

# Code of Business Conduct

Scope SE & Co. KGaA  
Scope Ratings GmbH  
Scope Ratings UK Ltd.

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**The information contained herein is the sole property of Scope SE & Co. KGaA, Scope Ratings GmbH and Scope Ratings UK Ltd.**

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

This Policy/Procedure reflects the way Scope CRAs comply with regulatory requirements. In case of questions about this Policy/Procedure or any doubt as to personal obligations under this Policy/Procedure, guidance should be sought from the Policy or Procedure Owner. In addition to the Policy / Procedure Owner, SRG Compliance should be contacted for any information regarding the interpretation of regulations via the [Compliance Service Portal](#). 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 the Policy/Procedure Owner. Any breaches or suspected breaches that can impact regulatory obligations need to be reported to Compliance without undue delay via the [Compliance Service Portal](#) or alternatively via email to [compliance@scoperatings.com](mailto:compliance@scoperatings.com)

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## 1. Introduction

### 1.1 Preamble

Scope Ratings Credit Rating Agencies (Scope CRAs) provide opinions in the form of Credit Ratings and other related research about issuers of securities and their financial obligations. To enhance market understanding and confidence in Scope CRAs' Credit Ratings, Scope CRAs have adopted the Code of Business Conduct to promote the objectivity and integrity of its business and the transparency of its operations.

The requirement of this Code is to emphasise Scope CRAs commitment to conducting its business in an ethical manner and with integrity as well as being to be in line with applicable rules and regulations on the conduct of Credit Rating activities.

### 1.2 Scope, Ownership and Application

The Code of Business Conducts establishes the requirements and provisions within Scope Ratings regarding the Quality and Integrity of the Rating Process, the independence and avoidance of Conflicts of Interest, the responsibilities to the investing public and issuers, the handling of confidential information and the use of Artificial Intelligence (AI) within Scope Ratings CRAs.

The owner and manager of the Code of Business Conduct is the Compliance department.

### 1.3 Application

The Code of Business Conduct applies to all Covered Employees of Scope.

### 1.4 Consequence of Non-compliance

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

Any action by Scope Ratings or by any Covered Employee which violates or might reasonably be expected to lead to or result in a violation 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.

## 2. Stakeholders and Governance

### 2.1 Stakeholders

- The Boards of SRG and SRUK hold ultimate responsibility for the effectiveness of the Code of Business Conduct and its implementation, approve the Code and any significant amendments,
- Compliance: Policy/Code implementation, process review, reporting to CRA Management, training, and guidance,

### 2.2 Governance

Governance of the Code of Business Conduct involves establishing a robust framework to oversee and manage the conduct of the business and its employees within the organisation. Effective governance ensures accountability, transparency, and continuous improvement.

The Boards of SRG and SRUK receive regular reports on monitoring results, resolutions, and effectiveness as well as any significant issues or risks identified.

The Compliance department ensures that the Code of Business Conduct complies with regulatory requirements and internal standards.

## 3. Principles

### 3.1 Quality of the Credit Rating Process

Credit Ratings are based on information obtained by Scope CRAs from accurate and reliable sources, including, but not limited to issuers (and their agents) as well as sources independent from the issuer. Scope maintains rigorous, systematic, and continuous Credit Rating methodologies that are subject to validation. Analytical personnel use these methodologies consistently to reflect the opinions of the Scope CRAs rather than the opinion of individual analysts.

Scope CRAs take active steps to avoid knowingly issuing any Credit Ratings or reports that contain misrepresentations or that are otherwise misleading as to the general creditworthiness of an issuer or obligation. For this purpose, the Methodology Review periodically reviews and approve new and existing methodologies, models and any significant changes needed.

Scope CRAs maintain records to support its Credit Ratings in accordance with applicable laws and regulatory requirements in the jurisdictions in which Scope CRAs conduct business. Scope CRAs maintain a sufficient pool of Analytical Personnel and continuously assesses whether its ability to maintain and issue Credit Ratings.

