ESG REPORT 2017

STRIVING FOR SUSTAINABLE AND SOCIALLY RESPONSIBLE DEVELOPMENT

SCOR
The Art & Science of Risk

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ESG REPORT 2017
ON INVESTMENTS

This report has been prepared in compliance with Article 173 of the French law on energy transition for green growth

This report was prepared in compliance with decree no. 2015-1850 of December 29, 2015 in application of the French law on energy transition for green growth no. 2015 – 992 of August 17, 2015.

The information in this report was prepared based on portfolio data at end-December 2017, except for the climate indicators, for which the data provided by external service providers was correct as at end-November 2017, to balance production times with the regulatory constraints.

FOREWORD

2017

SCOR RESTATES ITS COMMITMENT

During the past year, SCOR bolstered its ESG approach and restated its main priorities. It reaffirmed its commitment to tackling climate change by lending its support to collective action. For example, it signed the French Business Climate Pledge along with 90 other French businesses at the One Planet Summit held in Paris during December 2017. SCOR also demonstrated its commitment with the following high-profile measures: SCOR reviewed the eligibility criteria for businesses deriving a significant portion of their turnover from coal.

The maximum permitted percentage of turnover deriving directly from coal was lowered to 30% from 50% previously. That triggered the sale of all the securities no longer meeting the revised investment criteria and the Group undertook not to provide these types of businesses with any more financing. In parallel, SCOR continued to make investments in the energy transition to a low-carbon economy. Investments in "green" infrastructure debt and real estate debt totaled EUR 225 million in 2017. SCOR Investment Partners, the SCOR group's portfolio management company, launched the SCOR Infrastructure Loans III infrastructure debt fund in November 2017 with a view to participating in the energy transition and combating climate change. The fund was awarded TEEC (Energy and Ecological Transition for the Climate, see glossary) accreditation in January 2018.

More generally, the "green" portion of SCOR's portfolio including the real estate used in its operations, had a value of EUR 1.5 billion at year-end 2017 (EUR 1.3 billion at year-end 2016) prior to the sale at the very end of the year of an HQE- and BREEAM-certified (see glossary) building for EUR 320 million, in line with the Group's real estate strategy. The real estate investment cycle ends with the sale of the restructured and quality-approved building, so the value created can be realized and a fresh investment meeting the Group's selection criteria planned (see section 5.3 for more details).

In May 2017, SCOR also extended the scope of exclusions to the tobacco industry, since the damage it is proven to cause has a direct impact on the biometric reinsurance business line. Likewise, that decision was followed by the sale of all the relevant portfolio holdings and a commitment not to provide any more financing to the tobacco industry (see the exclusion strategy in section 4.2).

In 2017, SCOR introduced the Sustainable Development Goals ("SDGs", see glossary) into the analysis of its portfolio. The Group again demonstrated the consistency of its strategy since the largest commitments were made in support of climate action and infrastructure, its main sustainable and socially responsible investment priorities.

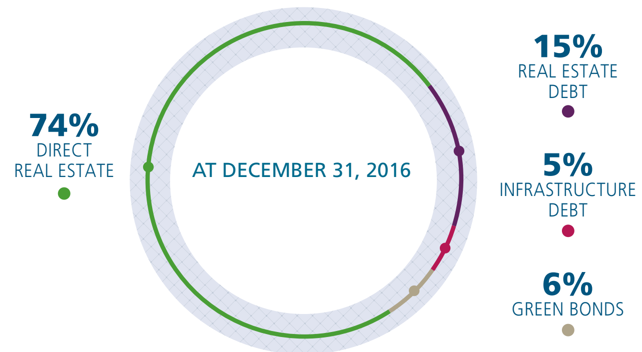
Lastly, the progressive roll-out of the ESG approach continued, and non-financial ratings are now issued on a larger proportion of the portfolio. At year-end 2017, 77% of the portfolio was given an ESG rating by a non-financial rating agency, up from 73% at year-end 2016. The average portfolio rating remained stable at C, which was also the average rating for the government bond and corporate bond sectors (see the detailed ESG analysis in section 4.4).

If investments with an environmental or social impact made directly in real estate or in real estate and infrastructure debt are also taken into account, 83% of the portfolio is managed in line with ESG criteria.

83%

OF THE PORTFOLIO IS MANAGED IN LINE WITH ESG CRITERIA

DIRECT REAL ESTATE INVESTMENT, REAL ESTATE DEBT, INFRASTRUCTURE DEBT, GREEN BONDS



DENIS KESSLER

Chairman and Chief Executive Officer of SCOR

"IN AN EVER MORE RISKY AND UNCERTAIN WORLD, THE INSURANCE AND REINSURANCE INDUSTRIES HAVE A LEADING ROLE TO PLAY IN WORKING TOWARDS SUSTAINABLE AND RESPONSIBLE DEVELOPMENT."

Risk, whether natural, technological or human, is the raw material of the SCOR group. For certain events, it is difficult to influence the probability that the risk will materialize, but we can limit the impact of the event on people and the economy. This is the case for earthquakes, for example. They are difficult to predict and impossible to prevent, but we can at least encourage earthquake-resistant construction. For other risks, there is more opportunity for reducing the probability of occurrence, frequency and severity. This is the dual role played by policies of prevention and precaution, which aim to influence the causes behind risks, as far as possible, in order to reduce the likelihood that they will materialize. This is the case for many risks related to technological development. Over the long term, the frequency of accidents has tended to decline on average. Moreover, we know better how to handle them, but we will never be able to eliminate them completely, because there will always be an element of uncertainty. As for risks deriving from man's intentional destruction—through war, terrorism, criminality, and other forms of violence—they have unfortunately continued to destabilize our modern societies and are difficult to eradicate, despite the methods we have implemented to prevent them.

We can make a distinction between individual risks—on which we can take the initiative to act—and collective risks requiring the contribution and coordination of many parties, who are either directly or indirectly involved. Risks linked to climate change fall into this category. Managing them pre-supposes mobilization, dialogue and cooperation on a global level, even if we can all contribute on an individual level through economic choices and behaviors that limit greenhouse gas emissions, for instance.

The SCOR group has been committed to these issues for the past 15 years and strives, at its level and with its resources, to develop in a sustainable and socially responsible way.

SCOR signed the UN Global Compact in 2003 and the Kyoto Declaration in 2009, under the aegis of the Geneva Association. In 2012, SCOR was a founding member of the Principles for Sustainable Insurance and continues to be a signatory today.

