment 272**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 10 – paragraph 3**

*Text proposed by the Commission*

3. ***Within 90 working days of receipt of the application for endorsement referred to in paragraph 1, ESMA shall examine the application*** and decide either to ***authorise*** the endorsement or to refuse it. ESMA shall ***publicly notify the decision to endorse provided by a third country ESG rating provider.***

*Amendment*

3. ***ESMA shall examine*** the application for endorsement referred to in paragraph 1 and decide ***within 90 days of receipt*** either to ***approve*** the endorsement or to refuse it. ESMA shall ***publish its*** decision.

Or. en

**Amendment 273**

## Dorien Rookmaker

### Proposal for a regulation Article 10 – paragraph 4

*Text proposed by the Commission*

4. An endorsed ESG rating shall be considered to be an ESG rating provided by the endorsing ESG rating provider. The endorsing provider shall not use the endorsement to avoid or circumvent the requirements of this Regulation.

*Amendment*

4. An endorsed ESG rating shall be considered to be an ESG rating provided by the endorsing ESG rating provider ***or other regulated financial undertaking in the Union***. The endorsing ***ESG rating*** provider ***or other regulated financial undertaking in the Union*** shall not use the endorsement to avoid or circumvent the requirements of this Regulation.

Or. en

## Amendment 274 Dorien Rookmaker

### Proposal for a regulation Article 10 – paragraph 5

*Text proposed by the Commission*

5. An ESG rating provider that has endorsed an ESG rating provided by a third country ESG rating provider shall remain fully responsible for such an ESG rating and for compliance with the obligations under this Regulation.

*Amendment*

5. An ESG rating provider ***or other regulated financial undertaking in the Union*** that has endorsed an ESG rating provided by a third country ESG rating provider shall remain fully responsible for such an ESG rating and for compliance with the obligations under this Regulation.

Or. en

## Amendment 275 Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

### Proposal for a regulation Article 10 – paragraph 6

*Text proposed by the Commission*

6. Where ESMA has well-founded

*Amendment*

6. Where ESMA has well-founded

reasons to consider that the conditions laid down in **paragraph 1** are no longer fulfilled, it shall have the power to require the endorsing ESG **rating** provider to cease the endorsement.

reasons to consider that the conditions laid down in **this Article** are no longer fulfilled, it shall have the power to require the endorsing ESG **ratings and ESG data products** provider(s) to cease the endorsement. **This is without prejudice to the sanctions applicable to the authorised ESG rating and ESG data products in accordance with Articles 33 to 35.**

Or. en

**Amendment 276**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 10 – paragraph 6**

*Text proposed by the Commission*

6. Where ESMA has well-founded reasons to consider that the conditions laid down in paragraph 1 are no longer fulfilled, it shall have the power to require the endorsing ESG rating provider to cease the endorsement.

*Amendment*

6. Where ESMA has well-founded reasons to consider that the conditions laid down in paragraph 1 are no longer fulfilled, it shall have the power to require the endorsing ESG rating provider **or other regulated financial undertaking in the Union** to cease the endorsement.

Or. en

**Amendment 277**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 11**

*Text proposed by the Commission*

**[...]**

*Amendment*

**deleted**

Or. en

**Amendment 278**

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

**Proposal for a regulation**

**Article 11 – title**

*Text proposed by the Commission*

Recognition of third country ESG **rating** providers

*Amendment*

Recognition of third country ESG **ratings and ESG data products** providers

*(Amendment applies throughout article 11: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 279**

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

**Proposal for a regulation**

**Article 11 – paragraph 1**

*Text proposed by the Commission*

1. Until the Commission has adopted an equivalence decision as referred to in Article 9 or, where adopted, in the event that the equivalence decision is repealed, third country ESG **rating providers with an** annual net turnover on their ESG rating activities below EUR 12 million for three consecutive years may provide ESG ratings to regulated financial undertakings in the Union, provided that ESMA has recognised that third country ESG **rating** provider in accordance with this **paragraphs XX and YY**.

*Amendment*

1. Until the Commission has adopted an equivalence decision as referred to in Article 9 or, where adopted, in the event that the equivalence decision is repealed, third country ESG **ratings and ESG data products provider(s) belonging to a group in accordance with Article 2(11) of Directive 2013/34/EU with a consolidated** annual net turnover on their ESG rating activities below EUR 12 million for three consecutive years may provide ESG ratings **and ESG data products** to regulated financial undertakings in the Union, provided that ESMA has recognised that third country ESG **ratings and ESG data products** provider(s) in accordance with this **Article**.

Or. en

**Amendment 280**

Markus Ferber

**Proposal for a regulation**  
**Article 11 – paragraph 1**

*Text proposed by the Commission*

1. Until the Commission has adopted an equivalence decision as referred to in Article 9 or, where adopted, in the event that the equivalence decision is repealed, third country ESG rating providers **with an annual net turnover on their ESG rating activities below EUR 12 million for three consecutive years** may provide ESG ratings to regulated financial undertakings in the Union, provided that ESMA has recognised that third country ESG rating provider in accordance with this **paragraphs XX and YY**.

*Amendment*

1. Until the Commission has adopted an equivalence decision as referred to in Article 9 or, where adopted, in the event that the equivalence decision is repealed, third country ESG rating providers may provide ESG ratings to regulated financial undertakings in the Union, provided that ESMA has recognised that third country ESG rating provider in accordance with this **Article**.

Or. en

*Justification*

*Recognition and endorsement procedures should be independent of turnover thresholds.*

**Amendment 281**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 11 – paragraph 1**

*Text proposed by the Commission*

1. Until the Commission has adopted an equivalence decision as referred to in Article 9 or, where adopted, in the event that the equivalence decision is repealed, third country ESG rating providers with an annual net turnover on their ESG rating activities below EUR 12 million for three consecutive years may provide ESG ratings to regulated financial undertakings in the Union, provided that ESMA has recognised that third country ESG rating provider in accordance with this paragraphs XX and YY.

*Amendment*

1. Until the Commission has adopted an equivalence decision as referred to in Article 9 or, where adopted, in the event that the equivalence decision is repealed, third country ESG rating providers with an annual net turnover on their ESG rating activities **in the Union** below EUR 12 million for three consecutive years may provide ESG ratings to regulated financial undertakings in the Union, provided that ESMA has recognised that third country ESG rating provider in accordance with this paragraphs XX and YY.

Or. en

## Amendment 282

Pascal Durand, René Repasi, Pedro Silva Pereira, Paul Tang

### Proposal for a regulation

#### Article 11 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

Third country ESG rating providers that wish to be recognised as referred to in paragraph 1 shall comply with the requirements established in this Regulation and apply for recognition to ESMA. ESG rating providers may fulfil that condition by applying the IOSCO recommendations on ESG ratings provided that such application is equivalent to compliance with the requirements established in this Regulation.

*Amendment*

Third country ESG rating providers that wish to be recognised as referred to in paragraph 1 shall comply with the requirements established in this Regulation and apply for recognition to ESMA. ESG rating providers may fulfil that condition by applying the IOSCO recommendations on ESG ratings provided that such application is equivalent to compliance with the requirements established in this Regulation ***and, for the ESG rating of the undertakings in the scope of Directive 2013/34/EU of the European Parliament and of the Council, that it takes into account information of the rated entity's activities on sustainability matters, as defined in Article 2, subparagraph b, point 17 of Directive 2013/34/EU of the European Parliament and of the Council, for each of the materiality dimensions.***

Or. en

## Amendment 283

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

### Proposal for a regulation

#### Article 11 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

Third country ESG ***rating providers*** that wish to be recognised as referred to in paragraph 1 shall comply with the requirements established in this Regulation and apply for recognition to ESMA. ESG rating providers ***may fulfil that condition by*** applying the IOSCO recommendations

*Amendment*

Third country ESG ***ratings and ESG data products provider(s)*** that wish to be recognised as referred to in paragraph 1 shall comply with the requirements established in this Regulation and apply for recognition to ESMA. ***By XXX, ESMA shall adopt regulatory technical standards***

on ESG ratings *provided that such application* is equivalent to compliance with the requirements established in this Regulation.

*to further specify the implementation of the conditions listed in paragraph 2, including whether* ESG rating providers applying the IOSCO recommendations on ESG ratings *and ESG data products* is equivalent to compliance with the requirements established in this regulation.

Or. en

#### **Amendment 284**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

#### **Article 11 – paragraph 2 – subparagraph 1**

##### *Text proposed by the Commission*

Third country ESG rating providers that wish to be recognised as referred to in paragraph 1 shall comply with the requirements established in this Regulation and apply for recognition to ESMA. ESG rating providers *may fulfil that condition by applying* the IOSCO recommendations *on ESG ratings provided that such application is equivalent to compliance with the requirements established in this Regulation.*

##### *Amendment*

Third country ESG rating providers that wish to be recognised as referred to in paragraph 1 shall comply with the requirements established in this Regulation and apply for recognition to ESMA. *When ESMA assesses whether third country ESG providers comply with the requirements of this Regulation, it shall consider the application of the IOSCO recommendations as the minimum standard.*

Or. en

#### **Amendment 285**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1**

##### *Text proposed by the Commission*

1. Any cooperation arrangement as referred to in Article 9(4), Article 10(1), point (f) *and Article 11(5), point (b)*, shall be subject to guarantees of professional secrecy which are at least equivalent to

##### *Amendment*

1. Any cooperation arrangement as referred to in Article 9(4) *and* Article 10(1), point (f) shall be subject to guarantees of professional secrecy which are at least equivalent to those set out in



those set out in Article 44. The exchange of information performed under such cooperation arrangements shall be intended for the performance of the tasks of ESMA or the competent authorities.

Article 44. The exchange of information performed under such cooperation arrangements shall be intended for the performance of the tasks of ESMA or the competent authorities.

Or. en

#### **Amendment 286**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

#### **Article 12 a (new)**

*Text proposed by the Commission*

*Amendment*

#### **Article 12a**

#### ***Third country regime review***

***1. ESMA shall submit a report to the European Parliament, the Council and the Commission by [three years after the date of entry into force of this Regulation] on the adequacy of the requirements of Articles 9, 10 and 11 in order that third-country ESG rating providers may offer their services in the European Union.***

***2. The Commission shall consider the results of the report and submit, where appropriate, a legislative proposal.***

Or. en

#### **Amendment 287**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 13 – title**

*Text proposed by the Commission*

*Amendment*

Register of ESG **rating** providers and accessibility of information on the European Single Access Point (ESAP)

Register of ESG **ratings and ESG data products** providers and accessibility of information on the European Single Access Point (ESAP)

*(Amendment applies throughout article 13:  
ESG ratings and ESG data products  
providers.)*

Or. en

## **Amendment 288**

**José Manuel García-Margallo y Marfil**

### **Proposal for a regulation**

#### **Article 13 – paragraph 8 – subparagraph 2**

##### *Text proposed by the Commission*

Before developing the draft implementing technical standards, ESMA shall carry out a cost-benefit analysis. For the purposes of point (c), ESMA shall assess the advantages and disadvantages of different machine-readable formats and conduct appropriate field tests.

##### *Amendment*

Before developing the draft implementing technical standards, ESMA shall carry out a cost-benefit analysis. For the purposes of point (c), ESMA shall assess the advantages and disadvantages of different machine-readable formats and conduct appropriate field tests *in cooperation with ESG rating providers*.

Or. en

## **Amendment 289**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

### **Proposal for a regulation**

#### **Article 14 – paragraph 1**

##### *Text proposed by the Commission*

1. ESG *rating* providers shall ensure the independence of their rating activities, including from all political and economic influences or constraints.

##### *Amendment*

1. ESG *ratings and ESG data products* providers shall ensure the independence of their rating activities, including from all political and economic influences or constraints.

*(Amendment applies throughout article 14:  
ESG ratings and ESG data products  
providers.)*

Or. en

**Amendment 290**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 4**

*Text proposed by the Commission*

4. ESG rating providers shall adopt and implement written policies and procedures that ensure that their ESG ratings are based on a thorough analysis of all relevant information available to them.

*Amendment*

4. ESG rating providers shall adopt and implement written policies and procedures that ensure that their ESG ratings are based on a thorough analysis of all relevant information ***under the methodology and that can be reasonably expected to be*** available to them ***in accordance with their business model.***

Or. en

**Amendment 291**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 5**

*Text proposed by the Commission*

5. ESG rating providers shall adopt and implement internal ***due diligence*** policies and procedures that ensure that their business interests do not impair the independence or accuracy of the assessment activities.

*Amendment*

5. ESG rating providers shall adopt and implement internal policies and procedures that ensure that their business interests do not impair the independence or accuracy of the assessment activities.

Or. en

**Amendment 292**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 7**

*Text proposed by the Commission*

7. ESG rating providers shall use rating methodologies for the ESG ratings

*Amendment*

7. ESG rating providers shall use rating methodologies for the ESG ratings

they provide that are rigorous, systematic, objective **and capable of validation** and shall apply those rating methodologies continuously.

they provide that are rigorous, systematic, **and** objective and shall apply those rating methodologies continuously. **Rating methodologies should be subject to a regular evaluation against the outputs which they have been used to produce.**

Or. en

### **Amendment 293**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Article 14 – paragraph 7**

*Text proposed by the Commission*

7. ESG rating providers shall use rating methodologies for the ESG ratings they provide that are rigorous, systematic, objective and capable of validation **and** shall apply those rating methodologies continuously.

*Amendment*

7. ESG rating providers shall use rating methodologies for the ESG ratings they provide that are rigorous, systematic, objective and capable of validation, **in accordance with the requirements defined in Title III Chapter 1a of this Regulation.** **They** shall apply those rating methodologies continuously.

