



# **Commercial Separation Policy**

December 2022



# Commercial Separation Policy

## Scope CRAs

<b>Start Date:</b>	30/12/2022	<b>End date:</b>		<b>Version:</b>	2.0
<b>Applies to People</b>			<b>Entities affected:</b>		
<input checked="" type="checkbox"/> <b>Covered Employees</b>			<input checked="" type="checkbox"/> Scope SE & Co. KGaA		
			<input checked="" type="checkbox"/> Scope Ratings GmbH		
			<input checked="" type="checkbox"/> Scope Ratings UK Ltd.		
			<input type="checkbox"/> Scope Hamburg GmbH		
			<input checked="" type="checkbox"/> All existing and future subsidiaries and affiliates of the above		
<input checked="" type="checkbox"/> This document and any future updates or changes are made available on Scope's Intranet.					
<input checked="" type="checkbox"/> This document and any future updates or changes are made available on Scope's website.					
<input checked="" type="checkbox"/> This document contains defined terms made available in the Defined Terms Glossary available on Scope's intranet.					
<input checked="" type="checkbox"/> This document contains defined terms made available in the Defined Terms Glossary available on Scope's website.					

## Table of Contents

<b>1. Preamble</b>	<b>3</b>
<b>2. Defined Terms</b>	<b>3</b>
<b>3. Principle of Separation</b>	<b>3</b>
3.1 Prohibition from communicating Commercial Information to Analytical Personnel	3
3.1.1 Non-limitative examples	3
3.2 Prohibition from communicating Analytical Information	4
3.3 Prohibition for Analytical Personnel to participate in Commercial Activities	4
3.4 Prohibition from influencing Analytical Personnel with commercial considerations	4
3.5 Physical and logical separation	5
<b>4. Waivers</b>	<b>5</b>



## 1. Preamble

This 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 aim 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.

The following texts constitute the legal basis of this Policy: Article 7 point 2 of CRA Regulation.

## 2. Defined Terms

**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.

**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

## 3. Principle of Separation

### 3.1 Prohibition from communicating Commercial Information to Analytical Personnel

Any person within Scope Group having Commercial Information is prohibited from sharing any of this information with Analytical Personnel.

This prohibition applies regardless of how the Commercial Information has been obtained, and regardless of whether the person having the information is usually in possession of this type of information or not.

This prohibition also applies to information that a client, prospective client, issuer or related party is also a client or prospective client of a non-CRA entity of Scope Group, except when this information is already public.

#### 3.1.1 Non-limitative examples

The following information constitutes Commercial Information about Scope CRAs activities or the activities of any other affiliate of Scope and cannot be shared with Analytical Personnel:

- Non-analytical content of a contractual relationship for a specific Client or group of Clients;
- Fee or pricing information for a specific Client or group of Clients including fee schedule and price deviations;
- The list of services currently being offered and/or requested by a specific Client or group of Clients without an analytical need-to-know reason;
- The revenue received from a specific Client or group of Clients over a certain period for a certain set of services, with the exception of related mandatory public disclosures. For the avoidance of doubt, Analytical Personnel will only be notified which regulatory disclosure is needed but not the underlying details;

- Feedback and views received from a specific Client or group of Clients with respect to the provision of certain services and related to expectations relating to the result of the rating mandate. It is not prohibited to share with the analysts the opinion of a Client related to the quality of the service notwithstanding the result of an analysis.

In addition, although not relating to a specific Client or group of Clients, the following information constitutes prohibited commercial information about Scope CRAs activities or the activities of any other affiliate of Scope and cannot be shared with Analytical Personnel:

- Type of contracts and contractual terms and conditions, with the exception of analytical deliverables and potential associated delivery time agreed under the terms;
- Pricing strategy and fee structure, except for the fact that a complexity or workload element is taken into account, when it requires analysts' input;
- Any financial information regarding business cooperation between Scope CRAs or Scope and a third party which is not in the public domain.

### **3.2 Prohibition from communicating Analytical Information**

In order to help clients, potential clients, issuers or related parties to make a clear distinction between commercial discussions and analytical discussions regarding credit ratings and ancillary services, analytical discussions with the above mentioned parties should only take place with Analytical Personnel.

For that purpose, Analytical Personnel is prohibited from sharing Analytical Information with anyone within Scope Group outside of the Scope CRAs.

- This prohibition does not apply to IT accesses to systems where the values and metadata of non-public credit ratings or ancillary services may be stored after assignment.

### **3.3 Prohibition for Analytical Personnel to participate in Commercial Activities**

Analytical Personnel is prohibited from participating in any Commercial Activities.

Analytical Personnel is prohibited from requesting any Commercial Information.

Analytical Personnel is prohibited from discussing Commercial Activities with anyone, within or outside Scope Group.

Discussing rating methodologies, analytical processes and approach, rating rationale, rating factors, or research about market developments and trends with external parties is not considered Commercial Activities.

Analytical Personnel is prohibited from triggering Commercial Activity by demanding that clients, potential clients, issuers or related parties buy additional credit ratings, ancillary services or any other services offered by Scope Group as a condition for producing credit ratings.

This prohibition does not apply when a public methodology states that underlying credit ratings or other creditworthiness assessments are required as part of the methodology.

Analytical Personnel is prohibited from triggering Commercial Activity by offering to or accepting to deviate from the application of public methodologies at the condition or as a result of a more favourable commercial relationship with clients, potential clients, issuers or related parties.

Analytical Personnel is prohibited from inviting commercial personnel to participate in Credit Rating Activities or Ancillary Services.

### **3.4 Prohibition from influencing Analytical Personnel with commercial considerations**

Any person within Scope Group having Commercial Information is prohibited from influencing, or trying to influence, Analytical Personnel, by suggesting a favourable commercial relationship or otherwise communicating an undue pressure coming from a favourable commercial relationship.



### **3.5 Physical and logical separation**

IT access rights to folders or tools, or parts of folders or tools, containing commercial information, is prohibited to Analytical Personnel.

IT access rights to folders or tools, or parts of folders or tools, containing Analytical Information, is prohibited to anyone outside of the Scope CRAs.

This prohibition does not apply to IT accesses needed for maintenance purposes

Physical seating of Analytical Personnel and commercial personnel must be separate in a way which prevents any oral sharing or overhearing of information.

## **4. Waivers**

If any specific case occurs, for which any of the above prohibitions should be waived, for a good objective reason, and without endangering the independence of the Analytical Personnel, a waiver request should be sent to the Compliance team. The prohibition will not be waived until a formal written waiver has been obtained.

### **Compliance with this Policy and requirements regarding breaches**

This Policy reflects the way Scope CRAs implements regulatory requirements.

If case of questions about this Policy or any doubt as to Employees' obligations under this Policy, guidance should be sought from Compliance.

Breach of this Policy may lead to breach of regulatory obligations applying to Scope CRAs. As a result, any action by Employees to whom this Policy applies which breaches or might reasonably be expected to lead to or result in a breach, of the provisions set forth in this Policy, is strictly prohibited and can result in disciplinary action, up and including, termination of employment. Any potential infringements of these requirements will be investigated and reported to Senior Management to determine appropriate intervention.

Employees must immediately report breaches or suspected breaches of this Policy to Compliance.