In 2015, the Group reaffirmed its commitment to the management of climate risk by announcing its full divestment from companies deriving more than 50% of their revenue from coal, and by signing the French Business Pledge on Climate alongside major French companies as part of COP21. These two commitments were renewed and strengthened in 2017 in that SCOR made a commitment on September 6 to divest from the shares of companies that derive more than 30% of their revenue from coal. In addition, SCOR renewed its commitment in favor of the environment by signing the French Business Climate Pledge and by presenting specific initiatives at the One Planet Summit in December 2017. In March 2017, SCOR also signed the Decarbonize Europe Manifesto. Finally, the Group has announced its full divestment from tobacco companies. With this decision, which confirmed SCOR's position as a responsible Life & Health reinsurer, the Group demonstrated that the investment community can play a role in support of the common good.

As head of the SCOR group, I have co-chaired the Geneva Association's working group on extreme events and climate risks since May 2015, and I am also a member of the steering committee of the Insurance Development Forum (IDF). This international body, created in 2016 in partnership with the World Bank and the United Nations, aims to build greater resilience to climate risks by allowing the insurance and reinsurance industries to share their expertise in risk management and coverage with the public sphere. The IDF is particularly involved with developing countries, which are significantly affected by natural catastrophes and currently have only a very low level of insurance or reinsurance protection.

SCOR also works towards sharing knowledge about the main climate challenges threatening the world today. The SCOR Foundation for Science, created in 2011, bears witness to the Group's long-term commitment to creating and disseminating risk awareness. In March 2017, the Foundation organized an international seminar on climate risk modeling, which brought together numerous researchers and insurance industry professionals. The aim of this seminar was to look at how to improve risk modeling in developing countries and to create databases.

In an ever more risky and uncertain world, the insurance and reinsurance industries have a leading role to play in working towards sustainable and responsible development. Environmental, social and governance considerations are an integral part of the identity and culture of the SCOR group.

1

ESG PRINCIPLES

As a responsible investor, the SCOR group reaffirms its commitment to applying ESG criteria in the management of its financial assets.

As part of its 2016–2019 strategic plan "Vision in Action", the SCOR group reaffirms its commitment to applying ESG (Environmental, Social and Governance, see glossary) criteria in the management of its financial assets. In its aim to invest responsibly, SCOR has adopted an approach that is more pragmatic than dogmatic. The goal is to first construct a consistent, proactive approach based on the Group's core competencies, then to gradually expand analysis to more innovative and ambitious topics. Criteria were given priority on the basis of the Group's core business and fundamental values. Approved by SCOR's Executive Committee and Board of Directors, the strategic plan defines clear principles and measurable objectives that the Group can report on regularly and transparently.

Risk management, which is the core of the Group's business, is designed to be holistic and to cover various factors through a global approach. Over many years, SCOR has developed a transversal corporate culture of risk management under the ERM (Enterprise Risk Management, see glossary) concept. Environmental, social and governance risks fall naturally into this approach. They do not require a separate, specific framework.

The SCOR group's ESG approach is based on carefully selected themes, including risk management – the foundation of the Group's business – but also the impact of targeted investments in 'green' sectors, the coverage of natural catastrophes, and both life and knowledge sciences. SCOR applies a policy of excluding certain sectors and companies on the basis of quantitative and qualitative criteria.

The size of the investment portfolio (EUR 18.5 billion at December 31, 2017), the Group's limited appetite for equities and the decision to invest in them principally through collective investment vehicles restrict SCOR's direct engagement capacity with regard to this asset class. Nevertheless, the Group's external asset managers (e.g. BlackRock and Invesco) are recognized for their commitment to responsible investment.

In order to fully assume its fiduciary responsibilities, the Group has chosen an approach that is both proactive and adaptable. In 2017, 83% of SCOR's portfolio was managed in accordance with ESG criteria, and the "green" portion of the investment portfolio now totals EUR 1.2 billion, including operational real estate.
Through selective investments, SCOR applies a consistent approach that combines risk analysis, impact investing and exclusions.

2

ESG APPROACH

SCOR will help finance the energy transition through targeted investments in renewable energy sources and energy-efficient buildings.

The SCOR portfolio covered by ESG criteria comprises government bonds, agency bonds, corporate bonds, equities, real estate debt, infrastructure debt and direct real estate investments. The portfolio also includes investments in risks related to natural catastrophes (i.e. ILS, Insurance-Linked Securities, see glossary) and limited investments in private equity. SCOR capitalizes on its expertise to analyze the exposure of its asset portfolio to climate change risks. The Group has undertaken to help finance the energy transition through targeted investments in renewable energy sources and energy-efficient buildings. SCOR is aware of the importance that access to knowledge plays in empowering people and thus continues its initiatives to spread and share knowledge. This is found as an investment theme in its 2016–2019 strategic plan. Lastly, in deference to best practices, the Group has increased the extent to which governance criteria are applied in its investment decisions.

The themes chosen demonstrate the Group's consistency and determination. They are based on SCOR's risk management know-how, especially with regard to adapting to the consequences of climate change. One example is the Group's capacity for natural catastrophe modeling, developed as part of its P&C reinsurance activity. Catastrophe modeling provides analysis of potential physical risks related to real estate and infrastructure investments. It is also useful for the precise management of asset portfolio exposure to catastrophe bonds (see glossary) and other protection against natural catastrophes, i.e. insurance-linked securities (ILS).

During 2017, the Group clearly stated its approach in the investment rules given to its asset managers and in special meetings with each of them. The Group bolstered the systems used to monitor actions taken and their coordination both internally and vis-à-vis its service providers. Given that it is hard to harmonize all the various possible approaches and standards, SCOR extended its agreements with its carbon, climate and ESG data providers to ensure the relevant information is comparable with the previous year's figures.