Or. en

### **Amendment 294**

**Billy Kelleher**

### **Proposal for a regulation**

#### **Article 14 – paragraph 7**

*Text proposed by the Commission*

7. ESG rating providers shall use rating methodologies for the ESG ratings they provide that are rigorous, systematic, **objective** and capable of **validation** and shall apply those rating methodologies continuously.

*Amendment*

7. ESG rating providers shall use rating methodologies for the ESG ratings they provide that are rigorous, systematic, **independent** and capable of **justification** and shall apply those rating methodologies continuously.

Or. en

**Amendment 295**  
**Dimitrios Papadimoulis**  
on behalf of The Left Group

**Proposal for a regulation**  
**Article 14 – paragraph 7 a (new)**

*Text proposed by the Commission*

*Amendment*

**7a. ESG rating providers shall make use of the data disclosed under Regulation (EU) 2019/2088 of the European Parliament and of the Council, Regulation (EU) 2020/852 of the European Parliament and of the Council and Directive (EU) 2022/2464 of the European Parliament and of the Council.**

Or. en

**Amendment 296**  
**Pascal Durand, René Repasi, Pedro Silva Pereira**

**Proposal for a regulation**  
**Article 14 – paragraph 7 a (new)**

*Text proposed by the Commission*

*Amendment*

**7a. ESG rating providers, when providing E, S and G ratings, either aggregated or separately, shall, to the greatest extent possible, take into account all material sustainability information, for each of the materiality dimensions.**

Or. en

**Amendment 297**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 14 – paragraph 8**

*Text proposed by the Commission*

*Amendment*

8. ESG rating providers shall review the rating methodologies referred to in paragraph 6 on an on-going basis **and at least annually**.

8. ESG rating providers shall review the rating methodologies referred to in paragraph 6 on an on-going basis.

Or. en

**Amendment 298**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 8**

*Text proposed by the Commission*

8. ESG rating providers shall review the rating methodologies referred to in paragraph 6 on an on-going basis and at least annually.

*Amendment*

8. ESG rating providers shall review the rating methodologies referred to in paragraph 7 on an on-going basis and at least annually.

Or. en

**Amendment 299**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 14 – paragraph 8**

*Text proposed by the Commission*

8. ESG rating providers shall review the rating methodologies referred to in paragraph 6 on an on-going basis and at least annually.

*Amendment*

8. ESG rating providers shall review the rating methodologies referred to in paragraph 7 on an on-going basis and at least annually.

Or. en

**Amendment 300**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 14 – paragraph 9**

*Text proposed by the Commission*

9. ESG rating providers shall monitor and evaluate the adequacy and effectiveness of the systems, resources and procedures referred to in paragraph 2 **at least annually** and take appropriate measures to address any deficiencies.

*Amendment*

9. ESG rating providers shall **regularly** monitor and evaluate the adequacy and effectiveness of the systems, resources and procedures referred to in paragraph 2 and take appropriate measures to address any deficiencies.

Or. en

**Amendment 301**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 11**

*Text proposed by the Commission*

11. ESG rating providers ***shall adopt, implement, and enforce measures to ensure that their ESG ratings are based on a thorough analysis of all the information that is available to them and that is relevant to their analysis in accordance with their rating methodologies.*** They shall adopt all necessary measures to ensure that the information they use in assigning ESG ratings is of sufficient quality and from reliable sources. ESG rating providers shall explicitly mention that their ESG ratings are their own opinion .

*Amendment*

11. ESG rating providers shall adopt all necessary measures to ensure that the information they use in assigning ESG ratings is of sufficient quality and from reliable sources. ESG rating providers shall explicitly mention that their ESG ratings are their own opinion.

Or. en

*Justification*

*The requirements are superfluous, as they are already covered by points 4 and 7.*

**Amendment 302**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 14 – paragraph 11**

*Text proposed by the Commission*

11. ESG rating providers shall adopt, implement, and enforce measures to ensure that their ESG ratings are based on a thorough analysis of all the information that is available to them and that is relevant to their analysis in accordance with their rating methodologies. They shall adopt all necessary measures to ensure that the information they use in assigning ESG ratings is of sufficient quality and from reliable sources. ESG rating providers shall explicitly mention that their ESG ratings are their own opinion .

*Amendment*

11. ESG rating providers shall adopt, implement, and enforce measures to ensure that their ESG ratings are based on a thorough analysis of all the information that is available to them and that is relevant to their analysis in accordance with their rating methodologies **and the requirements laid down in Title III Chapter 1a of this Regulation**. They shall adopt all necessary measures to ensure that the information they use in assigning ESG ratings is of sufficient quality and from reliable sources. ESG rating providers shall explicitly mention that their ESG ratings are their own opinion .

Or. en

**Amendment 303**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 14 – paragraph 12**

*Text proposed by the Commission*

12. ESG rating providers shall not disclose information about their intellectual capital, intellectual property, know-how or the results of innovation that would qualify as trade secrets as defined in Article 2, point (1), of Directive (EU) 2016/943 of the European Parliament and of the Council<sup>52</sup> .

*Amendment*

12. ESG rating providers shall not disclose information **related to the rated entities** about their intellectual capital, intellectual property, know-how or the results of innovation that would qualify as trade secrets as defined in Article 2, point (1), of Directive (EU) 2016/943 of the European Parliament and of the Council<sup>52</sup> .

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<sup>52</sup> Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (OJ L 157, 15.6.2016, p. 1).

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<sup>52</sup> Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (OJ L 157, 15.6.2016, p. 1).



**Amendment 304**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 12**

*Text proposed by the Commission*

12. ESG rating providers shall not disclose information about their intellectual capital, intellectual property, know-how or the results of innovation that would qualify as trade secrets as defined in Article 2, point (1), of Directive (EU) 2016/943 of the European Parliament and of the Council<sup>52</sup>.

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<sup>52</sup> Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (OJ L 157, 15.6.2016, p. 1).

*Amendment*

12. ESG rating providers shall not **be required to** disclose information about their intellectual capital, intellectual property, know-how or the results of innovation that would qualify as trade secrets as defined in Article 2, point (1), of Directive (EU) 2016/943 of the European Parliament and of the Council<sup>52</sup>.

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<sup>52</sup> Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (OJ L 157, 15.6.2016, p. 1).

*Justification*

*No supervisor shall require ESG rating providers to disclose the information listed in this paragraph.*

**Amendment 305**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 14 – paragraph 13**

*Text proposed by the Commission*

13. ESG rating providers shall only make changes to their ESG ratings in accordance with their rating methodologies

*Amendment*

13. ESG rating providers shall only make changes to their ESG ratings in accordance with their rating methodologies published pursuant to Article 21, **unless**

published pursuant to Article 21.

*unexpected and unforeseen events require a deviation from the established methodology in exceptional circumstances. In this case, the ESG rating provider shall make a public announcement and disclose the rationale for the deviation and the nature of the exceptional circumstance.*

Or. en

**Amendment 306**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 14 a (new)**

*Text proposed by the Commission*

*Amendment*

*Article 14a*

***Organisational requirements, governance and processes***

***1. An ESG rating provider shall have a management body that has the ultimate responsibility for the compliance of the ESG rating provider with the provisions of this Regulation. The management body shall in particular :***

***(a) assess and adapt the ESG rating provider's strategy in accordance with its ESG rating objectives;***

***(b) ensure that conflicts of interests are properly identified, removed or managed and disclosed;***

***(c) verify that the policies, written procedures and the rating methodology comply with the requirements of this Regulation and are regularly reviewed.***

***2. An ESG rating provider shall establish and maintain a permanent and independent compliance function for the activities performed under this Regulation. It shall have the necessary resources and expertise and have access***

*to all the information necessary to perform its function.*

*3. An ESG rating provider shall establish and maintain a permanent oversight function to monitor all aspects of the provision of ESG ratings. The oversight function shall at least:*

*(a) regularly review the ESG rating methodology, including models and key assumptions;*

*(b) verify that the ESG ratings are based on reliable data and of sufficient quality;*

*(c) monitor the implementation of identified remedial actions.*

*4. The compliance function referred to in paragraph 2 and the oversight function referred to in paragraph 3 shall have direct access to the management body of the ESG rating provider.*

Or. en

**Amendment 307**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 15**

*Text proposed by the Commission*

*Amendment*

*Article 15*

*deleted*

*Separation of business and activities*

*1. ESG rating providers shall not provide any of the following activities:*

*(a) consulting activities to investors or undertakings;*

*(b) the issuance and sale of credit ratings;*

*(c) the development of benchmarks;*

*(d) investment activities;*

*(e) audit activities;*

*(f) banking, insurance, or reinsurance activities.*

**2. ESG rating providers shall ensure that the provision of other services than those referred to in paragraph 1 does not create risks of conflicts of interest within its ESG rating activities.**

Or. en

*Justification*

*The conflict-of-interest provisions in Article 23 are sufficient to deal with potential conflicts of interest.*

**Amendment 308**

**Dimitrios Papadimoulis**

on behalf of The Left Group

**Proposal for a regulation**

**Article 15 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. ESG rating providers shall not provide any of the following activities:

*Amendment*

1. ESG rating providers **and entities that are part of a group to which an ESG rating provider belongs** shall not provide any of the following activities:

Or. en

**Amendment 309**

**Pascal Durand, René Repasi, Pedro Silva Pereira**

**Proposal for a regulation**

**Article 15 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. ESG rating **providers** shall not provide any of the following activities:

*Amendment*

1. **Any person directly or indirectly linked to the ESG rating provider by control** shall not provide any of the following activities:

Or. en

**Amendment 310**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. ESG rating providers shall not provide any *of the following activities*:

*Amendment*

1. ESG rating providers shall not provide any *consulting activity to investors or undertakings nor any audit activity*.

Or. en

**Amendment 311**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. ESG rating providers shall not provide *any of the following activities*:

*Amendment*

1. ESG rating providers shall not provide:

Or. en

**Amendment 312**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point a**

*Text proposed by the Commission*

*(a) consulting activities to investors or undertakings;*

*Amendment*

*deleted*

Or. en

**Amendment 313**  
**Dorien Rookmaker**

**Proposal for a regulation**

**Article 15 – paragraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) consulting activities *to investors or undertakings*;

(a) consulting activities;

Or. en

**Amendment 314**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 15 – paragraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) consulting activities to investors *or* undertakings;

(a) consulting activities to investors, *financial or non-financial* undertakings;

Or. en

**Amendment 315**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 15 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

(b) *the issuance and sale of credit ratings*;

*deleted*

Or. en

**Amendment 316**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 15 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) *the issuance and sale of credit ratings;*** *deleted*

Or. en

**Amendment 317**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) *the issuance and sale of credit ratings;***

**(b) *distribution* of credit ratings;**

Or. en

**Amendment 318**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) the issuance and *sale* of credit ratings;**

**(b) the issuance and *distribution* of credit ratings;**

Or. en

**Amendment 319**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) *the development of benchmarks;*** *deleted*

Or. en

**Amendment 320**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

(c) *the development of benchmarks;* *deleted*

Or. en

**Amendment 321**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

(c) the development of benchmarks; (c) the development of benchmarks *by an administrator of benchmarks as defined in Article 3(1), point (3), of Regulation (EU) 2016/1011 of the European Parliament and of the Council;*

Or. en

**Amendment 322**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

(d) *investment activities;* *deleted*

Or. en

**Amendment 323**  
**José Manuel García-Margallo y Marfil**



**Proposal for a regulation**  
**Article 15 – paragraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) investment activities;** *deleted*

Or. en

**Amendment 324**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point e**

*Text proposed by the Commission*

*Amendment*

**(e) audit activities;** *deleted*

Or. en

**Amendment 325**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point e**

*Text proposed by the Commission*

*Amendment*

**(e) audit activities;** *deleted*

Or. en

**Amendment 326**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point f**

*Text proposed by the Commission*

*Amendment*

**(f) banking, insurance, or  
reinsurance activities.** *deleted*

**Amendment 327**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point f**

*Text proposed by the Commission*

*Amendment*

**(f) banking, insurance, or reinsurance activities.**

**deleted**

Or. en

**Amendment 328**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 15 – paragraph 1 – point f a (new)**

*Text proposed by the Commission*

*Amendment*

**(fa) ESG ratings for entities which belong to the same group as the ESG rating provider.**

Or. en

**Amendment 329**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

**1 a. ESG rating providers that provide any of the following activities:**

- (a) the issuance and sale of credit ratings;**
- (b) the development of benchmarks;**
- (c) investment activities;**

*(d) banking, insurance, or reinsurance activities,*

*shall put in place the necessary measures to ensure that each activity is exercised autonomously. In addition, they shall take appropriate measures, including the measures in Articles 23 and 24, to ensure that conflicts of interest do not arise in decision-making, both within the institution itself and between institutions belonging to the same group.*

Or. en

**Amendment 330**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 15 – paragraph 2**

*Text proposed by the Commission*

2. ESG rating providers shall ensure that the provision of *other* services *than those referred to in paragraph 1* does not create risks *of conflicts of interest* within its ESG rating activities.

*Amendment*

2. ESG rating providers shall ensure that the provision of services *other than ESG ratings* does not create *unmanageable* risks within its ESG rating activities.

Or. en

*Justification*

*It goes too far by proposing a regulatory model that requires legal and operational separation of business activities. Most group companies offer services and activities that could present conflicts of interest but measures, overseen by the regulator, mitigate this risk. Introducing a model where all activities are conducted through separate legal entities will create material inefficiencies, significantly increase the cost of conducting business and place the EU capital market at a disadvantage to other markets.*

**Amendment 331**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 15 – paragraph 2**

*Text proposed by the Commission*

2. ESG rating providers shall ensure that the provision of other services than those referred to in paragraph 1 does not create risks of conflicts of interest within its ESG rating activities.

