



Commercial Separation Policy

Version 2.0

September 2024



Commercial Separation Policy

Scope CRAs

Applies to:

Entities

- Scope SE & Co. KGaA
- Scope Ratings GmbH
- Scope Ratings UK Ltd.
- Scope Fund Analysis GmbH
- Scope ESG Analysis GmbH
- Scope Investor Services GmbH



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1. Introduction

1.1 Preamble

This Commercial Separation Policy (Policy) sets forth standards of business conduct and communication between Scope CRAs' Analytical Personnel and other Employees from Scope CRAs and Scope Group with any commercial activity or knowledge.

Scope CRAs provides Credit Rating Services and Ancillary Services in compliance with the principles of integrity, transparency and independence. Those activities must not be influenced by the business interests of Scope Group.

The purpose of this Policy is to identify, prevent or manage and disclose actual or potential conflicts between Business Interests and the integrity and independence of Credit Rating Activities or Ancillary Services, resulting from communication between Analytical Personnel other Scope Group Employees with any commercial activity or knowledge.

Capitalized terms in this Policy have the following definitions:

Analytical Information: means any Non-Public Information received or created for the performance of Credit Rating Activities or Ancillary Services, including but not limited to:

Non-public information received from Clients and defined as confidential under an agreement with the Client

Non-public information identifying a person or legal entity as a client:

- Information regarding a pending Credit Rating or Ancillary Service
- Information regarding the credit rating analysis or assessment process

Commercial Activities: means sales and marketing, business development and strategy, commercial negotiation of contracts or any other non-analytical outreach to Clients or other market participants.

Commercial Information: means any information related to contracts, fees and any other commercial interactions between Scope non-analytical personnel and Clients of Scope CRAs.

Any capitalized term which is not defined in this Policy, shall have the definition given in the Defined Terms Glossary.

This Policy shall be read in conjunction with the Commercial Separation Procedure.

1.2 Scope and Ownership

The scope of this Policy includes:

- Organisational separation to ensure operational independence and to avoid potential conflicts of interest.
- Information barriers to prevent the exchange of confidential or sensitive information which could lead to unfair advantages or conflicts of interest

Scope Ratings Compliance is the owner of this Policy.

1.3 Application

This Policy applies to:

- Analytical personnel
- Rating operations: ensures that the credit rating processes are conducted independently from other business operations.
- Financial management: maintains separate financial accounts and ensures transparency in the financial dealings of the rating entity and other business units.
- Human resources: distinguishes roles and responsibilities to prevent conflicts of interest, ensuring that employees involved in rating activities are not influenced by other commercial interests.
- Legal and Compliance ensures compliance with regulatory requirements specific to credit rating agencies, including maintaining confidentiality and integrity in the rating process and

- Employees either involved and having access to commercial information and to those having access to analytical information (e.g. IT and Sales Operations).

1.4 Consequences of Non-compliance

In case of non-compliance with this Policy, the CRA may face:

- Regulatory penalties (fines and sanctions, license revocation or increased oversight), Legal repercussions (Lawsuits or damages/settlements) and/ or
- Reputational damage (Loss of trust or negative publicity)

2. Stakeholders and Governance

2.1 Stakeholders

Analytical Personnel prevented from being involved in negotiations regarding fees or payments with any rated entity, related third party or any person directly or indirectly linked to the rated entity by control, through the following principles:

- Analytical Personnel is prohibited from:
 - Participating in any Commercial Activities, including but not limited to negotiations regarding fees or payments with any rated entity, related third party or any person directly or indirectly linked to the rated entity by control,
- Any person within Scope Group having Commercial Information is prohibited from:
 - Influencing, or trying to influence, Analytical Personnel with commercial considerations.
 - Communicating Commercial Information to Analytical Personnel.
- Analytical Personnel shall in exceptional cases be able to share analytical Information (in the sense of the definition included in this Policy) with analysts from other subsidiaries seconded to the CRA or other relevant party recipient on a need-to-know basis and subject to Management approval. Sharing analytical information with employees being part of Scope Group and Scope CRA shall also be subject to Management approval and be made on a need-to-know basis.
- Scope CRAs sets its reporting and communication channels so as to ensure the independence of Analytical Personnel from the other activities of Scope CRAs carried out on a commercial basis.

2.2 Governance

- Compliance, as the policy owner, designates a specific role or department responsible for the overall governance and maintenance of the Commercial Separation Policy.).
- Review and updates: establish a schedule for regular review and updates of the policy to ensure it remains current with evolving business practices and regulatory changes. As a title of example, Compliance or Internal Audit may proceed to a review of the effective implementation of this Policy.

3. Regulatory Environment

3.1 Requirements imposed by ESMA

The following texts constitute the legal basis of this Policy: Article 7 point 2 of CRA Regulation and Annex I Section B point 6 of the CRA Regulation.

Article 7 point 2 of the CRA Regulation stipulates that a credit rating agency shall ensure that rating analysts, its employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in credit rating activities have appropriate knowledge and experience for the duties assigned and shall not be allowed to initiate or participate in negotiations regarding fees or payments with any rated entity, related third party or any person directly or indirectly linked to the rated entity by control.

Annex I Section B point 6 of the CRA Regulation mentions that a credit rating agency shall design its reporting and communication channels so as to ensure the independence of its rating analysts, employees, or any other natural person whose services are placed at the disposal or under the control of the credit rating agency and who are directly involved in



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credit rating activities and persons approving credit ratings and rating outlooks. from the other activities of the credit rating agency carried out on a commercial basis.

3.2 Requirements imposed by FCA

No additional requirements imposed by FCA

3.3 Requirements imposed by FINMA

No additional requirements imposed by FINMA



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Compliance with this Policy / Procedure and requirements regarding breaches or suspected breaches

This [Policy / Procedure](#) reflect the way [Scope CRAs](#) comply with regulatory requirements.

If case of questions about this [Policy / Procedure](#) or any doubt as to personal obligations under this [Policy / Procedure](#), guidance should be sought from [Compliance](#) via the Jira Ticketing System.

A breach or suspected breach of this [Policy / Procedure](#) may lead to breach of regulatory obligations. As a result, any action by persons to whom this [Policy / Procedure](#) applies which breaches or might reasonably be expected to lead to or result in a breach, of the provisions set forth in this [Policy / Procedure](#), is prohibited and can result in disciplinary action, up and including, termination of employment or contract. Any potential infringements of these requirements will be investigated and might be reported to [Senior Management](#) to determine on intervention, if appropriate.

Any breaches or suspected breaches of this [Policy / Procedure](#) need to be reported to [Compliance](#) without undue delay via the Jira Ticketing System or alternatively via email to compliance@scoperatings.com.

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