3

INVESTMENT PHILOSOPHY

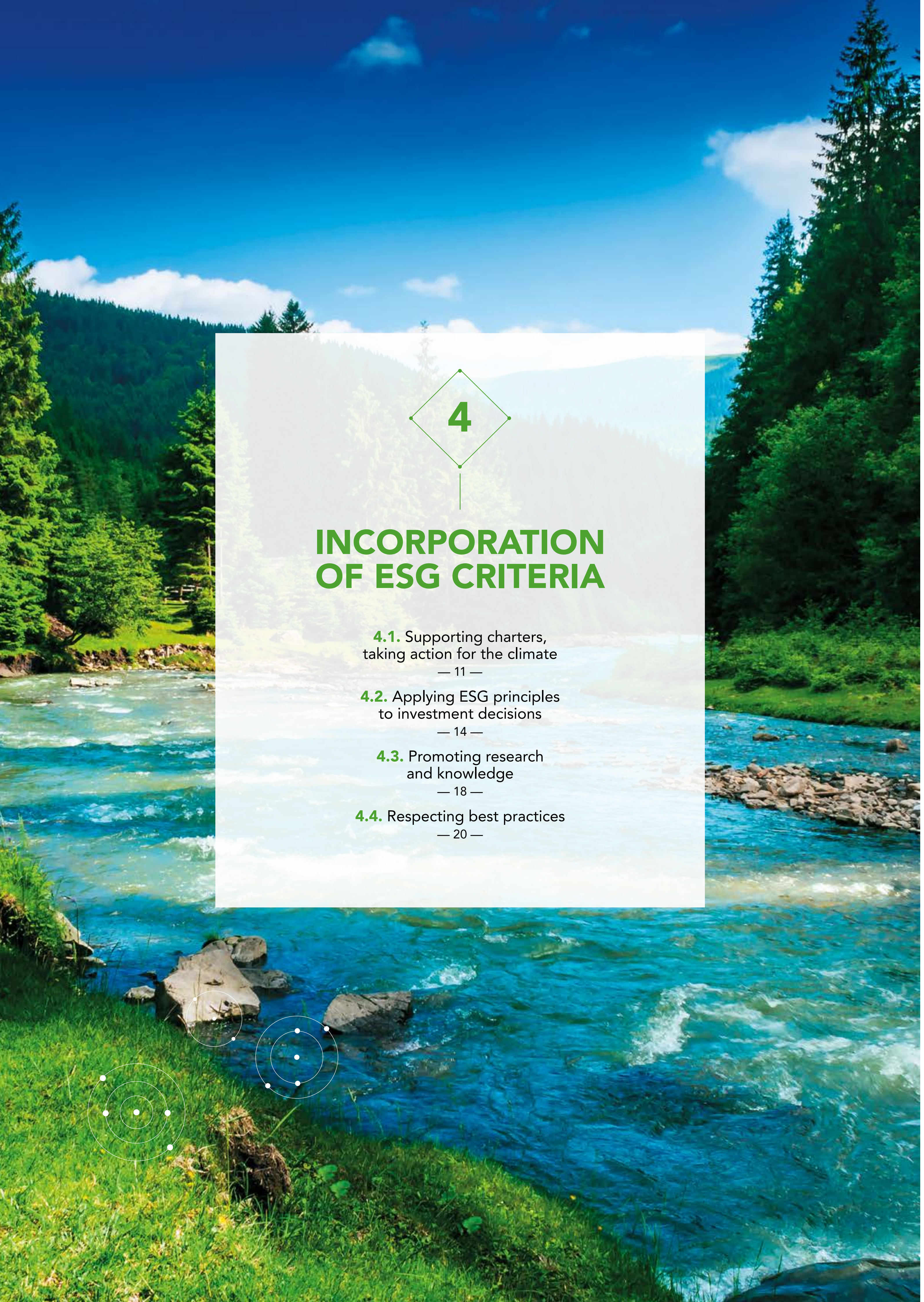
SCOR is prudent in the management of its investment portfolio.

Based on capital allocation in a Solvency II context, SCOR's approach to asset management is underpinned by an internal model developed by the Group. This approach was in place long before the advent of Solvency II. For years the Group has considered risk to be a major factor in its strategy. As in reinsurance underwriting, SCOR assesses its appetite for and tolerance of market risk, interest rate risk and credit risk. The investment strategy then adheres to risk-tolerance limits as defined by the Group's Executive Committee and approved by the SCOR SE Board of Directors.

The objective of asset management is to optimize the recurrent financial contribution to Group results, while protecting asset values. Accordingly, SCOR is prudent in the management of its investment portfolio. Technical reserves for Life and P&C reinsurance comprise the bulk of liabilities. Liabilities are covered mainly by fairly liquid, high-quality fixed-income assets in order to ensure Group solvency in the event of large claims. ALM (Asset and Liability Management, see glossary) is a critical factor in the selection of assets used to cover SCOR's technical liabilities. In addition, the Group manages assets under the congruence principle, which ensures that investments are always made in the same currency as underwriting commitments.

The Group places great importance on asset allocation, not only in terms of the major asset classes but also in terms of concentration. Precise limits for asset classes and asset quality are stated in the Group's Investment Guidelines and are reviewed at least once a year and approved by the SCOR SE Board of Directors. In its latest 2016–2019 "Vision in Action" strategic plan, published in September 2016, SCOR reaffirmed its prudent approach, although the Group is normalizing its investment strategy in the plan.

All asset management is delegated to asset managers, both inside the Group (via its subsidiary SCOR Investment Partners) and outside the Group.



4

INCORPORATION OF ESG CRITERIA

4.1. SUPPORTING CHARTERS, TAKING ACTION FOR THE CLIMATE

For many years, SCOR has been committed to fighting global warming. SCOR signed the Global Compact in 2003, and the Kyoto Protocol under the aegis of the Geneva Association in 2009. SCOR was also a founding member of Principles for Sustainable Insurance (PSI) in 2012. Since May 2015, Denis Kessler, Chairman and Chief Executive Officer of SCOR, has co-chaired the task force for extreme events and climate risks, created by the Geneva Association, alongside Shuzo Sumi, Chairman of Tokio Marine. This task force has endeavored for many years to promote a better understanding of the connections between reinsurance and climate risks.
On November 19, 2015, the Group reaffirmed its support of the Geneva Association's position on resilience and adaptability to climate events.

At the COP 21 (Conference of Parties), SCOR joined other large French companies on November 26, 2015 in a commitment to fight against climate change. In the French Business Climate Pledge ("Manifeste pour le Climat"), SCOR reiterated its proactive approach to promoting complementary initiatives in several aspects of its business, in terms of both mitigating and adapting to climate change. SCOR is committed to further embedding these initiatives in its activities by 2020. SCOR renewed this commitment in December 2017 by signing the French Business Climate Pledge alongside 90 other French businesses. In addition, the Group backed the Pledge to decarbonize Europe ("Manifeste pour décarboner l'Europe") and the Global Investors Letter calling on G20 governments to support and implement the Paris Accord commitments.

In June 2015, before the COP 21, the SCOR group organized a conference entitled "SCOR Foundation Seminar on Climate Risks", in collaboration with the Toulouse School of Economics and the Geneva Association.
The conference was attended by eminent economists, climatologists, actuaries and academics, in addition to insurance and reinsurance professionals. Together the participants analyzed and discussed climate risks and their insurability, as well as how to take decisions in a context of climatic uncertainty.
Following on from the success of the first seminar, the SCOR Foundation teamed up again with the Geneva Association in March 2017 to hold a second seminar on how risk modeling will shape the future of risk transfer. During the event, insurance researchers and practitioners discussed the benefits of catastrophe (CAT) risk models over the past 25 years; how the latest advances in climate research, earth observations and forecasting techniques can be used to build the next generation of predictive models; and the extent to which these new models can provide a higher level of insurance cover for populations.

During the conference, SCOR invited participants to examine and study the implementation of efficient and balanced public-private partnerships in order to lower costs for the government, expand coverage to the entire population, and insure against risks associated with climate change.
The Group emphasized the necessity for capital markets to strengthen their capacity to absorb major catastrophes and increase their research on how to combine capital-market instruments with traditional insurance and reinsurance.