*Amendment*

2. ESG rating providers shall ensure that the provision of other services than those referred to in paragraph 1 **and 1a** does not create risks of conflicts of interest within its ESG rating activities.

Or. en

**Amendment 332**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 15 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2a. For the purposes of ensuring sufficient and harmonised safeguards for the provision of other services in accordance with paragraph 2, ESMA shall develop draft implementing technical standards to specify under which conditions ESG rating providers could provide such services.**

**ESMA shall submit those draft implementing technical standards to the Commission by [12 months after the entry into force of this Regulation].**

**Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.**

Or. en

**Amendment 333**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 16 – title**

*Text proposed by the Commission*

*Amendment*

Rating analysts, **employees** and other persons involved in the provision of ESG ratings

Rating analysts and other persons **directly** involved in the provision of ESG ratings

Or. en

**Amendment 334**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 16 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. ESG rating providers shall ensure that rating analysts, **employees** and any other natural person whose services are placed at its disposal or under its control and who are directly involved in the provision of ESG ratings, **including analysts directly involved in the rating process and persons involved in the provision of scores**, have the knowledge and experience that is necessary for the performance of the duties and tasks assigned.

1. ESG rating providers shall ensure that rating analysts and any other natural person whose services are placed at its disposal or under its control and who are directly involved in the provision of ESG ratings, have the knowledge and experience that is necessary for the performance of the duties and tasks assigned.

Or. en

**Amendment 335**  
**Billy Kelleher, Pascal Canfin**

**Proposal for a regulation**  
**Article 16 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. ESG rating providers shall ensure that rating analysts, employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in the provision of ESG ratings, including analysts directly involved in the rating

1. ESG rating providers shall ensure that rating analysts, employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in the provision of ESG ratings, including analysts directly involved in the rating

process and persons involved in the provision of scores, have the knowledge and experience that is necessary for the performance of the duties and tasks assigned.

process and persons involved in the provision of scores, have the knowledge and experience that is necessary for the performance of the duties and tasks assigned, ***in particular a sufficient understanding of potential material financial risk to the rated entity and potential material impact of the rated entity on the environment and society in general.***

Or. en

### **Amendment 336**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

#### **Article 16 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall ensure that rating analysts, employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in the provision of ESG ratings, including analysts directly involved in the rating process and persons involved in the provision of scores, have the knowledge and experience that is necessary for the performance of the duties and tasks assigned.

*Amendment*

1. ESG rating providers shall ensure that rating analysts, employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in the provision of ESG ratings, including analysts directly involved in the rating process and persons involved in the provision of scores, ***are appropriately trained and*** have the knowledge and experience that is necessary for the performance of the duties and tasks assigned.

Or. en

### **Amendment 337**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 16 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. The *persons referred to in paragraph 1* shall not buy or sell any financial instrument issued, guaranteed, or otherwise supported by any rated entity other than holdings in diversified collective investment schemes, including managed funds, nor engage in any transaction in such financial instruments.

3. The *staff of the ESG rating provider* shall not buy or sell any financial instrument issued, guaranteed, or otherwise supported by any rated entity other than holdings in diversified collective investment schemes, including managed funds, nor engage in any transaction in such financial instruments.

Or. en

### **Amendment 338**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Article 16 – paragraph 4 – point c**

*Text proposed by the Commission*

(c) have had *a recent* employment, business or other relationship with the rated entity that may cause or may be generally perceived as causing a conflict of interest.

*Amendment*

(c) have had, *over the last 3 years, an* employment, business or other relationship with *the rated entity or any entity within the group of* the rated entity that may cause or may be generally perceived as causing a conflict of interest.

Or. en

### **Amendment 339**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Article 16 – paragraph 5 – introductory part**

*Text proposed by the Commission*

5. ESG rating providers shall ensure that *the persons referred to in paragraph 1*:

*Amendment*

5. ESG rating providers shall ensure that *members of its staff*.

Or. en

## Amendment 340

Billy Kelleher

### Proposal for a regulation

#### Article 16 – paragraph 7

*Text proposed by the Commission*

7. Where a rating analyst terminates his or her employment with the ESG rating provider and joins a rated entity which he or she has been involved in rating, the ESG rating provider shall review the work of the rating analyst over one year preceding his or her departure.

*Amendment*

7. Where a rating analyst terminates his or her employment with the ESG rating provider and, ***within one year***, joins a rated entity which he or she has been involved in rating, the ESG rating provider shall review the work of the rating analyst over one year preceding his or her departure.

Or. en

## Amendment 341

Rasmus Andresen

on behalf of the Verts/ALE Group

### Proposal for a regulation

#### Article 16 – paragraph 8

*Text proposed by the Commission*

8. Persons as referred to in paragraph 1 shall not take up a ***key management*** position within a rated entity which they have been involved in rating for six months after the provision of such rating.

*Amendment*

8. Persons as referred to in paragraph 1 ***as well as persons occupying a senior management position in the ESG rating provider*** shall not take up a position within a rated entity which they have been involved in rating for six months after the provision of such rating.

Or. en

## Amendment 342

José Manuel García-Margallo y Marfil

### Proposal for a regulation

#### Article 16 – paragraph 8

*Text proposed by the Commission*

8. Persons as referred to in paragraph

*Amendment*

8. Persons as referred to in paragraph



1 shall not take up a key management position within a rated entity which they have been involved in rating for **six months** after the provision of such rating.

1 shall not take up a key management position within a rated entity which they have been involved in rating for **one year** after the provision of such rating.

Or. en

#### **Amendment 343**

**Valentino Grant, Antonio Maria Rinaldi**

#### **Proposal for a regulation**

#### **Article 16 – paragraph 8**

*Text proposed by the Commission*

8. Persons as referred to in paragraph 1 shall not take up a key management position within a rated entity which they have been involved in rating for **six months** after the provision of such rating.

*Amendment*

8. Persons as referred to in paragraph 1 shall not take up a key management position within a rated entity which they have been involved in rating for **one year** after the provision of such rating.

Or. en

#### **Amendment 344**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 16 a (new)**

*Text proposed by the Commission*

*Amendment*

#### **Article 16a**

#### ***Engagement with rated entities pre-publication of the rating report***

***1. ESG rating providers shall engage with the rated entity to inform it that it will be rated. They shall provide rated entities with a clear and formal notice regarding the rating process including the following:***

***a) a functioning contact point in charge of the rated entity;***

***b) the period during which questionnaires, if any, are being sent out;***

*c) the procedure allowing the rated entity to correct errors;*

*d) the description of the timing and precise terms of the rating process;*

*e) the financial year on which the rating report is based on.*

*2. ESG rating providers shall ensure that rated entities have a right to respond to the draft rating within 2 weeks before the rating is published.*

*3. Before publishing the ESG rating, ESG rating providers shall inform the rated entity whether its feedback has been accepted and, if not, provide a duly reasoned explanation regarding the reasons therefore.*

*4. If the ESG rating provider has not taken into account the entities' feedback regarding its rating, the applied methodology, potential errors, inadequate sector classification or the use of controversies, the rated entity shall be entitled to request the ESG rating provider to make public, together with the rating, the entity's comments on inaccurate or irrelevant data or inappropriate methodologies ("company quote").*

Or. en

#### *Justification*

*To ensure that rated entities can correct factual inaccuracies then it is essential that a functioning, permanent contact point is established between rating provider and rated entity. In order to correct factual errors rated entities need clear information about what the rating process is based on. This exchange needs to be possible over a time period which is reasonable to enable the rated entity to be able to check the rating report and to inform about factual errors.*

**Amendment 345**

**Paul Tang**

**Proposal for a regulation**

**Article 16 a (new)**

**Article 16a**

***Use of multiple ESG rating providers***

- 1. Where an entity or investor seeks an ESG rating from at least two ESG rating providers, it shall appoint at least one ESG rating provider with no more than 5 % market share in the Union.***
- 2. ESMA shall annually publish on its website a list of ESG rating providers listed in the register referred to in Article 13(1), indicating their total market share in the Union.***
- 3. For the purposes of this Article, total market share shall be measured by reference to the annual turnover generated from ESG rating activities and ancillary services, at group level in the Union.***

Or. en

**Amendment 346**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation  
Article 17 – paragraph 1**

*Text proposed by the Commission*

1. ESG **rating** providers shall record their ESG rating activities. Those records shall contain the information listed in Annex II.

*Amendment*

1. ESG **ratings and ESG data products** providers shall record their ESG rating activities. Those records shall contain the information listed in Annex II.  
*(Amendment applies throughout article 17: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 347**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 17 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall record their ESG rating activities. Those records shall contain the information listed in *Annex II*.

*Amendment*

1. ESG rating providers shall record their ESG rating activities. Those records shall contain the information listed in *Annexes I and II*.

Or. en

**Amendment 348**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 17 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. ESG rating providers shall keep record of key rating-related information, including rating, the rated legal entity or financial instrument, the rating type, the horizon or outlook used for the rating, the rating status and make this information available upon request to competent authorities in charge of the supervision of the regulated financial undertakings in the Union.***

Or. en

**Amendment 349**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 17 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. ESMA shall develop draft implementing technical standards to***

*specify the formats that ESG rating providers shall use to transmit the information for the purposes set out in paragraph 1a.*

*ESMA shall submit those draft implementing technical standards to the Commission by [9 months after entry into force of this Regulation].*

*Power is delegated to the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with the procedure laid down in Article 15 of Regulation (EU) No 1095/2010.*

Or. en

**Amendment 350**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 18 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall have in place and publish on their website procedures for receiving, investigating and retaining records concerning complaints made.

*Amendment*

1. ESG rating providers shall have in place and publish on their website procedures for receiving, investigating and retaining records concerning complaints made *by rated entities*.

Or. en

**Amendment 351**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 18 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall have in place and publish on their website procedures for receiving, investigating and retaining records concerning complaints

*Amendment*

1. ESG rating providers shall have in place and publish on their website procedures for receiving, investigating and retaining records concerning *non-*

made.

*anonymous* complaints made.

Or. en

### **Amendment 352**

**Billy Kelleher**

#### **Proposal for a regulation**

#### **Article 18 – paragraph 2 – point a – point 4**

*Text proposed by the Commission*

*Amendment*

**(4) a proposed change to the ESG rating determination process;**

**deleted**

Or. en

### **Amendment 353**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

#### **Article 18 – paragraph 2 – point a – point 5**

*Text proposed by the Commission*

*Amendment*

**(5) other decisions in relation to the ESG rating;**

**(5) other decisions in relation to the ESG rating *that appear inconsistent with the applicable methodologies, policies or procedures of the ESG rating provider;***

Or. en

### **Amendment 354**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 18 – paragraph 2 – point a – point 5 a (new)**

*Text proposed by the Commission*

*Amendment*

**(5a) the quality of ESG data distributed to regulated financial undertakings in the EU;**

**Amendment 355**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 18 – paragraph 2 – point a – point 5 b (new)**

*Text proposed by the Commission*

*Amendment*

**(5b) the methodology and sources of data used for a specific controversy report;**

Or. en

**Amendment 356**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 18 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

(b) complaints are investigated in a timely and fair manner and that the outcome of the investigation is communicated to the complainant within a **reasonable** period of **time**, unless such communication would be contrary to objectives of public policy or to Regulation (EU) No 596/2014 of the European Parliament and of the Council<sup>53</sup> ;

(b) complaints are investigated in a timely and fair manner and that the outcome of the investigation is communicated to the complainant within a period of **one month**, unless such communication would be contrary to objectives of public policy or to Regulation (EU) No 596/2014 of the European Parliament and of the Council<sup>53</sup> ;

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<sup>53</sup> Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

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<sup>53</sup> Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

Or. en

**Amendment 357**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 18 – paragraph 2 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) *the inquiry is conducted independently of any personnel that has been involved in the subject-matter of the complaint.***

***deleted***

Or. en

**Amendment 358**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 18 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2 a. *By XXXX, the ESMA shall establish and operate a complaint mechanism for receiving, investigating and retaining records concerning complaints against ESG ratings or ESG data product providers made regarding ESG ratings or ESG data.***

Or. en

**Amendment 359**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 18 – paragraph 2 b (new)**

*Text proposed by the Commission*

*Amendment*

**2 b. *The mechanism referred to in paragraph 2a shall be public and ensure that complaints may be submitted on the***



*following topics:*

*(a) the sources of data used for a specific ESG rating;*

*(b) the way in which the rating methodology in relation to a specific ESG rating has been applied;*

*(c) whether a specific ESG rating is representative of the rated entity;*

*(d) a proposed change to the ESG rating determination process;*

*(e) other decisions in relation to the ESG rating;*

*(f) the quality of ESG data distributed to regulated financial undertakings in the EU;*

*(g) the methodology and sources of data used for a specific controversy report.*

Or. en

#### **Amendment 360**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 18 – paragraph 2 c (new)**

*Text proposed by the Commission*

*Amendment*

***2 c. ESMA shall investigate complaints in a timely and fair manner and communicate the outcome of the investigation to the complainant within a reasonable period of time, unless such communication would be contrary to objectives of public policy or to Regulation (EU) No 596/2014 of the European Parliament and of the Council.***

Or. en

#### **Amendment 361**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 19 – paragraph 1**

*Text proposed by the Commission*

1. ESG **rating** providers shall not outsource important operational functions where such outsourcing would materially impair the quality of the ESG **rating** provider's internal control policies and procedures, or the ability of the European Supervisory and Markets Authority (ESMA) to supervise the ESG **rating** provider's compliance with its obligations under this Regulation.

*Amendment*

1. ESG **ratings and ESG data products** providers shall not outsource important operational functions where such outsourcing would materially impair the quality of the ESG **ratings and ESG data products** provider's internal control policies and procedures, or the ability of the European Supervisory and Markets Authority (ESMA) to supervise the ESG **ratings and ESG data products** provider's compliance with its obligations under this Regulation.

