



Credit Rating Disclosure Policy



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1. Introduction

The present document summarises the Disclosure Policy regarding the publication of Credit Rating, Ratings' outlooks, and other related information, conducted by EthiFinance Rating SL, (hereinafter EFR), in accordance with the applicable regulation stipulated in the Regulation (EC) N° 1060/2009 of the European Parliament and of the Council on 16th of September 2009 on credit rating agencies and its corresponding amendments.

EFR has adopted this Disclosure Policy to provide transparency in its announcements of Credit Rating Actions.

This Policy does not apply to private Credit Ratings.

2. Scope of application

This policy applies to announcements of Credit Rating Actions and other publications made by EFR.

The content of this Policy, and any future updates, is published on EFR's website.

3. Disclosure of credit rating actions

The issuance, modification, review or withdrawal of a credit rating and its associated rating outlook, if applicable, known collectively as a 'credit rating action', will be disclosed by EFR in a timely and non-selective manner.

Once an entity has been rated, whether solicited or unsolicited, EFR will notify the credit rating action to the rated entity, by email and during working hours. EFR will include a report with details of the credit rating, the outlook, as well as the description of the credit rating and the principles on which it is based. After notification, at least one full working day must elapse before the rating is made public.

In the case of withdrawn ratings, EFR also discloses the reason for the withdrawal following the same process.

For a better understanding of credit rating actions by users, EFR discloses on its website www.ethifinance.com the methodologies, credit rating scales with the definition of each categories including default, and processes used to assign the credit rating. Credit rating reports will include a link to the website where this information can be found

The website www.ethifinance.com also includes the list of entities rated by EFR.

In addition, EFR's website provides specific regulatory disclosures regarding Credit Ratings. Regulatory disclosures are updated and adjusted, as necessary.

If a credit rating action is issued with missing or incorrect information, EFR will promptly correct the relevant information as soon as the error is discovered.

3.1 Disclosure of credit rating actions for solicited ratings

In the case of **solicited** credit ratings, (credit ratings assigned by EFR in which the credit rating process begins at the request of the issuer or a third party with the directed involvement on the rated entity), the credit rating action is disclosed openly and free of charge on the website, where users can find the rating report as well the rationale on which the rating has been based.

The disclosure of the solicited credit rating actions is done in the same way for all asset classes: Corporate Ratings, Insurance, Financial Institutions, Sovereign & Sub-Sovereign, and Structured Finance.

3.2 Disclosure of credit rating actions for unsolicited ratings

In contrast, in the case of **unsolicited** credit ratings, (credit ratings assigned by EFR in which the issuer takes no part in the credit rating process, and is based only on public information), the disclosure depends on the asset class being rated:

Corporate Ratings

Ratings are distributed under subscription, although the name of the rated entity and the asset class are disclosed on the website.

Insurance, Financial Institutions, Sovereign & Sub-Sovereign

For these asset classes, the disclosure is made in the same way as for solicited ratings, i.e. the rating actions are disclosed openly and free of charge on the website.

Structured Finance

For the time being, EFR does not assign unsolicited credit ratings to this asset class.

4. Disclosure of other relevant information

EFR also discloses additional information on its web page www.ethifinance.com:

- Corporation information about EthiFinance Group.
- Credit Rating Agency information:
 - Methodologies.

In case of substantial changes or the development of new methodologies, EFR will publish on its web page the extent of these modifications, inviting the parties concerned to make observations within one month. Subsequently, it will inform ESMA and will publish the results of the request for comment on its website. Should these modifications in the methodologies imply a change in the credit ratings, the rated entities will be informed following the same process as described in point 3.
 - Credit Rating Scales & Definitions.
 - Rating list.
 - Rating process.
 - Product & Services.
 - Sovereign calendar.
- Regulatory information:
 - CRA Code of Conduct.
 - Conflict of Interests Policy.
 - Transparency Reports.
 - Disclosure Policy.
 - List of rated entities or connected third parties from which EFR gets more than 5% of its yearly revenues.
 - List of entities that have requested EFR a preliminary solicited credit rating or initial review.
 - Historical default rates.
 - Pricing Policy.
- Other Information:
 - Notifications.
 - Publications.
 - News.
 - Quality policy.

Finally, EthiFinance Ratings will also provide the information requested, every 6 months, by the Central Repository (CEREP). The credit rating statistics will be available on the CEREP web page <https://registers.esma.europa.eu/cerep-publication/>

5. Control Mechanisms

This Policy is controlled by the Compliance Function along with EFR Management, who are responsible for its implementation and enforcement.