Scope Ratings CRAs shall not issue or maintain any Credit Ratings for which the quality of available information is not satisfactory or the complexity or structure of a product/lack of robust data raises serious questions as to whether a credible Credit Rating can be determined.

Scope employees shall not, either implicitly or explicitly, give any assurance or guarantee of a particular Credit Rating prior to a rating committee. Scope policies, procedures and decision-making supervisory bodies safeguard the independence of rating decision whilst mitigating potential conflicts of interest.

### **3.2 Monitoring and Updating**

Scope CRAs monitor Credit Ratings Credit Ratings, as necessary, on an ongoing basis and at least annually, particularly where material changes could have an impact on the credit rating. On the case of sovereign ratings, Scope CRAs reviews them at least once every six months as stated in Article 8 (5) of the Regulation 1060/2009. Several exceptions apply to the Monitoring and updating process of Private Ratings as well as to point-in-time Ratings.

### **3.3 Integrity of the Rating Process**

Scope CRAs require Covered Employees to work and to deal fairly and honestly with issuers, investors, other market participants and the public, as a result all employees are held to strict standards of integrity. All Covered Employees (including new joiners) must adhere themselves to this Code and to all relevant internal policies and procedures.

Covered Employees are prohibited from making proposals or recommendations to an obligor or issuer, underwriter, or sponsor of a security about the corporate or legal structure, assets, liabilities or activities of an obligor or issuer. All employees are expected to promptly report any conduct that they reasonably believe is illegal, unethical, or contrary to this Code.

### **3.4 Independence and Avoidance of Conflicts of Interest**

Scope CRAs have defined procedures and mechanisms designed to minimise the occurrence of conflicts of interest, or to appropriately manage potential arising conflicts. Analytical Personnel is required to use care and professional judgment to maintain their independence and objectivity, for this purpose the determination of a Credit Rating is only obtained by factors relevant to the credit analysis.

Credit Ratings that Scope CRAs assign to an issuer are not affected by the existence of or potential for a business relationship between Scope and the issuer (or its affiliates) or any other party, or the non-existence of such a relationship. Likewise, Scope does not engage in any consulting or advisory services. All Ancillary Services offered by Scope Ratings are disclosed on its website.

For additional information, please refer to the "Conflicts of Interests Policy" and the "Ancillary Services Policy."

### **3.5 Responsibilities of the Investing Public and Issuers**

Scope Ratings CRAs disclose all Credit Ratings Actions regarding the rated entities and securities in a timely fashion by releasing all Public Credit Ratings on Scope's Website and all Subscription Credit Ratings on Scope-One. All Regulated Credit Ratings, as well as any subsequent decisions to discontinue such Credit Ratings, are disclosed on a non-selective basis, for free or for a reasonable fee.

Scope CRAs provides Credit Rating rationales to support each Credit Rating Action and opinion. Credit Rating announcements may refer to documents published on Scope Ratings' website - where applicable. Credit Rating announcements may refer to documents published on Scope Ratings' website - where applicable. For additional information, please refer to the Disclosure Requirements Policy.

Scope CRAs publishes on Scope's Website sufficient information about Credit Ratings, policies, definitions, methodologies, models, and key Credit Rating assumptions as well as a description of the Credit Rating committee process so that market participants can understand how Scope CRAs determine their Credit Ratings.

In accordance with Scope CRAs policies and procedures, prior to issuing or revising a Credit Rating, Scope, where feasible or appropriate and in accordance with regulatory requirements, informs the issuer of the critical information and principal considerations of the Credit Rating Action and provides the issuer with an opportunity to clarify any possible factual

misperceptions or other matters that Scope CRAs would wish to be made aware of in order to produce appropriate Credit Ratings and research. Analytical Personnel duly evaluate these clarifications and all relevant information; Scope is prepared to consider an appeal on a case-by-case where the issuer provides material new information.

Scope CRAs, where possible, publish sufficient information about the historical default rates of Scope's Credit Rating categories and whether the default rates of these categories have changed over time. Additionally, Scope will publicly disclose via its website any material modifications to Credit Rating methodologies and related significant practices, procedures, and processes. Where feasible and appropriate, material modifications shall be made subject to a "request for comment" from market participants prior to their implementation.