*(Amendment applies throughout article 19: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 362**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 19 – paragraph 1**

*Text proposed by the Commission*

1. **ESG rating providers shall not outsource** important operational functions **where such outsourcing would** materially impair the quality of the ESG rating provider's internal control **policies and procedures, or** the ability of the European Supervisory and Markets Authority (ESMA) to supervise the ESG rating provider's compliance with **its** obligations under this Regulation.

*Amendment*

1. **Outsourcing of** important operational functions **shall not** materially impair the quality of the ESG rating provider's internal control **and** the ability of the European Supervisory and Markets Authority (ESMA) to supervise the ESG rating provider's compliance with obligations under this Regulation.

Or. en

**Amendment 363**  
**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 19 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3a. ESG rating providers that outsource functions or any services or activities must not transmit confidential data or information related to rated entities unless rated entities have expressly consented to the transmission of such data or information.**

Or. en

**Amendment 364**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 20 – paragraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

1. ESMA may exempt an ESG **rating** provider at its request from complying with some of the requirements laid down in Article 14 where that ESG **rating** provider is able to demonstrate that those requirements are not proportionate in view of the nature, scale and complexity of its business and the nature and range of the issuance of ESG ratings and provided that:

1. ESMA may exempt an ESG **ratings and ESG data products** provider(s) at its request from complying with some of the requirements laid down in Article 14 where that ESG **ratings and ESG data products** provider(s) is able to demonstrate that those requirements are not proportionate in view of the nature, scale and complexity of its business and the nature and range of the issuance of ESG ratings and **ESG data products and** provided that:

*(Amendment applies throughout article 20: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 365**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 20 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. ESMA may exempt an ESG rating provider at its request from complying with some of the requirements laid down in Article **14** where that ESG rating provider is able to demonstrate that those requirements are not proportionate in view of the nature, scale and complexity of its business and the nature and range of the issuance of ESG ratings and provided that:

*Amendment*

1. ESMA may exempt an ESG rating provider at its request from complying with some of the **organisational** requirements laid down in Article **14a (2) and (3)** where that ESG rating provider is able to demonstrate that those requirements are not proportionate in view of the nature, scale and complexity of its business and the nature and range of the issuance of ESG ratings and provided that:

Or. en

**Amendment 366**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 20 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) the ESG rating provider is a small **or medium-sized** undertaking according to the criteria laid down in Article 3 of Directive 2013/34/EU;

*Amendment*

(a) the ESG rating provider is a small undertaking according to the criteria laid down in Article 3 of Directive 2013/34/EU **and is not part of a wider group**;

Or. en

**Amendment 367**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 20 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) the ESG rating provider is a small **or medium-sized** undertaking according to the criteria laid down in Article 3 of Directive 2013/34/EU;

*Amendment*

(a) the ESG rating provider is a small undertaking according to the criteria laid down in Article 3 of Directive 2013/34/EU;

**Amendment 368**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 20 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. In the case of a group of ESG rating providers, ESMA shall ensure that at least one of the ESG rating providers in the group is not exempted from the requirements laid down in this Regulation.** *deleted*

Or. en

*Justification*

*Amendment to point a) excludes undertakings belonging to a group to benefit from the exemption.*

**Amendment 369**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 20 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. In the case of a group of ESG rating providers, ESMA shall ensure that at least one of the ESG rating providers in the group is not exempted from the requirements laid down in this Regulation.** *deleted*

Or. en

**Amendment 370**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Title III – Chapter 1 a (new)**

*Text proposed by the Commission*

*Amendment*

**1 a CHAPTER 1a**

***Minimum requirements on ESG ratings methodology***

***Article 20a - Disaggregation of E, S and G components***

***1. ESG rating providers shall provide for each rated entity separate E, S and G ratings.***

***2. Notwithstanding paragraph 1, ESG rating providers can provide a single ESG rating that aggregates E, S and G factors provided that:***

***(a) The weight attributed to each factor is clearly communicated to ESG rating subscribers and users;***

***(b) An explanation of the weight attributed to each factor is provided to ESG rating subscribers and users;***

***(c) Each factor shall be attributed a factor of at least 20%.***

***Article 20b - Impact materiality requirement***

***1. All ESG ratings provided by ESG rating providers shall be based, at least partly, on the impact materiality of the rated entity or financial instrument on the environment and society. Ratings or scores based solely on the ability of an entity to withstand the risks posed by ESG factors do not qualify as ESG rating.***

***2. Where ESG rating providers factor in financial materiality assessment in their ESG ratings, they shall make sure that this dimension does not represent more than 25% of the rating.***

***Article 20c - Minimum requirements for each factor***

***1. ESG rating providers shall ensure that their methodology for the "E" factor***

*ensures at least alignment with the 1.5°C target set by the Paris agreement. Undertakings conducting or financing new fossil fuel projects shall receive a rating in the lowest rating category.*

*2. ESG rating providers shall ensure that their methodology for the "S" factor is at least aligned with the core International Labour Organization (ILO) standards and the UN Guiding Principles on Business and Human Rights.*

*3. ESG rating providers shall ensure that their methodology for the "G" factor is at least aligned with the G20/OECD Principles of Corporate Governance and the UN Convention Against Corruption. Undertakings convicted of money-laundering, terrorist financing or tax avoidance shall receive a rating in the lowest rating category.*

Or. en

#### **Amendment 371**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

##### **Article 21 – title**

###### *Text proposed by the Commission*

Disclosure of the methodologies, models, and key rating assumptions used in ESG rating activities to the public

###### *Amendment*

Disclosure of the methodologies, models, and key rating assumptions **and treatment of controversies** used in ESG rating activities to the public

Or. en

#### **Amendment 372**

**Valentino Grant, Antonio Maria Rinaldi**

#### **Proposal for a regulation**

##### **Article 21 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

*Amendment*

1. ESG rating **providers and ESG data** providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

Or. en

**Amendment 373**

**Dimitrios Papadimoulis**

on behalf of The Left Group

**Proposal for a regulation**

**Article 21 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in **point 1 of** Annex III.

*Amendment*

1. ESG rating providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including **how they assessed impact materiality and financial materiality and** the information referred to in Annex III.

Or. en

**Amendment 374**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 21 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

*Amendment*

1. ESG rating providers shall disclose on their website, **as a minimum**, the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in **points d) and g) of Annex I and in** point 1 of Annex III.



**Amendment 375**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 21 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall disclose on their website the methodologies, **models** and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

*Amendment*

1. ESG rating providers shall disclose on their website the methodologies and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

Or. en

*Justification*

*Such disclosure would require ESG rating providers to disclose their intellectual capital, intellectual property, know-how and the results of their innovation that qualify as a trade secrets, which would be in conflict with Article 14 (12) of the Regulation.*

**Amendment 376**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 21 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

*Amendment*

1. ESG rating providers shall disclose on their website, **as a minimum**, the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

Or. en

**Amendment 377**  
**Billy Kelleher**

**Proposal for a regulation**  
**Article 21 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall disclose on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

*Amendment*

1. ESG rating providers shall disclose, **as a minimum**, on their website the methodologies, models and key rating assumptions they use in their ESG rating activities, including the information referred to in point 1 of Annex III.

Or. en

**Amendment 378**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 21 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. ESG rating providers shall disclose on their website the methodologies they use with regard to the treatment of controversies in their ESG rating activities, including the following information:***

***(a) the procedure for selecting sources from which controversies may originate;***

***(b) the criteria used to assess the reliability and credibility of the source;***

***(c) the methodology for assessing the degree of severity of the controversy and its impact on the final ESG score, including:***

***i. the criteria used (e.g. quality of the source, media impact, existence of a court ruling, number of people impacted in relation to the size of the company, etc.);***

***ii. the scales used (e.g. impact deemed severe if there are more than x strikers involved in a social movement, impact deemed severe if the company does not respond within x days);***

*iii. weightings for each criterion;*

*(d) the procedure for collecting, analysing and integrating into the report and rating the following points:*

*i. the company's right of reply;*

*ii. corrective action taken by the company;*

*iii. new information relating to the controversy;*

*(e) the procedure for dealing with appeals lodged by companies with the ESG rating provider regarding the handling of a controversy.*

*(f) In addition to these transparency obligations, ESG rating providers should be obliged to:*

*i. inform the company of any new controversy added to the rating within a reasonable timeframe, so that the company can respond as soon as the controversy arises and the ESG rating providers can modify the report.*

*ii. include in the report, for each controversy all the sources; the company's response; information on any ongoing or closed legal proceedings in relation to the controversy, and to indicate the absence of legal proceedings where applicable; the date on which the information was last updated.*

Or. en

**Amendment 379**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 21 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. ESG rating providers, when providing aggregated ESG ratings shall disclose the rating and the weight***

*attributed to the E, S and G factors separately.*

Or. en

**Amendment 380**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 21 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

***1b. ESG rating providers shall make use of the data enclosed in the Sustainable Finance Disclosure Regulation, the Taxonomy Regulation and the Corporate Sustainability Reporting Directive. These pieces of legislation represent landmark legislative initiatives to enhance the availability, quality and consistency of ESG requirements across the entire value chain of financial market participants.***

Or. en

**Amendment 381**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 21 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

*Amendment*

ESMA shall submit those draft regulatory technical standards to the Commission by **XX XXXX XXXX**.

ESMA shall submit those draft regulatory technical standards to the Commission by ***[9 months after entry into force of this Regulation]*** .

Or. en

**Amendment 382**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 21 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3a. ESMA shall also develop draft implementing technical standards to specify the formats and templates ESG rating providers shall use for the purposes set out in paragraph 1.**

**ESMA shall submit those draft implementing technical standards to the Commission by [9 months after entry into force of this Regulation].**

**Power is delegated to the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with the procedure laid down in Article 15 of Regulation (EU) No 1095/2010.**

Or. en

**Amendment 383**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 21 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a. ESMA shall develop draft implementing technical standards to specify the data standards and formats for the elements that are to be disclosed in accordance with paragraph 1.**

**ESMA shall submit those draft implementing technical standards to the Commission by XX XXXX XXXX**

Or. en

**Amendment 384**  
**Billy Kelleher, Pascal Canfin**

**Proposal for a regulation**  
**Article 21 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a.** *ESMA shall develop draft implementing technical standards to specify the data standards and formats for the elements that are to be disclosed in accordance with paragraph 1.*

*ESMA shall submit those draft implementing technical standards to the Commission by XX XXXX XXXX.*

Or. en

**Amendment 385**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 22 – title**

*Text proposed by the Commission*

*Amendment*

Disclosures to **subscribers** of ESG ratings and rated entities

Disclosures to **users** of ESG ratings and **ESG data products and to** rated entities

*(Amendment applies throughout article 22: ESG ratings and ESG data products providers. Also Alignment with annex III.)*

Or. en

**Amendment 386**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 22 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

**1a.** *Where an ESG rating provider issues an unsolicited rating, it shall state prominently in the credit rating, using a*

*clearly distinguishable different colour code for the rating category, whether or not the rated entity or a related third party participated in the rating process and whether the ESG rating provider had access to the management and other relevant internal documents for the rated entity or a related third party.*

Or. en

*Justification*

*Mirrors Article 10(5) of the Credit Rating Agency Regulation (Regulation No 1060/2009) in relation to unsolicited ratings.*

**Amendment 387**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 22 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

ESMA shall submit those draft regulatory technical standards to the Commission by **XX XXXX XXXX**.

*Amendment*

ESMA shall submit those draft regulatory technical standards to the Commission by **[9 months after entry into force of this Regulation]**.

Or. en

**Amendment 388**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 22 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3a. ESMA shall develop draft implementing technical standards to specify the data standards and formats for the elements that are to be disclosed in accordance with paragraph 1.**

*ESMA shall submit those draft implementing technical standards to the Commission by [9 months after entry into force of this Regulation]*

*Power is delegated to the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with the procedure laid down in Article 15 of Regulation (EU) No 1095/2010.*

Or. en

**Amendment 389**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 22 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a.** *ESMA shall develop draft implementing technical standards to specify the data standards and formats for the elements that are to be disclosed in accordance with paragraph 1.*

*ESMA shall submit those draft implementing technical standards to the Commission by XX XXXX XXXX*

Or. en

**Amendment 390**  
**Billy Kelleher, Pascal Canfin**

**Proposal for a regulation**  
**Article 22 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a.** *ESMA shall develop draft implementing technical standards to specify the data standards and formats for the elements that are to be disclosed in accordance with paragraph 1.*



*ESMA shall submit those draft implementing technical standards to the Commission by XX XXXX XXXX.*

Or. en

**Amendment 391**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 22 a (new)**

*Text proposed by the Commission*

*Amendment*

*Article 22a*

*Errors in ESG rating methodologies*

*Where a ESG rating provider becomes aware of errors in its rating methodologies or in their application it shall immediately:*

*(a) notify those errors to ESMA and all affected rated entities explaining the impact on its ratings including the need to review issued ratings;*

*(b) where errors have an impact on its ESG ratings, publish those errors on its website;*

*(c) correct those errors in the rating methodologies;*

*(d) review the affected ESG ratings as soon as possible and no later than six months after the change, in the meantime placing those ratings under observation; and*

*(e) re-rate all ESG ratings that have been based on those methodologies, models or key rating assumptions if, following the review, the overall combined effect of the changes affects those ESG rating*

Or. en

**Amendment 392**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 23 – paragraph 1**

*Text proposed by the Commission*

1. ESG **rating** providers shall have in place robust governance arrangements, including a clear organisational structure with well-defined, transparent, and consistent roles and responsibilities for all persons involved in the provision of an ESG rating.