The CRO Forum's Emerging Risk Initiative, led by SCOR in 2016, published a Position Paper on Water Risks.
The reinsurance industry represents substantial investment capacity over the medium and long term. It may therefore provide strong leverage to promote promising or sustainable water projects and investments. It could also use its influence to encourage major infrastructure projects to minimize their impact on water supply and usage.

The SCOR group participated in a working group established after the publication of decree no. 2015-1850 of December 29, 2015 concerning Article 173 of the French law on energy transition for green growth. Through the sustainable development standing committee, the French Insurance Federation's (FFA) various ESG/Climate work groups or via the supervisory authorities at their request, the Group continued to provide the benefit of its experience in risk management and the effects of climate change to the Paris financial markets. The aim is to produce methodologies giving insurers and reinsurers a better understanding of the challenges posed by efforts to combat climate change.

The SCOR group also worked with the Geneva Association in 2016 to analyze the positioning of insurer and reinsurer investment portfolios, with regard to exposure to climate change risk and the financing of the energy transition. This work continued in 2017 and was published by the Geneva Association.

SCOR Investment Partners ("SCOR IP"), the SCOR group's asset management company, signed the UNPRI (United Nations Principles for Responsible Investment, see glossary) on December 13, 2016. When asset management is delegated to external asset managers, SCOR verifies during the selection process and regular due diligence procedures that the principles of responsible investment adhered to by asset managers are in accordance with the principles defined by the Group.

IN 2017, SCOR SIGNED THE FRENCH BUSINESS CLIMATE PLEDGE
ALONGSIDE 90 OTHER FRENCH BUSINESSES AT THE ONE PLANET SUMMIT

4.2. APPLYING ESG PRINCIPLES TO INVESTMENT DECISIONS

GOVERNANCE IN THE APPLICATION OF ESG CRITERIA TO INVESTMENT DECISIONS

EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS

CSR (Corporate Social Responsibility, see glossary) is acted on at the highest echelons of the Group. The governance framework was bolstered in 2017 with the creation of a CSR Committee within SCOR SE's Board of Directors. Its remit is to ensure that the Group's strategies are aligned with its long-term development and also that the direct and indirect effects of its activities on the environment are properly taken into account in its strategy.

Through its asset management reporting, the Group keeps its Executive Committee, CSR Committee and Board of Directors informed of actions taken to apply ESG criteria and to factor risks arising from climate change into the management of its investments.

INTERNAL CSR COMMITTEE

The Group has also formally established an integrated and holistic approach by setting up an internal CSR committee, with a representative from each Group division, human resources, investor relations, risk management and Group communications. This internal committee is coordinated by the Group's Head of CSR under the authority of the General Secretariat.

MANDATE INVESTMENT COMMITTEE

The SCOR Global Investments division in charge of Group investments is composed of a Group Investment Office (GIO) and the asset management company, SCOR IP.

The Group Investment Office is in charge of relations between SCOR and its asset managers. On the basis of the Group's risk appetite, the GIO defines investment constraints and provides oversight. It is also in charge of reporting, data quality and the Group ESG investment policy.

SCOR IP is the Group's principal asset manager. A wholly owned subsidiary of SCOR SE, SCOR IP manages the assets of the Group's companies, except for entities operating in the Americas and in certain Asian countries. SCOR IP may also act as investment advisor to entities that have delegated asset management to external asset managers. SCOR IP is a signatory of the UNPRI and applies, as part of its investment decisions, ESG principles defined by SCOR for its investment mandate.

The Mandate Investment Committee meets once a fortnight with both GIO and SCOR IP representatives, in order to analyze portfolio positions at a more operational and granular level. This committee discusses strategic choices in light of ESG criteria. The exclusion lists are updated at the initiative of SCOR or based on proposals submitted by SCOR IP. The lists feature specific issuers (e.g. the exclusion list of the Norwegian pension fund) and business sectors (e.g. exclusion of the tobacco industry).

GROUP INVESTMENT COMMITTEE

The Group Investment Committee chaired by the Chairman & Chief Executive Officer of SCOR meets every three months to define portfolio positioning within the limits set by the strategic plan. Normative and thematic exclusions, as well as major asset reallocations related to risk management, are approved during these meetings.

IN 2017, SCOR STRENGTHENED ITS CORPORATE GOVERNANCE BY CREATING A CSR COMMITTEE WITHIN ITS BOARD OF DIRECTORS

EX-POST MONITORING

The updated list of exclusions is sent to SCOR IP and to external asset managers for immediate enforcement. The Investment Guidelines are updated accordingly. The GIO is in charge, inter alia, of verifying that investment decisions are in compliance with the various risk-related limits set by the Group (e.g. concentration, appetite, tolerance and target allocation). To achieve this aim, the Group Investment Office retrospectively controls the adequacy of portfolio positions and ESG performance indicators with the objectives set by the various governance bodies that determine ESG policy. The GIO's risk management team includes ESG scoring and exclusion lists in its weekly portfolio reporting. The head of the GIO risk management team is a member of the Mandate Investment Committee and in that capacity participates in discussions on ESG guidance for portfolio investment. Both before and after an investment decision, ESG is fully integrated into risk management.

THE ROLE OF ASSET MANAGERS

SCOR relies on the skills of the asset managers to whom asset management is delegated. SCOR IP plays a dominant role in the integration of ESG criteria in investment decisions. The principal external asset managers are recognized for their ESG culture. They can be asked to provide analyses of issuers, thereby giving a basis for evaluating investments in light of the Group's ESG policy.

During the selection process for external asset managers, SCOR considers the candidates' ability to include ESG criteria in their investment decisions and their engagement with ESG aspects. When SCOR IP acts as investment advisor, the management company also monitors the application of Group criteria prior to investment decisions.

The Group uses information provided by its asset management company. The expected round of consolidation among data providers is currently underway. Even so, SCOR IP decided to continue using services of South Pole's Investment Climate Data division (acquired by Institutional Shareholder Services in 2017) for the calculation of the carbon footprint of the Group's assets and of oekom research for the assessment of non-financial criteria. SCOR IP uses the ratings for investment decisions. After investment decisions, SCOR uses the ratings to verify that the portfolio's positions are in line with the Group's investment strategy. With the decision to continue working with these service providers in 2017, it was possible to analyze changes in the portfolio positions based on these core ESG metrics.

As in the previous year, an analysis of the SCOR portfolio's alignment with the objective of curbing global warming to below 2°C by the year 2100 was carried out by the 2° Investing Initiative think tank.

