



Governance Policy

Scope Group

October 2021

1. Introduction

Scope SE & Co. KGaA and its subsidiaries (hereinafter “Scope” or “Scope Group” and including Scope CRAs) are governed by codes, policies and procedures (“Governing Documents”) to assist in complying with the CRA Regulation and other applicable legal requirements. This document establishes a process for creating and maintaining Governing Documents and provides guidance for approving new or updated Governing Documents and documenting changes for record-keeping purposes.

Compliance has two separate teams. One team (“Scope Ratings Compliance”) supports Scope Ratings GmbH and Scope Ratings UK Limited. The other team (“Scope Group Compliance”) supports the other entities within Scope Group.

Governing Documents that Scope Group Compliance and Scope Ratings Compliance maintain (hereinafter “Compliance Governing Documents”) go through the maintenance and approval process described in Sections 6 to 12.

Governing Documents that are not maintained by Scope Group Compliance or Scope Ratings Compliance will be maintained by other divisions within Scope Group (e.g. Human Resources, Internal Review Function, Information Technology) and go through the maintenance and approval process described in Sections 9 to 13.

Compliance Governing Documents and Other Governing Documents are collectively considered Governing Documents. All Governing Documents must be provided to Group Compliance to be archived.

Any document whose primary focus involves a significant amount of domain expertise and technical information from that domain, as agreed by Scope Group Compliance, shall be considered to belong to Other Governing Documents.

At the start of each policy and depending on which is applicable, either Group Compliance or Scope Ratings Compliance will be defined as being responsible for maintaining a list of Governing Documents along with the name of the Policy Owner.

2. Applicability

This Policy and its requirements apply to all Employees. Associated Individuals must agree to abide by this Policy.

The contents of this Policy and any future updates or changes will be made available on Scope’s intranet.

3. Frequency of reviews and length

3.1 Each Governing Document is to be reviewed annually. Each Policy Review Session should be completed within a time frame of two months for processes described in Sections 7 to 9.

4. Policy ownership

4.1 The Head of Legal and Compliance of Scope Ratings GmbH or the Head of Scope Group Compliance, or a delegate, will select a specific Employee (“Policy Owner”) to be responsible for each Compliance Governing Document.

4.2 The Policy Owner is responsible for:

4.2.1 Writing or reviewing the Compliance Governing Document on an annual basis as per Section 3 (*Frequency of reviews and length*)

4.2.2 Presenting any changes and a rationale for the proposed changes to the Policy Review Team

4.2.3 Incorporating changes as agreed by the Policy Review Team

4.2.4 Obtaining and recording management approval

4.2.5 Applying the Record Keeping Policy and Procedures to changes that have been made

4.2.6 Disseminating the updated version of the Compliance Governing Document on Scope’s intranet or website when appropriate

4.3 The annual review is conducted by the Policy Owner and documented in an internal Compliance log. The Policy Review Team’s approval process will only start if the reviewer concludes that major updates/changes are necessary. Editorial changes, factual corrections and updates to terminology will not go through the approval process.

5. Versioning

- 5.1 All versions of Compliance Governing Documents that are shared internally as drafts are saved as a minor version.
- 5.2 All versions of Compliance Governing Documents that are shared externally (with regulators and management) are saved as a major version.

minor version	major version
0.1 <unpublished draft version, first minor version>	1.0 <first published major version>
1.1 <first published major version, first minor version>	2.0 <second published major version>
2.2 <second published major version, second minor version>	3.0 <third published major version>

6. Policy Review Team

- 6.1 A Policy Review Team (“Policy Review Team”) is responsible for reviewing and providing comments on Compliance Governing Documents.
- 6.2 The Policy Review Team also reviews and comments on changes to Compliance Governing Documents and assesses how a new Compliance Governing Document or changes to it will impact the organisation and department. This discussion occurs during a meeting (known as a “Policy Review Session”).
- 6.3 The Policy Owner provides the Compliance Governing Documents to the Policy Review Team at least one week before the Policy Review Session.
- 6.4 The Policy Owner will review the comments, track them, provide responses and circulate an updated version in advance of the next meeting.
- 6.5 Each Policy Review Session collects opinions and suggestions on the Compliance Governing Documents.
- 6.6 The Policy Review Team consists of at least three individuals, including Compliance team members and other relevant stakeholders. The Policy Review Team is defined by the Head of Scope Group Compliance or the Head of Scope Ratings Compliance, or a delegate where applicable. Relevant stakeholders (such as members of the Internal Review Function, representatives of Analytical Teams, Legal, Markets, Credit Rating Operations, Human Resources, Information Technology and Risk) may participate depending on the policy topic. The Policy Review Team may delegate the task of reviewing certain Compliance Governing Documents to smaller specialist teams.