*Amendment*

1. ESG **ratings and ESG data products** providers shall have in place robust governance arrangements, including a clear organisational structure with well-defined, transparent, and consistent roles and responsibilities for all persons involved in the provision of an ESG rating **and ESG data product(s)**.

*(Amendment applies throughout article 23: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 393**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 23 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall have in place robust governance arrangements, including a clear organisational structure with well-defined, transparent, and consistent roles and responsibilities for all persons involved in the provision of an ESG rating.

*Amendment*

1. ESG rating providers shall have in place robust governance arrangements, including a clear organisational structure with well-defined, transparent, and consistent roles and responsibilities for all persons **directly** involved in the provision of an ESG rating.

Or. en

**Amendment 394**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 23 – paragraph 2**

*Text proposed by the Commission*

2. ESG rating providers shall take all necessary steps to ensure that any ESG rating provided is not affected by any existing or potential conflict of interest, or by any business relationship, either from the ESG rating provider itself or from their shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the ESG rating providers, or any person directly or indirectly linked to them by control.

*Amendment*

2. ESG rating providers shall take all necessary steps to ensure that any ESG rating provided is not affected by any existing or potential conflict of interest, or by any business relationship, either from the ESG rating provider itself or from their shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the ESG rating providers, or any person directly or indirectly linked to them by control ***or any third-party provider to whom functions or any services or activities have been outsourced.***

Or. en

**Amendment 395**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 23 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

***Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider’s affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk. Such measures may include the establishment of an independent oversight function representing stakeholders, including users of the ESG ratings and contributors to such ratings, in a balanced manner.***

*Amendment*

***deleted***

Or. en

**Amendment 396**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 23 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider’s affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk. ***Such measures may include the establishment of an independent oversight function representing stakeholders, including users of the ESG ratings and contributors to such ratings, in a balanced manner.***

*Amendment*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider’s affiliates, ESMA may require the ESG rating provider to take ***proportionate*** measures to mitigate that risk.

Or. en

*Justification*

*An oversight body that could include entities that are rated by the rating provider could constitute a conflict of interest.*

**Amendment 397**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 23 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the

*Amendment*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the

ESG rating provider, or of any the ESG rating provider's affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk. ***Such measures may include the establishment of an independent oversight function representing stakeholders, including users of the ESG ratings and contributors to such ratings, in a balanced manner.***

ESG rating provider, or of any the ESG rating provider's affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk.

Or. en

#### **Amendment 398**

**Billy Kelleher**

#### **Proposal for a regulation**

#### **Article 23 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider's affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk. ***Such measures may include the establishment of an independent oversight function representing stakeholders, including users of the ESG ratings and contributors to such ratings, in a balanced manner.***

*Amendment*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider's affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk.

Or. en

#### **Amendment 399**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 23 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider's affiliates, ESMA may require the ESG rating provider to take measures to mitigate that risk. Such measures may include the establishment of an independent oversight function representing stakeholders, including users of the ESG ratings **and** contributors to such ratings, in a balanced manner.

*Amendment*

Where there is a risk of a conflict of interest within an ESG rating provider due to the ownership structure, controlling interests, or activities of that ESG rating provider, of any entity owning or controlling the ESG rating provider, of an entity that is owned or controlled by the ESG rating provider, or of any the ESG rating provider's affiliates **or third-party provider**, ESMA may require the ESG rating provider to take measures to mitigate that risk. Such measures may include the establishment of an independent oversight function representing stakeholders, including users of the ESG ratings, contributors to such ratings, **trade unions, relevant civil society organisations and affected communities**, in a balanced manner.

Or. en

**Amendment 400**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 23 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Where **a** conflict of interest as referred to in the first subparagraph cannot be adequately managed, ESMA **may** require the ESG rating provider to cease the activities or relationships that create the conflict of interest, or **may** require the ESG rating provider to cease providing the ESG ratings.

*Amendment*

Where **there is a risk of** conflict of interest as referred to in the first subparagraph **that** cannot be adequately managed, ESMA **shall** require the ESG rating provider to cease the activities or relationships that create the conflict of interest, or **shall** require the ESG rating provider to cease providing the ESG ratings.

Or. en

**Amendment 401**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 23 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Where a conflict of interest as referred to in the first subparagraph cannot be adequately managed, ESMA *may* require the ESG rating provider to cease the activities or relationships that create the conflict of interest, or *may* require the ESG rating provider to cease providing the ESG ratings.

*Amendment*

Where a conflict of interest as referred to in the first subparagraph cannot be adequately managed, ESMA *shall* require the ESG rating provider to cease the activities or relationships that create the conflict of interest, or *shall* require the ESG rating provider to cease providing the ESG ratings.

Or. en

**Amendment 402**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 24 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. ESG *rating* providers shall ensure that their employees and any other natural persons whose services are placed at their disposal or under their control and who are directly involved in the provision of an ESG rating:

*Amendment*

1. ESG *ratings and ESG data products* providers shall ensure that their employees and any other natural persons whose services are placed at their disposal or under their control and who are directly involved in the provision of an ESG rating *and ESG data product(s)*:

*(Amendment applies throughout article 24: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 403**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 24 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. ESG rating providers shall establish specific internal control procedures to ensure the integrity **and reliability of the employee or person determining the ESG rating**, including internal sign-off by management before the dissemination of the ESG rating.

2. ESG rating providers shall establish specific internal control procedures to ensure the integrity **of the ESG rating**, including internal sign-off by management before the dissemination of the ESG rating.

Or. en

#### **Amendment 404**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

#### **Article 24 – paragraph 2**

*Text proposed by the Commission*

2. ESG rating providers shall establish specific internal control procedures to ensure the integrity and reliability of the employee or person determining the ESG rating, including internal sign-off by management before the dissemination of the ESG rating.

*Amendment*

2. ESG rating providers shall establish specific internal control procedures to ensure the integrity and reliability of the employee or person determining the ESG rating, including internal sign-off by management before the dissemination of the ESG rating. ***ESMA may require ESG rating providers to provide information about these control procedures.***

Or. en

#### **Amendment 405**

**Markus Ferber**

#### **Proposal for a regulation**

#### **Article 25**

*Text proposed by the Commission*

#### ***Article 25***

***Fair, reasonable, transparent and non-discriminatory treatment of users of ESG ratings***

***1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are fair, reasonable,***

*Amendment*

***deleted***



*transparent, non-discriminatory and are based on costs.*

**2. For the purposes of paragraph 1, ESMA may require ESG rating providers to provide it with documented evidence, may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not fair, reasonable, transparent, non-discriminatory and not based on actual costs.**

Or. en

*Justification*

*The EU should not engage in de facto price regulation. Markets for ESG ratings are competitive, there is no market failure that would justify this level of intervention.*

**Amendment 406  
Dorien Rookmaker**

**Proposal for a regulation  
Article 25 – title**

*Text proposed by the Commission*

***Fair, reasonable***, transparent and non-discriminatory treatment of users of ESG ratings

*Amendment*

***Transparent*** and non-discriminatory treatment of users of ESG ratings

Or. en

**Amendment 407  
Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation  
Article 25 – paragraph 1**

*Text proposed by the Commission*

1. ESG ***rating*** providers shall take steps that are adequate to ensure that fees charged to clients are fair, reasonable,

*Amendment*

1. ESG ***ratings and ESG data product*** providers shall take steps that are adequate to ensure that:

transparent, non-discriminatory and are based on costs.

*(a)* fees charged to clients are fair, reasonable, transparent, non-discriminatory and are based on costs;

*(b) other commercial contractual terms are fair, reasonable, transparent and non-discriminatory.*

*(Amendment applies throughout article 25: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 408**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 25 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are ***fair, reasonable, transparent, non-discriminatory and are based on costs.***

*Amendment*

1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are transparent ***and*** non-discriminatory.

Or. en

**Amendment 409**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 25 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are fair, reasonable, transparent, non-discriminatory ***and are based on costs.***

*Amendment*

1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are fair, reasonable, transparent ***and*** non-discriminatory.

Or. en

## Amendment 410

Billy Kelleher

### Proposal for a regulation

#### Article 25 – paragraph 1

*Text proposed by the Commission*

1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are fair, reasonable, transparent, non-discriminatory **and are based on costs**.

*Amendment*

1. ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are fair, reasonable, transparent, **and** non-discriminatory.

Or. en

## Amendment 411

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

### Proposal for a regulation

#### Article 25 – paragraph 2

*Text proposed by the Commission*

2. For the purposes of paragraph 1, ESMA may require ESG rating providers to provide it with documented evidence, may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not fair, reasonable, transparent, non-discriminatory and not based on actual costs.

*Amendment*

2. For the purposes of paragraph 1, **ESG rating and ESG data providers shall provide ESMA with their fee grid and pricing policy, including fee structure and pricing criteria in relation to ESG data, on an annual basis.** ESMA may also require ESG rating providers to provide it with **additional** documented evidence **if deemed necessary.** ESMA may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not fair, reasonable, transparent, non-discriminatory and not based on actual costs.

*(Inspired by CRA regulation.)*

Or. en

**Amendment 412**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 25 – paragraph 2**

*Text proposed by the Commission*

2. For the purposes of paragraph 1, ESMA may require ESG rating providers to provide it with documented evidence, may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not **fair, reasonable, transparent, non-discriminatory and not based on actual costs**.

*Amendment*

2. For the purposes of paragraph 1, ESMA may require ESG rating providers to provide it with documented evidence, may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not transparent **and** non-discriminatory.

Or. en

**Amendment 413**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 25 – paragraph 2**

*Text proposed by the Commission*

2. For the purposes of paragraph 1, ESMA may require ESG rating providers to provide it with documented evidence, may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not fair, reasonable, transparent, non-discriminatory **and not based on actual costs**.

*Amendment*

2. For the purposes of paragraph 1, ESMA may require ESG rating providers to provide it with documented evidence, may take supervisory measures in accordance with Article 33, and may decide to impose fines in accordance with Article 34 where it finds that fees from ESG rating providers are not fair, reasonable, transparent **and** non-discriminatory .

Or. en

**Amendment 414**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 25 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2a. Rated undertakings shall be allowed to communicate freely and at no extra cost on their ESG rating, also in relation to the ESG rating of their peer group.**

Or. en

**Amendment 415**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 26 – title**

*Text proposed by the Commission*

*Amendment*

Non-interference with the content of ratings or methodologies

Non-interference with **the data sources or** the content of ratings or methodologies

Or. en

**Amendment 416**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 26 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of ESG ratings or methodologies.

In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of ESG ratings, **ESG data products**, or methodologies.

Or. en

**Amendment 417**

**Dorien Rookmaker**

**Proposal for a regulation  
Article 26 – paragraph 1**

*Text proposed by the Commission*

In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of ESG ratings or methodologies.

*Amendment*

In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of ESG ratings or methodologies. ***Rated entities and subscribers shall not interfere with the content of ESG ratings or methodologies.***

Or. en

**Amendment 418**

**Pascal Durand, René Repasi, Pedro Silva Pereira, Paul Tang**

**Proposal for a regulation  
Article 26 – paragraph 1**

*Text proposed by the Commission*

In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of ESG ratings or methodologies.

*Amendment*

In carrying out their duties under this Regulation, ESMA, the Commission or any public authorities of a Member State shall not interfere with the content of ESG ratings or methodologies, ***provided the latter two comply with the obligations laid down in this Regulation.***

Or. en

**Amendment 419**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation  
Article 27 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

ESMA shall publish an annual report on the application of this Regulation,

*Amendment*

ESMA shall publish an annual report on the application of this Regulation,

including on supervisory measures taken and penalties imposed by ESMA under this Regulation, including fines and periodic penalty payments. That report shall contain, in particular, information on the evolution of ESG Ratings market and an assessment of the application of the third country regimes referred to in Articles 9, 10 and 11.

including on supervisory measures taken and penalties imposed by ESMA under this Regulation, including fines and periodic penalty payments. That report shall contain, in particular, information on the evolution of ESG Ratings **and ESG data products** market and an assessment of the application of the third country regimes referred to in Articles 9, 10 and 11.

Or. en

#### **Amendment 420**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 30 – paragraph 1**

*Text proposed by the Commission*

1. ESMA may by simple request or by decision require ESG **rating** providers, persons involved in ESG rating activities, rated entities, third parties to whom the ESG **rating** providers have outsourced operational functions or activities, and persons otherwise closely and substantially related or connected to ESG **rating** providers or ESG rating activities, to provide all information that it needs to carry out its duties under this Regulation.

*Amendment*

1. ESMA may by simple request or by decision require ESG **ratings and ESG data products** providers, persons involved in ESG rating **and ESG data product** activities, rated entities, third parties to whom the ESG **ratings and ESG data product** providers have outsourced operational functions or activities, and persons otherwise closely and substantially related or connected to ESG **ratings and ESG data products** providers or ESG rating **and ESG data product** activities, to provide all information that it needs to carry out its duties under this Regulation.