CORE PILLARS OF THE ESG APPROACH – RISK MANAGEMENT, IMPACT INVESTING, EXCLUSIONS AND SUSTAINABLE DEVELOPMENT GOALS

RISK MANAGEMENT

As outlined in the ESG principles section above, risk management is the primary pillar of the Group's ESG approach. SCOR incorporates ESG criteria in the way it monitors risks in its asset portfolio and reports on risks related to these criteria to its various governance bodies.

ENVIRONMENTAL AND SOCIAL IMPACT INVESTING

SCOR takes a responsible approach to selecting its investments. SCOR assumes its full responsibilities as an institutional investor through its financing of the energy transition by means of infrastructure debt allocated to renewable energy sources, its investments in insurance-linked securities to help reconstruction efforts after natural catastrophes, its active commitment to the life sciences and its promotion of a knowledge society.

EXCLUSIONS

The SCOR group has applied an exclusion policy for many years. Although limited at first to companies involved in the production of arms banned under certain international treaties, and to countries that do not adhere to anti-money-laundering and anti-terrorism-financing rules, these standard exclusions are now supplemented by theme-based exclusions guided by risk management requirements or an exposure-based approach. Accordingly, the exclusion principle was extended in November 2015 to include companies generating over 50% of their turnover from coal. The cut-off point was lowered to 30% in September 2017. The SCOR group withdrew completely from businesses deriving more than 30% of their turnover from coal and pledged not to make any further financial investments in companies operating in this sector across its entire asset portfolio.

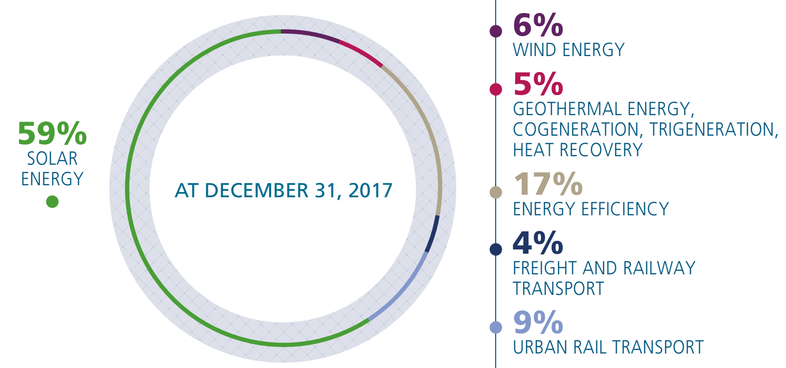
The Group extended its approach to aspects other than just the environment with its decision in May 2017 to withdraw completely from the tobacco industry. It rapidly disposed of any securities it still held in its asset portfolios to ensure that its portfolio was fully aligned with its strategy, and the Group undertook not to make any further financial investment in businesses operating in the sector.

SUSTAINABLE DEVELOPMENT GOALS

SCOR is starting to analyze its portfolio's positioning vis-à-vis the UN Sustainable Development Goals. The primary goals to which its investments contribute are efforts to combat global warming and to provide funding for the transition to a low-carbon economy, as well as health and well-being.

SUSTAINABLE DEVELOPMENT GOALS:
Following on from the Millennium Development Goals covering the 2000-15 period, United Nations member countries adopted new targets in 2015 as part of the 2030 Agenda. These include eradicating poverty, protecting the planet and ensuring prosperity for all.

BREAKDOWN OF INVESTMENTS IN INFRASTRUCTURE DEBT WITH AN ENVIRONMENTAL OR SOCIAL IMPACT



4.3. PROMOTING RESEARCH AND KNOWLEDGE

LIFE SCIENCES

In the objectives set out in its strategic plan for 2016-2019, "Vision in Action", SCOR reaffirms its support of the life sciences through the investment of an additional EUR 50 million by 2019. At the end of 2017, investments in life-science equities and bonds totaled EUR 160 million. SCOR had already achieved the plan's objectives by the end of 2017, having invested more than EUR 60 million in life sciences. Most of the companies selected for investment are in the biotechnology field and are working to improve medical treatment or to broaden access to care.

KNOWLEDGE SCIENCES

Wishing to invest in high-quality, medium-sized companies working in the production and publication of certified knowledge, SCOR acquired the French publishing houses Presses Universitaires de France (PUF) and Editions Belin.
In a context of information available 24/7, which can be a source of confusion, the objective behind these acquisitions was to protect against a contemporary risk: cognitive risk, i.e. the risk of misunderstanding or of biased judgment, which is often the result of low-quality information or insufficient access to knowledge.

The initial approach was to strengthen and digitalize these two companies, notably by supplying them with the services of another SCOR investment in knowledge sciences, Gutenberg Technology, an expert in e-learning and the digital transformation of content. Today the idea is to produce, disseminate and even create diploma programs for confirmed knowledge. Thus SCOR hopes to satisfy a threefold need: for a guarantee linked to knowledge, for a multi-support offer that validates acquired skills and knowledge, and for training courses – basic, university-level and professional – that are distinct from or complement the existing public offer.

Rolled out over time, this policy of "cognitive protection" is now embodied in a group, HUMENSIS, the result of the merger between PUF and Editions Belin. HUMENSIS aims to bring together robust, well-known brands in the production, dissemination and diploma-level teaching of confirmed knowledge. Its ambition is to participate actively in the expansion of the knowledge society.

AT THE END OF 2017, SCOR HAD ALREADY ACHIEVED THE OBJECTIVES OF THE 'VISION IN ACTION' PLAN FOR SUPPORTING LIFE SCIENCES

4.4. RESPECTING BEST PRACTICES

ESG RATING

The integration of ESG criteria is measured primarily by assessing the quality of the asset portfolio. Given the extremely high level of diversification of its investments, the Group works with the independent, non-financial ratings agency oekom research to assess its portfolio's standard instruments. The agency assesses mainly government bonds, corporate bonds and listed equities. For debt instruments, particularly infrastructure and real estate debt, the Group relies on the expertise of its subsidiary SCOR IP, a recognized leader in the European debt instrument management industry.

Using the data provided by oekom research, SCOR is able to rate 77% of its asset portfolio based on non-financial criteria. A line-by-line analysis is regularly performed ex-post. Issuers with the lowest ratings may be placed under review, and the asset managers in charge of managing such securities may be asked to provide additional information or to justify their investment decisions.