7. Role of Policy Review Team

- 7.1 The Policy Review Team will:
 - 7.1.1 Review and discuss new or updated Compliance Governing Documents that have been submitted by the Policy Owner and that represent the views of their respective line of business
 - 7.1.2 Define guidance on the implementation process and establishing quality controls
 - 7.1.3 Define the operational risks of implementation and establish appropriate controls
 - 7.1.4 Provide guidance to the Policy Owner about appropriate communication to staff when staff are involved in implementation
- 7.2 The Policy Review Session ends when a simple majority of the Policy Review Team gives its approval to the Policy Owner for the proposed Compliance Governing Document.

8. Compliance risk management

8.1 Group Compliance or Scope Ratings Compliance will conduct a compliance risk assessment of the activities covered in the Compliance Governing Documents. In addition, they will work with the lines of business and the relevant internal control functions (e.g. for Internal Review Function, Credit Policy or Information Security) to establish a first and second line of control. The relevant lines of business are responsible for creating, maintaining and implementing standard operating procedures.

9. Management approval process

9.1.1 Scope Group Compliance informs the Policy Owner about which entities and associated executive management must approve the Governing Document.

9.2 The Policy Owner presents:

9.2.1 The changes to the executive management of each company in Scope Group (where applicable) along with a description of their objectives, content, rationale and impact

9.2.2 A summary of how the standard operating procedure is to be implemented and how a first and second line of control is to be established

9.2.3 A draft resolution for approval of the new or updated Governing Documents

9.3 If management wishes to incorporate comments that are not editorial in nature, these must be sent back to the Policy Review Team for approval as described in Section 6.3.

9.4 A resolution signed by executive management will be collected and recorded according to the Record Keeping Procedure for each Governing Document.

10. Board resolution collection process

10.1 Compliance or the division that was responsible for drafting the Governing Document will share a copy of the executive management's signed resolution for the Governing Documents with the following teams:

10.1.1 Board Relations

10.1.2 Group Marketing, Group Events & Memberships

11. Policy implementation

11.1 The Policy Owner reaches out to departments impacted by the updated Governing Document and notifies them of the changes. Where appropriate, the Policy Owner will also provide training in the form of ad-hoc training, monthly new joiner training and/or annual training.

12. Notification to regulators

12.1 Where appropriate, Compliance will notify relevant regulators in the case of Scope CRAs or as they deem necessary for updated Governance Documents.

13. Other Governing Documents

- 13.1 The document owner is the head of the relevant division that is responsible for preparing the Other Governing Document. The head of the relevant division consults Scope Group Compliance or Scope Ratings Compliance to determine whether the policy is a Compliance Governing Document or an Other Governing Document. The head assigns a Policy Owner and decides which stakeholders to involve in the review and approval process for the Other Governing Document.
- 13.2 The Policy Owner is responsible for:
 - 13.2.1 Collecting feedback from at least three individual stakeholders, including Compliance team members and other relevant stakeholders
 - 13.2.2 Writing or reviewing the Other Governing Document
 - 13.2.3 Presenting any changes and a rationale for the proposed changes to involved stakeholders
 - 13.2.4 Incorporating changes as agreed by the stakeholders
 - 13.2.5 Obtaining and recording management approval
 - 13.2.6 Applying the Record Keeping Policy and Procedures to changes that have been made
 - 13.2.7 Disseminating the updated version of the Other Governing Document on Scope's intranet or website when appropriate
 - 13.2.8 Communicating with Scope Group Compliance or Scope Ratings Compliance for information on any new or updated Other Governing Documents

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