Or. en

#### **Amendment 421**

**Valentino Grant, Antonio Maria Rinaldi**

#### **Proposal for a regulation**

#### **Article 30 – paragraph 2 – point d**

*Text proposed by the Commission*

(d) set a time-limit within which the

*Amendment*

(d) set a time-limit within which the

information is to be provided;

information is to be provided, *in any case not less than 15 days*;

Or. en

#### **Amendment 422**

**Lídia Pereira**

#### **Proposal for a regulation**

#### **Article 30 – paragraph 2 – point d**

*Text proposed by the Commission*

(d) set a time-limit within which the information is to be provided;

*Amendment*

(d) set a **reasonable** time-limit within which the information is to be provided **and the format in which is to be provided**;

Or. en

#### **Amendment 423**

**Valentino Grant, Antonio Maria Rinaldi**

#### **Proposal for a regulation**

#### **Article 30 – paragraph 3 – point d**

*Text proposed by the Commission*

(d) set a time-limit within which the information is to be provided;

*Amendment*

(d) set a time-limit within which the information is to be provided, **and in any case not less than 15 days**;

Or. en

#### **Amendment 424**

**Lídia Pereira**

#### **Proposal for a regulation**

#### **Article 30 – paragraph 3 – point d**

*Text proposed by the Commission*

(d) set a time-limit within which the information is to be provided;

*Amendment*

(d) set a **reasonable** time-limit within which the information is to be provided **and the format in which is to be provided**;



**Amendment 425**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 31 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) summon and ask any person referred to in Article 30(1), or their representatives or staff for oral or written explanations on facts or documents related to the subject matter and purpose of the **inspection** and to record the answers;

*Amendment*

(c) summon and ask any person referred to in Article 30(1), or their representatives or staff for oral or written explanations on facts or documents related to the subject matter and purpose of the **investigation** and to record the answers;

Or. en

**Amendment 426**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 31 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) summon and ask any person referred to in Article 30(1), or their representatives or staff for oral or written explanations on facts or documents related to the subject matter and purpose of the **inspection** and to record the answers;

*Amendment*

(c) summon and ask any person referred to in Article 30(1), or their representatives or staff for oral or written explanations on facts or documents related to the subject matter and purpose of the **investigation** and to record the answers;

Or. en

**Amendment 427**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 32 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises of the legal persons referred to in Article 30(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.

1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises **and land** of the legal persons referred to in Article 30(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.

Or. en

#### **Amendment 428**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

##### **Article 32 – paragraph 1**

###### *Text proposed by the Commission*

1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises of the legal persons referred to in Article 30(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.

###### *Amendment*

1. In order to carry out its duties under this Regulation, ESMA may conduct all necessary on-site inspections at the business premises **and land** of the legal persons referred to in Article 30(1). Where the proper conduct and efficiency of the inspection so require, ESMA may carry out the on-site inspection without prior announcement.

Or. en

#### **Amendment 429**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

##### **Article 33 – paragraph 1 – introductory part**

###### *Text proposed by the Commission*

1. Where ESMA' finds that a ESG **rating** provider has not complied with its obligations under this Regulation, it shall take one or more of the following supervisory measures:

###### *Amendment*

1. Where ESMA' finds that a ESG **ratings and ESG data products** provider has not complied with its obligations under this Regulation, it shall take one or more of the following supervisory measures:

*Justification*

*Amendment applies throughout article 33: ESG ratings and ESG data products providers*

**Amendment 430**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 33 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. Where ESMA' finds that a ESG rating provider has not complied with its obligations under this Regulation, it shall take one or more of the following supervisory measures:

*Amendment*

1. Where ESMA' finds that a ESG rating provider has not complied with its obligations under this Regulation, it shall ***require the ESG rating provider to bring the infringement to an end. In addition, ESMA may*** take one or more of the following supervisory measures:

Or. en

**Amendment 431**

**Valentino Grant, Antonio Maria Rinaldi**

**Proposal for a regulation**

**Article 33 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) withdraw the authorisation of the ESG rating provider;

*Amendment*

(a) withdraw the authorisation of the ESG rating provider, ***making public the reasons for the withdrawal;***

Or. en

**Amendment 432**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 33 – paragraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) require the ESG rating provider to bring the infringement to an end;**

**deleted**

Or. en

**Amendment 433**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 33 – paragraph 3 – point f**

*Text proposed by the Commission*

*Amendment*

(f) the impact of the infringement on retail investors' interests;

(f) the impact of the infringement on retail investors' interests **and on other ESG rating users**;

Or. en

**Amendment 434**

**Lídia Pereira**

**Proposal for a regulation**

**Article 33 – paragraph 4 – subparagraph 1**

*Text proposed by the Commission*

*Amendment*

ESMA shall notify any action taken pursuant to paragraph 1 to the person responsible for the infringement without undue delay. ESMA shall publish any such action on its website within **10** working days from the date when it was adopted.

ESMA shall notify any action taken pursuant to paragraph 1 to the person responsible for the infringement without undue delay. ESMA shall publish any such action on its website within **5** working days from the date when it was adopted.

Or. en

**Amendment 435**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

## Article 33 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4 a. Where an ESG rating is provided upon material infringement of this Regulation, ESMA may require the infringing ESG rating provider to inform the ESG rating subscribers and users that the ESG rating is no longer valid. ESMA shall publish its decision on its website the day following the decision.**

Or. en

## Amendment 436

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

### Proposal for a regulation

#### Article 34 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. Where ESMA finds that an ESG **rating** provider, or, where applicable, its legal representative, has, intentionally or negligently, infringed this Regulation, it shall adopt a decision imposing a fine. The maximum amount of the fine shall be 10 % of the total annual net turnover of the ESG **rating** provider, calculated on the basis of the most recent available financial statements approved by the management body of the ESG **rating** provider.

1. Where ESMA finds that an ESG **ratings and ESG data products** provider, or, where applicable, its legal representative, has, intentionally or negligently, infringed this Regulation, it shall adopt a decision imposing a fine. The maximum amount of the fine shall be 10 % of the total annual net turnover of the ESG **ratings and ESG data products** provider, calculated on the basis of the most recent available financial statements approved by the management body of the ESG **ratings and ESG data products** provider.

*(Amendment applies throughout article 34: ESG ratings and ESG data products providers.)*

Or. en

## Amendment 437

Rasmus Andresen

on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 34 – paragraph 1**

*Text proposed by the Commission*

1. Where ESMA finds that an ESG rating provider, or, where applicable, its legal representative, has, intentionally or negligently, infringed this Regulation, it shall adopt a decision imposing a fine. The maximum amount of the fine shall be 10 % of the total annual net turnover of the ESG rating provider, calculated on the basis of the most recent available financial statements approved by the management body of the ESG rating provider.

*Amendment*

1. Where ESMA finds that an ESG rating provider, or, where applicable, its legal representative, has, intentionally or negligently, infringed this Regulation, it shall adopt a decision imposing a fine. The maximum amount of the fine shall be 10 % of the total annual net turnover of the ESG rating provider, calculated on the basis of the most recent available financial statements approved by the management body of the ESG rating provider. ***An infringement shall be considered to have been committed intentionally if ESMA finds objective elements which demonstrate that a person acted deliberately to commit the infringement.***

Or. en

**Amendment 438**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 34 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. An infringement shall be considered to have been committed intentionally if ESMA finds objectives which demonstrate that a person acted deliberately to commit the infringement.***

Or. en

**Amendment 439**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 34 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. Where the ESG ratings provider is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts pursuant to Directive 2013/34/EU, the relevant total annual net turnover shall be either the total annual net turnover, or the corresponding type of income in accordance with the relevant Union law in the area of accounting, according to the most recent available consolidated accounts approved by the management body of the ultimate parent undertaking.**

**deleted**

Or. en

*Justification*

*Fines should be calculated on the level of the responsible entity.*

**Amendment 440  
Dorien Rookmaker**

**Proposal for a regulation  
Article 34 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. Where the ESG ratings provider is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts pursuant to Directive 2013/34/EU, the relevant total annual net turnover shall be either the total annual net turnover, or the corresponding type of income in accordance with the relevant Union law in the area of accounting, according to the most recent available consolidated accounts approved by the management body **of the ultimate parent undertaking.**

2. Where the ESG ratings provider is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts pursuant to Directive 2013/34/EU, the relevant total annual net turnover shall be either the total annual net turnover, or the corresponding type of income in accordance with the relevant Union law in the area of accounting, according to the most recent available consolidated accounts **of the ESG rating provider** approved by the **relevant** management body.

Or. en

*Justification*

*This amendment clarifies that fines are calculated based on the turnover of the ESG rating provider alone, excluding any other entities within the group.*

**Amendment 441**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 35 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) an ESG ratings provider to put an end to an infringement in accordance with a decision taken pursuant to Article 33;

*Amendment*

(a) an ESG ratings **and ESG data products** provider to put an end to an infringement in accordance with a decision taken pursuant to Article 33;

*(Amendment applies throughout article 35: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 442**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 37 – paragraph 3**

*Text proposed by the Commission*

3. The investigation officer shall have the power to request information in accordance with Article 30 and to conduct investigations and on-site inspections in accordance with Articles 31 and 32.

*Amendment*

3. The investigation officer shall have the power to request information in accordance with Article 30 and to conduct investigations and on-site inspections in accordance with Articles 31 and 32. **When using those powers, the investigating officer shall comply with Article 29.**

Or. en

**Amendment 443**

**Dorien Rookmaker**



**Proposal for a regulation**  
**Article 37 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

**4a. Upon completion of his investigation and before submitting the file with his findings to ESMA's Board of Supervisors, the investigating officer shall give the persons subject to investigation the opportunity to be heard on the matters being investigated. The investigating officer shall base his findings only on facts on which the persons subject to investigation have had the opportunity to comment.**

Or. en

**Amendment 444**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 37 – paragraph 6**

*Text proposed by the Commission*

*Amendment*

6. Upon submission of the file with his or her findings to ESMA's Board of Supervisors, the investigation officer shall notify the persons who are subject to the investigation.

6. Upon submission of the file with his or her findings to ESMA's Board of Supervisors, the investigation officer shall notify the persons who are subject to the investigation. ***The persons subject to investigation shall be entitled to have access to the file, subject to the legitimate interest of other persons in the protection of their business secrets. The right of access to the file shall not extend to confidential information affecting third parties.***

Or. en

*Justification*

*The CRAR ensures that entities or individuals subject to investigations are awarded adequate due process rights. The same language should be introduced in this Regulation.*

**Amendment 445**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 37 – paragraph 7**

*Text proposed by the Commission*

7. On the basis of the file containing the investigation officer's findings and, where requested by the persons concerned after having heard those persons in accordance with Article 38, the Board of Supervisors of ESMA shall **assess** whether one or more persons subject to the investigation have committed the infringements concerned and shall, where it comes to the conclusion that such infringements have been committed, take a supervisory measure as referred to in Article 33 and impose a fine in accordance with Article 34.

*Amendment*

7. On the basis of the file containing the investigation officer's findings and, where requested by the persons concerned after having heard those persons in accordance with Article 38, the Board of Supervisors of ESMA shall **decide** whether one or more persons subject to the investigation have committed the infringements concerned and shall, where it comes to the conclusion that such infringements have been committed, take a supervisory measure as referred to in Article 33 and impose a fine in accordance with Article 34.

Or. en

*Justification*

*In order to preserve the independence of the IIO, the role of the BoS should be limited to decision-making, without the capacity to conduct additional assessments that may encroach upon the IIO's role.*

**Amendment 446**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Article 40 – paragraph 1**

*Text proposed by the Commission*

1. ESMA shall charge fees to the ESG **rating** providers in accordance with the delegated act adopted pursuant to paragraph 2. Those fees shall fully cover ESMA's necessary expenditure relating to the supervision of ESG rating providers and the reimbursement of any costs that the competent authorities may incur carrying out work pursuant to this Regulation, and

*Amendment*

1. ESMA shall charge fees to the ESG **ratings and ESG data products** providers in accordance with the delegated act adopted pursuant to paragraph 2. Those fees shall fully cover ESMA's necessary expenditure relating to the supervision of ESG rating providers and the reimbursement of any costs that the competent authorities may incur carrying

in particular as a result of any delegation of tasks in accordance with Article 41.

out work pursuant to this Regulation, and in particular as a result of any delegation of tasks in accordance with Article 41.

*(Amendment applies throughout article 40: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 447**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 40 – paragraph 1**

*Text proposed by the Commission*

1. ESMA shall charge fees to the ESG rating providers in accordance with the delegated act adopted pursuant to paragraph 2. Those fees shall **fully** cover ESMA's necessary expenditure relating to the supervision of ESG rating providers and the reimbursement of any costs that the competent authorities may incur carrying out work pursuant to this Regulation, and in particular as a result of any delegation of tasks in accordance with Article 41.

*Amendment*

1. ESMA shall charge **proportionate** fees to the ESG rating providers in accordance with the delegated act adopted pursuant to paragraph 2. Those fees shall **have as reference the amount needed to** cover ESMA's necessary expenditure relating to the supervision of ESG rating providers and the reimbursement of any costs that the competent authorities may incur carrying out work pursuant to this Regulation, and in particular as a result of any delegation of tasks in accordance with Article 41.

Or. en

**Amendment 448**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 40 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

By **XX XXXX XXXX**, the Commission shall adopt delegated acts in accordance with Article 45 to supplement this Regulation by specifying the type of fees,

*Amendment*

By **[12 months after the entry into force of this Regulation]**, the Commission shall adopt delegated acts in accordance with Article 45 to supplement this Regulation

the matters for which fees are due, the amount of the fees, the manner in which they are to be paid and, where applicable, the way in which ESMA is to reimburse competent authorities in respect of any costs that they may have incurred carrying out work pursuant to this Regulation, in particular as a result of any delegation of tasks as referred to in Article 41.

by specifying the type of fees, the matters for which fees are due, the amount of the fees, the manner in which they are to be paid and, where applicable, the way in which ESMA is to reimburse competent authorities in respect of any costs that they may have incurred carrying out work pursuant to this Regulation, in particular as a result of any delegation of tasks as referred to in Article 41.

Or. en

**Amendment 449**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 40 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

By XX XXXX XXXX, the Commission shall adopt delegated acts in accordance with Article 45 to supplement this Regulation by specifying the type of fees, the matters for which fees are due, the amount of the fees, the manner in which they are to be paid and, where applicable, the way in which ESMA is to reimburse competent authorities in respect of any costs that they may have incurred carrying out work pursuant to this Regulation, in particular as a result of any delegation of tasks as referred to in Article 41.