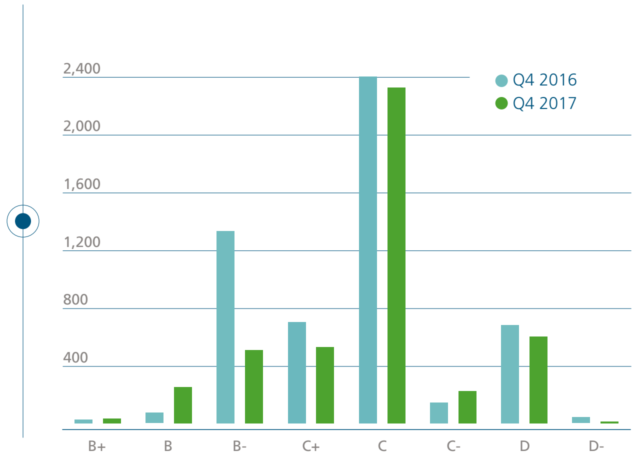
At present, SCOR does not apply systematic exclusions, however it may make adjustments to portfolios after analysis. By taking a pragmatic approach, the Group aims to reconcile risk control with profitability and solvency targets. Like all reinsurers, SCOR is subject to numerous asset management constraints, especially since it operates in multiple jurisdictions. The main growth drivers are in Asia, where national law often requires that assets be owned and held locally. To optimize its capital allocation, the Group focuses on its core business rather than on risks affecting the asset portfolio, which are confined to ALM constraints. As a result, the vast majority of the portfolio comprises government bonds in countries deemed to carry the highest risks. This asset class has been growing steadily in tandem with the expansion of SCOR's Asian business. Nevertheless, the Group remains very alert for any local initiatives that could be taken to promote the energy transition, especially the outlook for sovereign green bond issues.

The oekom research rating methodology is based on the analysis of environmental and social ("E" and "S") factors, including governance criteria. Based on a 77% coverage rate by oekom research (compared with 73% in 2016), SCOR's portfolio has an average rating of C, unchanged compared with the previous year. This average rating reflects a very diverse data set and, as previously mentioned, SCOR's influence varies widely, depending on the asset class involved. Government and corporate bonds are the portfolio's two largest asset classes and account for 90% of Group assets covered by oekom research's analysis.

For the country rating as applied to government securities, oekom research assigns equal weighting to the two groups of E and S factors.

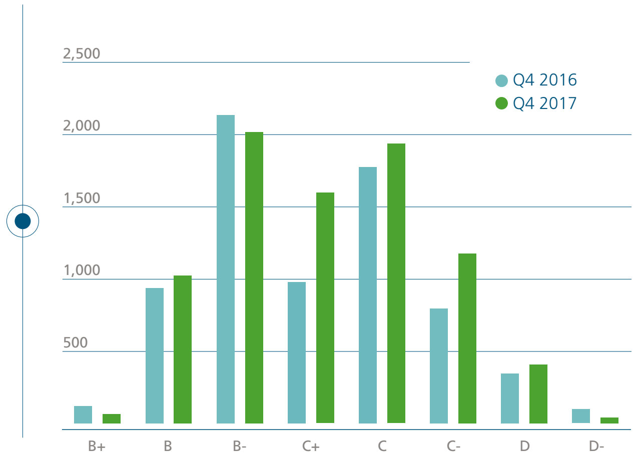
The portfolio of government bonds (EUR 4.5 billion at December 31, 2017) is rated C on average and is broken down compared with 2016 as shown in the government bonds and assimilated chart.

GOVERNMENT BONDS AND ASSIMILATED RATINGS (IN EUR MILLIONS)



USING THE DATA PROVIDED BY OEKOM RESEARCH, **SCOR IS ABLE TO RATE 77% OF ITS ASSET PORTFOLIO BASED ON NON-FINANCIAL CRITERIA**

PRIVATE SECTOR BOND RATINGS (IN EUR MILLIONS)



These securities are employed mainly for ALM coverage of the Group's underwriting commitments. Investing in other asset classes creates other types of risks, a strategy that is not currently considered advantageous.

The methodology used to rate private-sector companies is also based on the two groups of E and S factors, but their weighting depends on the business sector involved. Analyses are based not only on financial and non-financial data provided by the companies but also on interviews with employees and external stakeholders. Corporate bonds rated by oekom research totaled EUR 8.2 billion at December 31, 2017, with an average ESG rating of C. A breakdown of the 2016 and 2017 ratings is shown in the Corporate bonds chart.

Investments in D- rated bonds total less than EUR 40 million, down significantly from the level in 2016, owing to the combined effect of the reduction in portfolio positions and the improvement in certain ratings.

Analysis of individual issuers reveals again this year a lack of transparency in the information they publish, with more than half of their outstanding assets relating to the subsidiaries of unlisted groups. Individualized monitoring of positions in D- rated issues is based on analysis by SCOR Investment Partners.

EXERCISE OF VOTING RIGHTS

The Group regularly reviews its policy on voting rights attached to non-strategic shares. Though marginal in proportion to the size of the Group's portfolio, directly-held equities will be incorporated in the Group's ESG approach from 2018, and voting rights will be exercised at future shareholders' meetings.

5

CLIMATE RISK MANAGEMENT

5.1. PROTECTING ASSETS

RISK ANALYSIS

PHYSICAL RISKS

SCOR analyzes "acute" physical risks which could affect its portfolio of real estate debt, infrastructure debt and direct real estate investments. Acute physical risks are defined as risks related to events such as natural catastrophes, which include extreme weather phenomena such as cyclones, hurricanes and floods.

85% of the real estate and the real estate and infrastructure debt portfolio is located in France. The "acute" physical risks were analyzed using SCOR's internal model for simulating natural catastrophes. Based on scenarios validated by the Group's modeling teams, this model estimates potential losses from natural catastrophes. Depending on the geographical location of the investments, the internal model calculates damage rates, which provide estimates of the potential losses that these investments could suffer in the event of a natural catastrophe.

The results calculated by the internal model for the selected investments are shown in the following table.

The parameters were adjusted in 2017, leading to an increase in the average annual loss or when a 100-year event occurs. The loss nonetheless remains very modest by comparison with the size of the investments (EUR 1.8 billion). As in 2016, the fact that the bulk of the investments are located in France affords reasonable protection against physical risk.

TRANSITION RISKS

The protection of assets against global warming comprises two distinct dimensions: issuer risk and the holding period of the asset. The risk of a loss in value may be low enough in the short term to mean that immediate action is not justified. Similarly, a company's greenhouse gas emissions should be analyzed not only in isolation, but also in the context of the company's commitment to reduce them.

SCOR does not intend to take a punitive approach, but rather to help companies transition towards more virtuous practices through the gradual development of a matrix and methodology for analyzing individual risk positions. This approach would enable the Group to steer the portfolio's exposure to climate change. SCOR is currently studying the feasibility of such an approach.

