



# Outsourcing Policy

August 2023



# Outsourcing Policy

Scope CRAs

Internal Document

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<b>Applies to</b>		<b>Entities affected</b>			
<input checked="" type="checkbox"/> <b>Covered Employees</b>		<input type="checkbox"/> Scope SE & Co. KGaA <input checked="" type="checkbox"/> Scope Ratings GmbH <input checked="" type="checkbox"/> Scope Ratings UK Ltd.  <input checked="" type="checkbox"/> All existing and future subsidiaries and affiliates of the above			
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## 1. Introduction

This Outsourcing Policy (the "Policy") sets out Scope Ratings GmbH and Scope Ratings UK Limited's (hereinafter referred to as "Scope Ratings") approach on the outsourcing of an important operational function of Scope Ratings GmbH or Scope Ratings UK Ltd. to a Service Provider or other entity of the Scope SE & CO, KGaA. As per ESMA's definition, critical or important function means any function whose defect or failure in its performance would materially impair:

- a) a firm's compliance with its obligations under the applicable legislation;
- b) a firm's financial performance; or
- c) the soundness or the continuity of a firm's main services and activities;

The following constitute the legal basis of this Policy: Article 9 of the CRA Regulation: "Outsourcing of important operational functions shall not be undertaken in such a way as to impair materially the quality of the credit rating agency's internal control and the ability of ESMA to supervise the credit rating agency's compliance with obligations under this Regulation".

Additionally, with regard to outsourcing to Cloud Service Providers, we rely on the ESMA's Guidelines on outsourcing to cloud service providers (ESMA50-164-4285) as a point of reference. This document offers comprehensive guidance and best practices for credit rating agencies (CRAs) when engaging in cloud outsourcing agreements. It addresses key areas such as due diligence, contractual arrangements, data security, business continuity, monitoring, and reporting.

## 2. Applicability

This Policy and its requirements apply to all operational functions that relate to the credit rating activities of Scope Ratings. It further applies to all Covered Employees involved in dealings with service providers who have entered outsourcing arrangements with Scope Ratings.

## 3. Outsourcing Principles

Scope will not outsource an important operational function in a way as to materially impair the quality of Scope Ratings' internal controls and the adherence to relevant legal and regulatory requirements. Scope will not enter into any outsourcing arrangements that would result in a delegation of the responsibilities of senior management or that would compromise the regulatory registration status of Scope Ratings, or which would be breaching the law, morals and ethics, public order, or any of Scope's policies or procedures.

Outsourcing arrangements cannot prevent the capacity of the Credit Rating Agencies' (CRAs) internal control functions to operate in a comprehensive and efficient manner.

Where an important operational function is outsourced, Scope Ratings remains fully responsible for its legal and regulatory obligations and will take measures to satisfy itself that the Service Provider carries out the outsourced activities effectively. Scope's outsourcing arrangements with a service provider will provide for a mechanism for relevant regulatory authorities to supervise the outsourced activity.

Scope will ensure that any outsourcing agreement shall contain provisions to oblige all parties to it to comply in all respects with all plans, policies, procedures, codes of conduct and business practices as implemented and in existence from time to time on a Scope Group level, as well as with all applicable laws and regulations.



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

This Policy reflects the way Scope 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. 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.