*Amendment*

By XX XXXX XXXX, the Commission shall adopt delegated acts in accordance with Article 45 to supplement this Regulation by specifying the type of fees, the matters for which fees are due, the amount of the fees ***and respective justification***, the manner in which they are to be paid and, where applicable, the way in which ESMA is to reimburse competent authorities in respect of any costs that they may have incurred carrying out work pursuant to this Regulation, in particular as a result of any delegation of tasks as referred to in Article 41.

Or. en

**Amendment 450**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 42 – paragraph 1**

*Text proposed by the Commission*

ESMA and the competent authorities, shall, without undue delay, provide each other with the information required for carrying out their duties under this Regulation.

*Amendment*

ESMA and the competent authorities, shall, without undue delay, provide each other with the information required for carrying out their duties under this Regulation ***or under their respective supervisory responsibility and mandates.***

Or. en

**Amendment 451**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 42 – paragraph 1**

*Text proposed by the Commission*

ESMA and the competent authorities, shall, without undue delay, provide each other with the information required for carrying out their duties under this Regulation.

*Amendment*

ESMA and the competent authorities, shall, without undue delay, provide each other with the information required for carrying out their duties under this Regulation ***or under their respective supervisory responsibility.***

Or. en

**Amendment 452**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 43 – paragraph 1**

*Text proposed by the Commission*

1. A competent authority of a Member State that finds that acts infringing this Regulation are being, or have been, carried out on the territory of its own or of another Member State shall inform ESMA thereof. A competent authority that considers it appropriate for investigatory purposes may suggest to ESMA that it assesses the need to use the powers under Article 30 in relation to the ESG ***rating*** provider

*Amendment*

1. A competent authority of a Member State that finds that acts infringing this Regulation are being, or have been, carried out on the territory of its own or of another Member State shall inform ESMA thereof. A competent authority that considers it appropriate for investigatory purposes may suggest to ESMA that it assesses the need to use the powers under Article 30 in relation to the ESG ***ratings and ESG data***

involved in those acts.

**products** provider involved in those acts.

*(Amendment applies throughout article 43:  
ESG ratings and ESG data products  
providers.)*

Or. en

### **Amendment 453**

**Pascal Durand, René Repasi, Pedro Silva Pereira**

#### **Proposal for a regulation**

#### **Article 45 – paragraph 6**

*Text proposed by the Commission*

6. A delegated act adopted pursuant to Articles 7, 33, 34 and 40 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [two months] at the initiative of the European Parliament or of the Council.

*Amendment*

6. A delegated act adopted pursuant to Articles 7, **9, 10, 11, 22**, 33, 34 and 40 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [two months] at the initiative of the European Parliament or of the Council.

Or. en

### **Amendment 454**

**Pascal Durand, René Repasi, Pedro Silva Pereira**

#### **Proposal for a regulation**

#### **Article 45 – paragraph 8 a (new)**

*Text proposed by the Commission*

*Amendment*

**8a. When adopting delegated acts pursuant to Articles 9, 10, 11, 22, the Commission shall take into consideration technical advice from an expert group, provided that:**

*(a) such advice has been developed with proper due process, public oversight and transparency, with the expertise and balanced participation of relevant stakeholders, and with sufficient public funding to ensure its independence, and on the basis of a work programme on which the Commission has been consulted;*

*(b) participation in this expert group's work at technical level is based on expertise in sustainability reporting and is not conditional on a financial contribution. The accompanying documents for this technical advice shall be submitted together with that technical advice. The Commission shall consult the EFRAG, as referred to in Article 49 of Directive 2013/34/EU.<sup>1a</sup>*

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*<sup>1a</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC*

Or. en

**Amendment 455**  
**Lídia Pereira**

**Proposal for a regulation**  
**Article 46**

*Text proposed by the Commission*

*Amendment*

*Article 46*

*deleted*

*Amendments to Annexes*

*To take account of developments, including international developments, on financial markets, in particular in relation to sustainable finance, the*

*Commission may adopt, by means of delegated acts in accordance with Article 45, measures to amend the Annexes.*

Or. en

#### **Amendment 456**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 48 – paragraph 1**

##### *Text proposed by the Commission*

1. ESG *rating* providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within 6 months after the date of application of this Regulation.

##### *Amendment*

1. ESG *ratings and ESG data product* providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within 6 months after the date of application of this Regulation.

*(Amendment applies throughout article 48: ESG ratings and ESG data products providers.)*

Or. en

#### **Amendment 457**

**Dorien Rookmaker**

#### **Proposal for a regulation**

#### **Article 48 – paragraph 1**

##### *Text proposed by the Commission*

1. ESG rating providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within **6** months after the date

##### *Amendment*

1. ESG rating providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within **12** months after the



of *application of this Regulation*.

*publication date of the delegated acts referred to in Article 5 (3), Article 11 (8), Article 21 (3), Article 22 (3) Article 27 (2), 40 (2), in the Official Journal of the European Union.*

Or. en

## **Amendment 458**

**Markus Ferber**

### **Proposal for a regulation**

#### **Article 48 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within **6** months after the date of application of this Regulation.

*Amendment*

1. ESG rating providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within **12** months after the date of application of this Regulation.

Or. en

## **Amendment 459**

**José Manuel García-Margallo y Marfil**

### **Proposal for a regulation**

#### **Article 48 – paragraph 1**

*Text proposed by the Commission*

1. ESG rating providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article 5. In that case, they shall apply for authorisation within 6 months after the date of application of this Regulation.

*Amendment*

1. ESG rating providers which provided their services at the date of entry into force of this Regulation shall notify ESMA within 3 months if they want to continue offering their services and apply for authorisation in accordance with Article **5 or apply for endorsement in accordance with Article 10 or recognition in accordance with Article 11**. In that case, they shall apply for authorisation,

*endorsement or recognition* within 6 months after the date of application of this Regulation.

Or. en

**Amendment 460**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 49 – paragraph 1**

*Text proposed by the Commission*

1. The Commission shall evaluate the application of this Regulation by [*five* years after the entry into force of this Regulation].

*Amendment*

1. The Commission shall evaluate the application of this Regulation by [*two* years after the entry into force of this Regulation].

Or. en

**Amendment 461**  
**Erik Poulsen**

**Proposal for a regulation**  
**Article 49 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. At the latest [2 years after entry into force of this Regulation], the Commission shall, in close cooperation with ESMA, publish a report considering whether the scope of this Regulation is sufficient to ensure confidence in the market and reach its objectives, including the need to extend the scope to ESG data providers. The report may be accompanied, if appropriate, by a legislative proposal.***

Or. en

**Amendment 462**

**Billy Kelleher**

**Proposal for a regulation**

**Article 49 – paragraph 2**

*Text proposed by the Commission*

2. The Commission shall present a report on the main findings of the evaluation to the European Parliament and the Council. In carrying out the evaluation, the Commission shall take into account market developments and the relevant evidence at its disposal.

*Amendment*

2. The Commission shall present a report on the main findings of the evaluation to the European Parliament and the Council. In carrying out the evaluation, the Commission shall take into account market developments and the relevant evidence at its disposal. ***In particular, the Commission shall consider:***

Or. en

**Amendment 463**

**Billy Kelleher**

**Proposal for a regulation**

**Article 49 – paragraph 2 – point i (new)**

*Text proposed by the Commission*

*Amendment*

***(i) whether the framework facilitates the comparability of ESG ratings; and,***

Or. en

**Amendment 464**

**Billy Kelleher**

**Proposal for a regulation**

**Article 49 – paragraph 2 – point ii (new)**

*Text proposed by the Commission*

*Amendment*

***(ii) whether ESG data providers should be subject to transparency and conflict of interest requirements.***

Or. en

**Amendment 465**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 49 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2 a. The report referred to in paragraph 2 shall in particular assess:**

**(a) whether the scope of this Regulation is appropriate to achieve the objectives of this Regulation in accordance with Article 1, including whether ESG data providers should be included in the scope of this Regulation;**

**(b) whether additional minimum requirements applicable to ESG rating methodologies should be implemented;**

**(c) whether the framework for third-country ESG rating provider established by this Regulation is appropriate;**

**(d) whether the governance and organisational requirements defined in Title III of this Regulation are sufficient to ensure independent, objective and high-level quality of ESG ratings.**

Or. en

**Amendment 466**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 49 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a. ESMA shall submit a report to the European Parliament, to the Council and to the Commission by [three years after entry into force of this Regulation], assessing whether the scope of this Regulation is sufficient to ensure**

*confidence in the market and reach its objectives, including the need to extend the scope to ESG data providers. The report may be accompanied, if appropriate, by a legislative proposal.*

Or. en

**Amendment 467**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 49 a (new)**

*Text proposed by the Commission*

*Amendment*

*Article 49a*

*Amendment to Regulation (EC) No  
1060/2009*

*The following subparagraph is inserted to  
Article 8(2) of Regulation 1060/2009:*

*'Where available, a credit rating agency  
shall take into account the ESG rating of  
the rated entity provided in accordance  
with [add reference to ESG rating  
Regulation] to define its credit rating.'*

Or. en

**Amendment 468**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Article 50 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

It shall apply from [6 months after the  
entry into force of this Regulation].

It shall apply from [18 months after the  
entry into force of this Regulation].

Or. en

**Amendment 469**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 50 – paragraph 2**

*Text proposed by the Commission*

It shall apply from [6 months after the entry into force of this Regulation].

*Amendment*

It shall apply from [**12** months after the entry into force of this Regulation].

Or. en

**Amendment 470**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Annex I – paragraph 1 – point g**

*Text proposed by the Commission*

(g) a description of the procedures and methodologies used to issue and review ESG ratings implemented by the applicant;

*Amendment*

(g) a description of the procedures and methodologies used to issue and review ESG ratings **and ESG data products** implemented by the applicant;

*(Amendment applies throughout Annex I: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 471**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Annex I – paragraph 1 – point g**

*Text proposed by the Commission*

(g) a description of the procedures and methodologies used to issue and review ESG ratings implemented by the applicant;

*Amendment*

(g) a **detailed** description of the procedures and methodologies used to issue and review ESG ratings implemented by the applicant. **It should include a demonstration of the use of at least 50% of the common data points provided both**

*under the Sustainable Finance Disclosure Regulation (SFDR), principal adverse impacts (PAIs) under the SFDR Delegated Regulation 2022/1288 and the Corporate Sustainability Reporting Directive (CSRD) Delegated Regulation (ESRS) as minimum quality thresholds;*

Or. en

**Amendment 472**  
**Billy Kelleher**

**Proposal for a regulation**  
**Annex I – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

*(ia) where applicable, the ESG ratings provided by a third country ESG rating provider belonging to the same group that the ESG ratings provider expects to endorse;*

Or. en

**Amendment 473**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Annex I – paragraph 1 – point j a (new)**

*Text proposed by the Commission*

*Amendment*

*(ja) where applicable, existing track records of ESG rating activities;*

Or. en

**Amendment 474**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Annex I – paragraph 1 – point j a (new)**

*Text proposed by the Commission*

*Amendment*

*(j a) where applicable, a provisional list of the class of ESG rating the ESG rating provider expects to endorse;*

Or. en

**Amendment 475**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Annex I – paragraph 1 – point j b (new)**

*Text proposed by the Commission*

*Amendment*

*(j b) where applicable, the class of ESG ratings that the ESG rating provider expects to endorse.*

Or. en

**Amendment 476**

**Dorien Rookmaker**

**Proposal for a regulation**

**Annex II – Part 1 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

(b) for each ESG rating in the form of a score, the identity of the persons responsible for the development of the **rule-based** methodology, and the identity of the persons who have approved the rating methodology;

(b) for each ESG rating in the form of a score, the identity of the persons responsible for the development of the **established** methodology, and the identity of the persons who have approved the rating methodology;

Or. en

**Amendment 477**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**



**Proposal for a regulation**  
**Annex II – Part 1 – paragraph 1 – point d**

*Text proposed by the Commission*

(d) the account records for each subscriber to the ESG ratings;

*Amendment*

(d) the account records for each subscriber to the ESG ratings **and ESG data products**;

*(Amendment applies throughout Annex II) paragraph 1 (d)-(j) and paragraph 2: ESG ratings and ESG data products providers.)*

Or. en

**Amendment 478**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – introductory part**

*Text proposed by the Commission*

In accordance with Article 21 of the Regulation, ESG **rating** providers shall, at the minimum, disclose to the public on their website and through the European Single Access Point (ESAP) the following:

*Amendment*

In accordance with Article 21 of the Regulation, ESG **ratings and data product** providers shall, at the minimum, disclose to the public on their website and through the European Single Access Point (ESAP) the following:

Or. en

**Amendment 479**  
**Billy Kelleher, Pascal Canfin**

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) high level overview of the rating methodologies used (and changes thereto), including whether analysis is backward-looking or forward-looking;

*Amendment*

(a) high level overview of the rating methodologies used (and changes thereto), including:

**(i)** whether analysis is backward-looking or

forward-looking; *and*,

*(ii) whether the analysis looks at potential material financial risk to the rated entity, or potential material impact of the rated entity on the environment and society in general, or both, the weighting of the two factors, and the explanation of the weighting method, including weight per factor;*

Or. en

## **Amendment 480**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

### **Proposal for a regulation**

#### **Annex III – Part 1 – paragraph 1 – point a**

##### *Text proposed by the Commission*

(a) high level overview of the rating methodologies used (and changes thereto), including whether analysis is backward-looking or forward-looking;

##### *Amendment*

(a) high level overview of the rating methodologies used (and changes thereto), including:

*(i) whether analysis is backward-looking or forward-looking;*

*(ii) the industry classification used and why such classification is relevant;*

Or. en

##### *Justification*

*Depending on the classification system of the rating agency the same activity can find itself categorized in a different industry sector to their competitors, and different categories between different rating agencies. This can lead to significant differences in the final rating. Increased transparency concerning sector qualification would enable greater clarity about how a rated entity's rating was calculated and would aid comparability.*