Estimated losses due to physical risks

(in EUR)	Direct real estate investment	Real estate debt	Infrastructure debt	Total
AVERAGE ANNUAL LOSS	**176,156**	**24,598**	**38,296**	**239,050**
AVERAGE LOSS FOR A 100-YEAR EVENT	**2,925,274**	**282,326**	**394,958**	**3,602,558**

CARBON FOOTPRINT AND INTERNATIONAL TARGETS

CARBON FOOTPRINT

SCOR uses ISS data to measure the carbon footprint of its portfolio. The measurement taken is only an indicator at a given time. It provides little information on the approach or commitment of issuers with regard to climate risk, or on how SCOR can efficiently manage its assets with regard to risks related to greenhouse gas emissions. The methodologies currently available are far from consistent. This is especially true for bond portfolios, for which the allocation key used for greenhouse gas emissions remains very arbitrary. The likely emergence of a market benchmark in the years to come will undoubtedly allow the Group to refine its approach, which at present remains highly pragmatic.

Carbon footprint assessment is based on a number of assumptions and conventions, including the distribution of greenhouse gas emissions by scope:

scope 1: direct production of greenhouse gas emissions through the consumption of fossil fuels;

scope 2: indirect production of greenhouse gas emissions through the consumption of energy that in turn consumes fossil fuels;

scope 3: other forms of greenhouse gas production related to the entity's activity.

For government bonds, ISS collects data with regard to all three emission scopes, but only with regard to the first two scopes for the other asset classes. Consequently, the results are not fully consistent.

Carbon intensity is defined as the ratio of total CO_2 emissions to GDP for states and to turnover for companies. It is calculated for 87% of SCOR's portfolio.

Carbon footprint results calculated for positions at the end of 2017 on the basis of issuer data from 2016 and comparatives for 2016 are summarized in the following tables.

Carbon intensity to GDP or turnover ratio and change compared to 2016

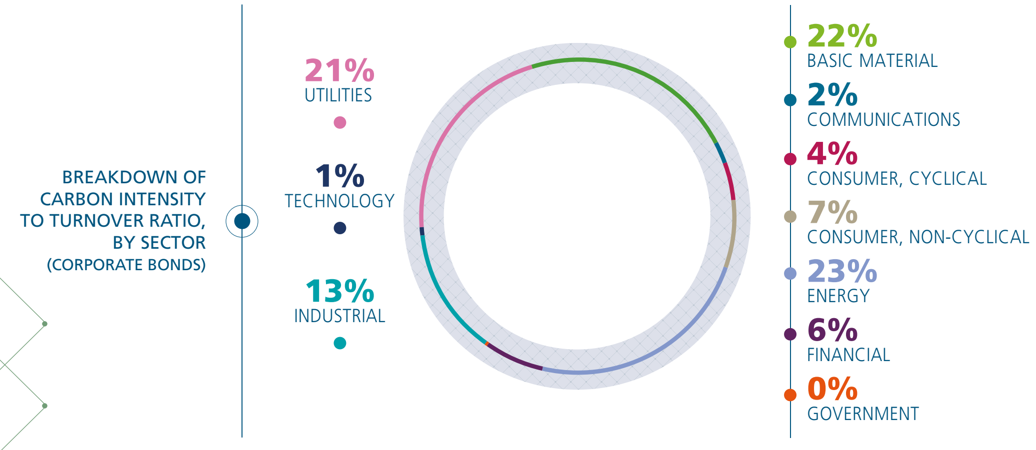
	Scopes 1, 2, 3	Scopes 1 and 2			
	Government bonds	Corporate bonds	Equities and convertible securities	Covered bonds	Corporate loans
RATIO OF TONS OF CO_2 EQUIVALENT TO GDP (government bonds)	**474**	**167**	**127**	**3**	**102**
CHANGE COMPARED TO 2016	**-2%**	**+1%**	**-12%**	**-63%**	**-46%**

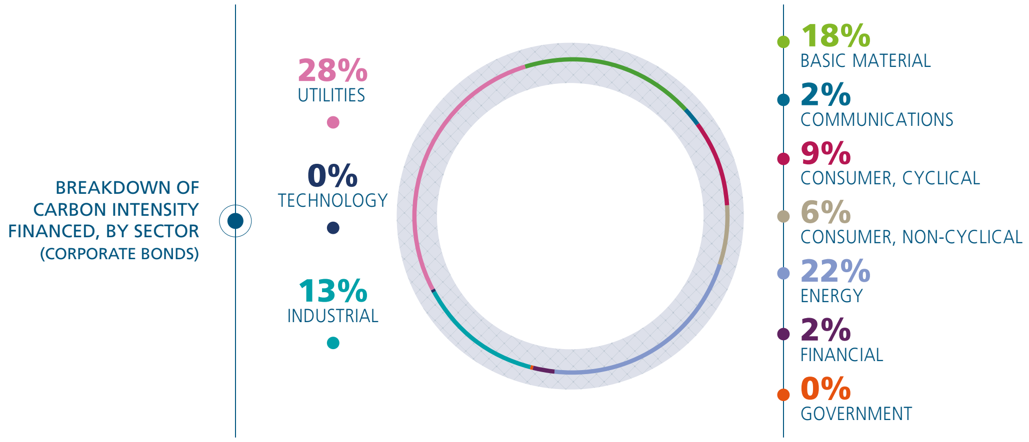
The assets analyzed in this table exclude real estate debt, infrastructure debt and exposure to direct real estate investments.

Another measure is the ratio of total greenhouse gas emissions to the amount of investments made by SCOR (tons of CO_2 equivalent per EUR million invested). The analysis can then be broadened to include real estate debt and infrastructure debt, thereby covering EUR 16.3 billion of portfolio assets.

Invested carbon intensity and change compared to 2016

	Total SCOR
TONS OF CO_2 EQUIVALENT PER EUR MILLION INVESTED	**250**
CHANGE COMPARED TO 2016	**-29%**





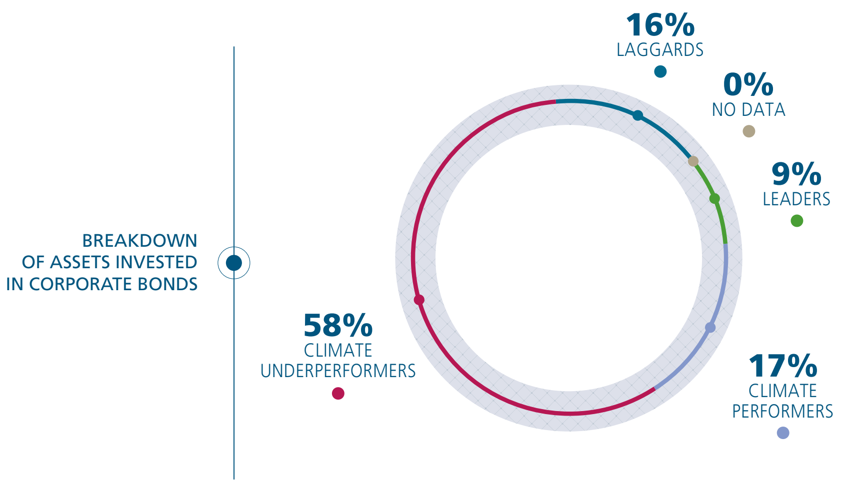
OUTLOOK, ALIGNMENT WITH INTERNATIONAL TARGETS