Scope Ratings support the users of Credit Ratings in developing a deeper understanding of Credit Ratings by disclosing among other things, the nature and limitations of Credit Ratings and the risks of over relying on them by making investment decisions.

Scope CRAs disclose the participation or non-participation of the rated entity, originator, obligor, arranger, or underwriter in the Credit Rating process. Credit Ratings not solicited by the rated entity, originator, obligor, arranger, or underwriter will be identified appropriately.

Scope shall publish information regarding the loss analysis, when rating a structured finance product, to provide the Credit Rating users with a thorough understanding of the basis of a Credit Rating. In addition, Scope CRAs will inform about the extent to which a structured finance Credit Rating is sensitive to changes in the assumptions underlying the applicable methodology.

### 3.6 Handling of Confidential Information

Scope CRAs and Covered Employees shall protect Confidential Information by imposing restrictions on the disclosure and use of Confidential Information, they shall also protect Confidential Information from being disclosed in publications, during conferences or outside events, or in conversations with investors, other issuers, third persons, or otherwise. Scope CRAs shall use issuer Confidential Information only for purposes related to its Credit Rating services or ancillary services.

Scope CRAs and Covered Employees shall preserve the confidentiality of issuer Confidential Information communicated to them by an issuer (or its agent) and refrain from publicly disclosing issuer Confidential Information with investors, other issuers, or any other persons, unless they have received permission from the issuer, or its designated agents.

Covered Employees are required to take all reasonable measures to protect all property and records belonging to or in possession of Scope CRAs from fraud, theft, or misuse. They shall not share Confidential Information for the purpose of trading securities, or for any other purpose except in the conduct of Scope CRAs business activities, nor should they selectively disclose any material non-public information about Credit Rating opinions or possible future Credit Rating Actions of Scope CRAs, except to the issuer or its designated agents. All Covered Employees at Scope Ratings must handle information on a need-to-know basis.

### 3.7 Use of Artificial Intelligence (AI)

Artificial Intelligence can be used as a supplementary tool to enhance productivity and efficiency within the organisation. The use of AI is permitted to employees as a source for information and as an assistance for tasks as long as:

- The tool utilised has been thoroughly reviewed by the responsible employee to ensure alignment with the company's quality standards,
- The output of information and tasks acquired have been supervised by qualified individuals.

Artificial Intelligence shall not be used without the necessary vetting and review of employees, the following activities (but not limited) constitute a violation of the Code of Conduct:

- Use of AI for a CRA credit rating activities without a robust governance process,
- Direct copy of information produced by AI without any additional review,
- Input of confidential information into artificial intelligence tools/services without review and implementation of adequate safety guidelines to protect sensitive data.

The use of an Analytical tool to directly replace employees' work shall be subject to a clear validation/approval framework. A dedicated proposal highlighting minimum parameters must be reviewed by relevant Internal Control functions for both technical and regulatory opinion and approved by Senior Management.

## **4. Regulatory Environment**

### **4.1 Requirements imposed by ESMA.**

ESMA Benchmark regulation (Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies) as well as any other complementary documents, guidelines or directives to the Regulation establish all requirements and provisions that must be followed by Scope Ratings CRAs.

### **4.2 Requirements imposed by FCA.**

No additional requirements imposed by FCA.

### **4.3 Requirements imposed by FINMA.**

No additional requirements imposed by FINMA.

## Glossary

Term	Definition
<b>Covered Employee</b>	All Employees of Scope CRAs, all Employees of Scope Group working on processes contractually outsourced by Scope CRAs, management of Scope Group exercising executive tasks over Scope CRAs, and all student or interns, freelancers, consultants and counsels (and any other service provider) who provide services to Scope CRAs.
<b>Analytical personnel / Analysts</b>	Any Employee in Scope CRAs who is involved in Credit Rating decisions or the analysis or preparation of a Credit Rating.