## **Amendment 481**

**Dorien Rookmaker**

### **Proposal for a regulation**

#### **Annex III – Part 1 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) high level overview of data processes (data sources, including if they are public or non-public, and if they are sourced from sustainability statements required by Directive (EU) 2022/2464, estimation of input data in case of unavailability, frequency of data updates);**

**deleted**

Or. en

*Justification*

*To the extent the provision is intended to call for disclosure of sources of data and information used in the ESG rating process, Article 21 already provides for this by requiring public disclosure of ESG rating methodologies.*

#### **Amendment 482**

**Dimitrios Papadimoulis**

#### **Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) high level overview of data processes (data sources, including if they are public or non-public, and if they are sourced from sustainability statements required by Directive (EU) 2022/2464, estimation of input data in case of unavailability, frequency of data updates);**

**(b) data sources including information disclosed under Regulation (EU) 2019/2088, Regulation (EU) 2020/852 and Directive (EU) 2022/2464, disclosure of whether data sources are public or non-public, frequency of data updates and a high level overview of data processes with data sources, including if they are an estimation of input data in case of unavailability of actual data;**

Or. en

#### **Amendment 483**

**Billy Kelleher**

#### **Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

(b) high level overview of data processes (data sources, including if they are public or non-public, and if they are sourced from sustainability statements required by Directive (EU) 2022/2464, estimation of input data in case of unavailability, frequency of data updates);

(b) high level overview of data processes (data sources, including if they are public or non-public, and if they are sourced from sustainability statements required by Directive (EU) 2022/2464 **and Regulation (EU) 2019/2088**, estimation of input data in case of unavailability, frequency of data updates);

Or. en

#### **Amendment 484**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Annex III – Part 1 – paragraph 1 – point b**

*Text proposed by the Commission*

(b) high level overview of data processes (data sources, including if they are public or non-public, and if they are sourced from sustainability statements required by Directive (EU) 2022/2464, estimation of input data in case of unavailability, frequency of data updates);

*Amendment*

(b) high level overview of data processes **for establishing ESG ratings** (data sources, including if they are public or non-public, and if they are sourced from sustainability statements required by Directive (EU) 2022/2464, estimation of input data in case of unavailability, frequency of data updates);

Or. en

#### **Amendment 485**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

#### **Annex III – Part 1 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

**(ba) high level overview of the ESG data product processes (sources, frequency of update) and of methodologies used (and changes thereto) for processed data (including estimated data);**

Or. en

**Amendment 486**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

**(ba) the relevant KPIs per E, S and G factor with their weighting method, the metrics that have been selected as relevant and data quality controls;**

Or. en

**Amendment 487**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

(c) information on **whether and** how the methodologies are based on scientific evidence;

(c) information on how the methodologies are based on scientific evidence;

Or. en

**Amendment 488**  
**Rasmus Andresen**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point c a (new)**

*Text proposed by the Commission*

*Amendment*

**(c a) whether and to which extent financial materiality is taken into account;**

**Amendment 489**

**Dimitrios Papadimoulis**

on behalf of The Left Group

**Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point d**

*Text proposed by the Commission*

(d) information on the ratings' objective, clearly **marking whether** the rating is assessing **risks, impacts** or some other dimensions;

*Amendment*

(d) information on the ratings' objective, clearly **decribing how and the extent to which** the rating is assessing **impact materiality, financial materiality** or some other dimensions;

Or. en

**Amendment 490**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point d**

*Text proposed by the Commission*

(d) information on the ratings' objective, clearly marking whether the rating is assessing risks, impacts or **some other** dimensions;

*Amendment*

(d) information on the ratings' objective, clearly marking whether the rating is assessing risks, impacts or **both ("double materiality principle") and any specific** dimensions;

Or. en

**Amendment 491**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point f**

*Text proposed by the Commission*

(f) in the case of an aggregated ESG rating, weighting of the three overarching

*Amendment*

(f) in the case of an aggregated ESG rating, weighting of **each** the three

*ESG* factors categories (e.g., 33% Environment, 33% Social, 33% Governance), and the explanation of the weighting method, including weight per individual E, S and G factors;

overarching *E, S and G* factors categories (e.g., 33% Environment, 33% Social, 33% Governance) ***broken down by relevant criteria (e.g. sector, geographic area)***, and the explanation of the weighting method ***and criteria used***, including weight per individual E, S and G factors;

Or. en

#### **Amendment 492**

**Billy Kelleher, Gilles Boyer, Pascal Canfin, Stéphanie Yon-Courtin**

#### **Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point f**

*Text proposed by the Commission*

(f) in the case of an aggregated ESG rating, weighting of the three overarching ESG factors categories (e.g., 33% Environment, 33% Social, 33% Governance), and the explanation of the weighting method, including weight per individual E, S and G factors;

*Amendment*

(f) in the case of an aggregated ESG rating, ***the rating given to the individual E, S and G factors, the*** weighting of the three overarching ESG factors categories (e.g., 33% Environment, 33% Social, 33% Governance), and the explanation of the weighting method, including weight per individual E, S and G factors;

Or. en

#### **Amendment 493**

**Pascal Canfin**

#### **Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point g a (new)**

*Text proposed by the Commission*

*Amendment*

***(ga) an explanation about the extent to which the alignment with a 1.5°C or below 2°C pathway is integrated in the methodology and how it is weighted;***

Or. en

**Amendment 494**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point i**

*Text proposed by the Commission*

(i) Where applicable, reference to the use of Artificial Intelligence (AI) in the data collection or rating/scoring process;

*Amendment*

(i) Where applicable, reference to the use of Artificial Intelligence (AI) in the data collection or rating/scoring process, ***with the reference comprising information such as the degree of support, data and places of use;***

Or. en

**Amendment 495**  
**Markus Ferber**

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point j**

*Text proposed by the Commission*

(j) ***general information on criteria used for establishing fees to clients, specifying the various elements taken into consideration, such as the involvement of data analysts, IT equipment, purchasing data;***

*Amendment*

***deleted***

Or. en

*Justification*

*This disclosure requirement concerns commercially sensitive data.*

**Amendment 496**  
**Dorien Rookmaker**

**Proposal for a regulation**  
**Annex III – Part 1 – paragraph 1 – point j**

*Text proposed by the Commission*

*Amendment*



(j) *general information on criteria used for establishing fees to clients, specifying the various elements taken into consideration, such as the involvement of data analysts, IT equipment, purchasing data;* *deleted*

Or. en

*Justification*

*This provision is rather unnecessary as Article 25 provides that ESG rating providers shall take steps that are adequate to ensure that fees charged to clients are transparent.*

**Amendment 497**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point j**

*Text proposed by the Commission*

*Amendment*

(j) *general* information on criteria used for establishing fees to clients, specifying the various elements taken into consideration, such as the involvement of data analysts, IT equipment, purchasing data;

(j) *its pricing policy in relation to ESG ratings and ESG data products, including the fee structure and* information on criteria used for establishing fees to clients, specifying the various elements taken into consideration, such as the involvement of data analysts, IT equipment, purchasing data, *as well as information on revenue divided into fees from ESG rating, ESG data provision and other ancillary services with a comprehensive description of each;*

Or. en

**Amendment 498**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point k**

*Text proposed by the Commission*

*Amendment*

(k) any limitation in data sources used

(k) any limitation in data sources used

for the construction of ESG ratings.

for the construction of ESG ratings *and for processed data of ESG data products*.

Or. en

#### **Amendment 499**

**Billy Kelleher**

#### **Proposal for a regulation**

**Annex III – Part 1 – paragraph 1 – point k a (new)**

*Text proposed by the Commission*

*Amendment*

*(ka) any revisions of the rating of a rated entity and the factors contributing to this revision.*

Or. en

#### **Amendment 500**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

In addition to the elements referred to in Article 22 of the Regulation, **ESG rating** providers shall make available the following information to European regulated financial undertakings and to undertakings in the scope of Directive 2013/34/EU that are subject of **such** rating:

In addition to the elements referred to in Article 22 of the Regulation, **and in addition to the minimum disclosures referred to in the first paragraph of this annex, ESG ratings and data products** providers shall make available the following information to European regulated financial undertakings and to undertakings in the scope of Directive 2013/34/EU that are subject of **an ESG** rating:

Or. en

#### **Amendment 501**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – introductory part**

*Text proposed by the Commission*

(a) a more granular overview of the rating methodologies used (and changes thereto), including:

*Amendment*

(a) a more granular overview of the rating methodologies used (and changes thereto) ***per E, S and G factor and in aggregate***, including:

Or. en

**Amendment 502**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – point 1**

*Text proposed by the Commission*

(1) ***where applicable***, scientific evidence and assumptions on which the ratings are based,

*Amendment*

(1) scientific evidence and assumptions on which the ratings are based,

Or. en

**Amendment 503**

**Billy Kelleher, Gilles Boyer, Stéphanie Yon-Courtin**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – point 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***(2a) whether the analysis looks at potential material financial risk to the rated entity, or potential material impact of the rated entity on the environment and society in general, or both, the weighting of the two factors, and the explanation of the weighting method, including weight per factor;***

Or. en

**Amendment 504**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – point 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***(2a) the industry classification used for the rated undertaking and why this classification is relevant,***

Or. en

**Amendment 505**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – point 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6a) any changes to rating methodologies, models, key rating assumptions or data sources (including estimates), reasons for these changes and their implications on ratings;***

Or. en

**Amendment 506**

**Rasmus Andresen**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – point 7 a (new)**

*Text proposed by the Commission*

*Amendment*

***(7a) any errors in its ESG rating methodologies or in their application.***

Or. en

**Amendment 507**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a – point 7 a (new)**

*Text proposed by the Commission*

*Amendment*

**(7 a) timing of data used for evaluation.**

Or. en

**Amendment 508**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

**(a a) a more granular overview for users of ESG data products of the methodology, models and key assumptions used to determine the processed data (including estimated data, proxies, sectoral data). The methodology shall be described for each relevant type of processed data;**

Or. en

**Amendment 509**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point b – introductory part**

*Text proposed by the Commission*

*Amendment*

**(b) a more granular overview of data processes, including:**

**(b) a more granular overview of data processes, *for establishing ESG ratings or for delivering ESG processed data for users of ESG data products*, including:**

**Amendment 510**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point b – point 1**

*Text proposed by the Commission*

(1) more detailed explanation of data sources used – including whether public or non-public, mentioning whether derived from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU /Taxonomy/SFDR],

*Amendment*

(1) more detailed explanation of data sources used – including whether public or non-public, mentioning whether derived from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU /Taxonomy/SFDR], **or from another norm of reporting,**

Or. en

**Amendment 511**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point b – point 2**

*Text proposed by the Commission*

(2) where applicable the use of estimation **and** industry average and explanation of the underlying methodology,

*Amendment*

(2) where applicable the use of estimation, **proxies or** industry average and explanation of the underlying methodology,

Or. en

**Amendment 512**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point b – point 3**

*Text proposed by the Commission*

(3) the policies for updating data and revising historical data, date of last updates

*Amendment*

(3) the policies for updating **raw and estimated** data and revising historical data,

of data,

date of last updates of data,

Or. en

### **Amendment 513**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point b – point 4**

*Text proposed by the Commission*

*Amendment*

(4) data quality controls,

(4) data quality controls, ***including the frequency thereof, and data governance, including the remediation process,***

Or. en

### **Amendment 514**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

**Annex III – Part 2 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(b a) for users of ESG raw data products, a more granular overview of the raw data process including:***

***- the data collection process, whether the information publicly available or not,***

***- the update process,***

***- the control and remediation process,***

***- how “non material” information (as per the reporting entity) are considered;***

Or. en

### **Amendment 515**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

## Annex III – Part 2 – paragraph 1 – point c

*Text proposed by the Commission*

(c) where applicable, information about engagement with rated entities;

*Amendment*

(c) where applicable, information about ***the engagement of ESG rating providers*** with rated entities, ***including the following***;

***- The name, contact number and email of the analyst who shall be the consistent contact point with whom the rated entity can interact to address any queries relating to the ESG rating process;***

***- the period during which questionnaires, if any, are being sent out;***

***- the procedure allowing the rated entity to correct errors;***

***- the description of the timing and precise terms of the rating process;***

Or. en

### Amendment 516

Rasmus Andresen

on behalf of the Verts/ALE Group

### Proposal for a regulation

Annex III – Part 2 – paragraph 1 – point c a (new)

*Text proposed by the Commission*

*Amendment*

***(ca) for “E” ratings, whether the rated entity activities are aligned with the requirement established by Regulation EU 2020/852 and its Delegated act, and where the rated entity receives a rating in the highest category while its activities are not aligned with the above mentioned Regulation a detailed justification.***

Or. en

### Amendment 517

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel



**Proposal for a regulation**  
**Annex III – Part 2 – paragraph 1 – point d**

*Text proposed by the Commission*

(d) where applicable, an explanation of any AI methodology used in ***the data collection or*** rating process;

*Amendment*

(d) where applicable, an explanation of any AI methodology used in ***ESG data products or ESG*** rating process, ***including the type of technology as well as its date and place of use;***

Or. en

**Amendment 518**  
**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**  
**Annex III – Part 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a Periodic disclosures to ESMA***  
***An ESG rating provider and an ESG data product provider shall provide annually, by 31 March, to ESMA the following information:***  
***(a) List of fees charged to each client to access ESG ratings and scores for subscriber-pay model or fees charged to entities for individual ESG rating or score in an issuer-pay model;***  
***(b) Its pricing policy, including the fees structure and pricing criteria in relation to ESG ratings and scores.***

Or. en