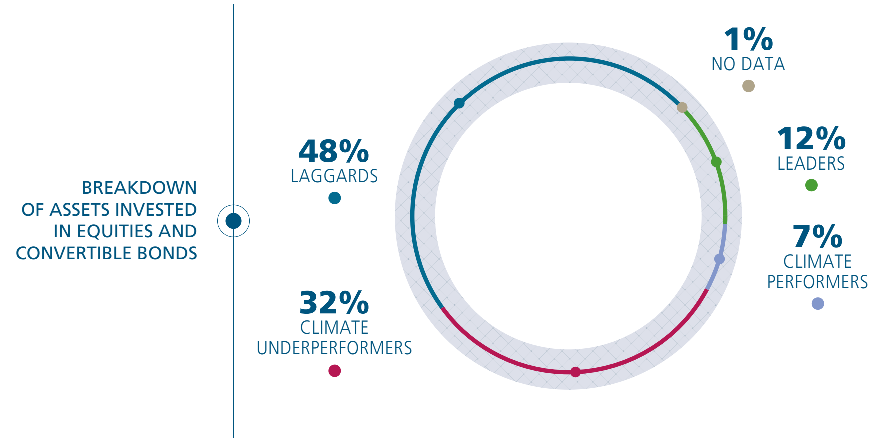
SCOR analyzed the alignment of its investment portfolio with the 2°C Scenario defined by the International Energy Agency.

This 2° scenario was approved by the Paris Agreement signed during the COP 21 in December 2015. This agreement aims to limit global warming to 2°C by the year 2100, compared with levels found in the pre-industrial era.

The analysis of the SCOR portfolio was performed by the 2° Investing Initiative and covers a limited part of the equity and bond portfolios. The portfolio alignment is measured against a benchmark which represents the theoretical weighting of each energy source needed to attain the 2°C target by 2020. As in 2016, the portfolio benefited from the exclusion of the coal sector and from investments in renewable energies. Conversely, it exceeded the 2°C target for non-coal fossil energies and in respect of investments in automotive companies.

Portfolio analysis based on the "Carbon Risk Rating" indicator (oekom Research)





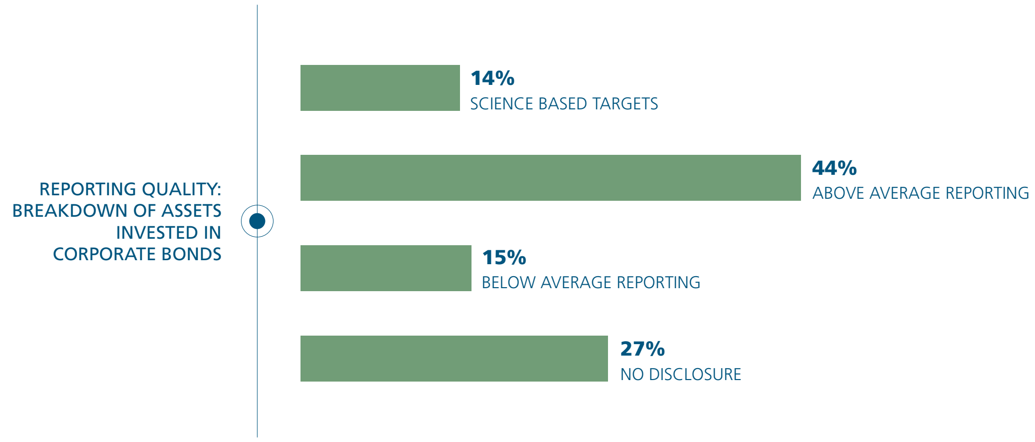
The analysis provided by the 2° Investing Initiative is granular, but cannot be used for data aggregation purposes. Consequently, it is not easy to compare the results with those for 2016. SCOR participates in market-wide efforts to design a more transparent methodology.

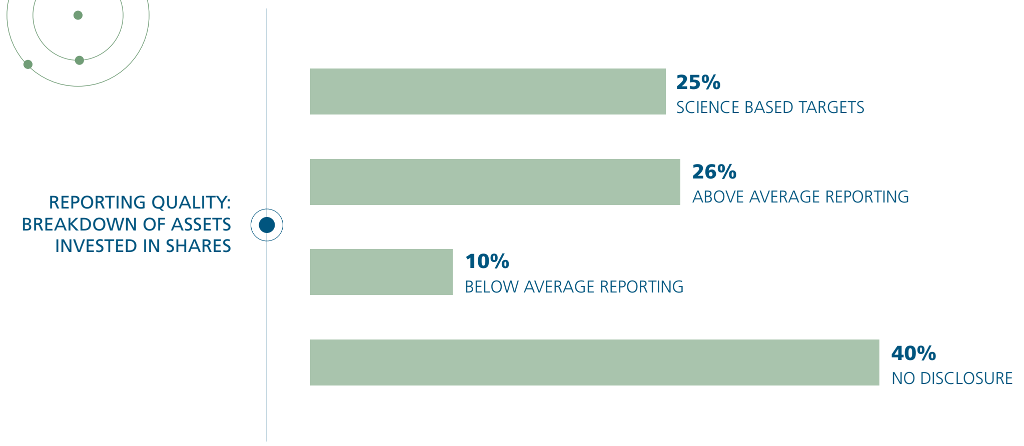
SCOR also performed a forward-looking analysis of its portfolio's carbon risk. The analysis was carried out with the help of ratings provided by oekom research's Carbon Risk Rating indicator. The Carbon Risk Rating measures a company's capacity – not in isolation, but with respect to its business sector – to manage climate risk.
Oekom research assigns each company a position level:
- laggards (see glossary);
- climate underperformers (see glossary);
- climate performers (see glossary);
- leaders (see glossary).

The portfolio of assets invested in corporate bonds is broken down in the chart "Breakdown of the asset portfolio invested in corporate bonds". Viewed through the prism of the Carbon Risk Rating system, 17% of the bond portfolio and 8% of the equity and convertible bond portfolio is invested in companies that actively take climate risk into consideration. This is the result of the very high granularity of the SCOR portfolio, a major element in the Group's risk management. The universe of issuers is still too small to allow for rapid adjustment in favor of issuers that are more advanced in terms of climate change risks.

Another approach provided by ISS consists of analyzing, for each of the portfolio's issuers, the quality of reporting published on greenhouse gas emissions. The companies are then classified according to the degree of maturity of their reporting:

- no reporting on greenhouse gases;
- under average reporting;
- better than average reporting;
- reporting in line with the SBT (Science-Based Target, see glossary) initiative, whereby companies commit to reducing their greenhouse gas emissions in order to meet the 2° target.





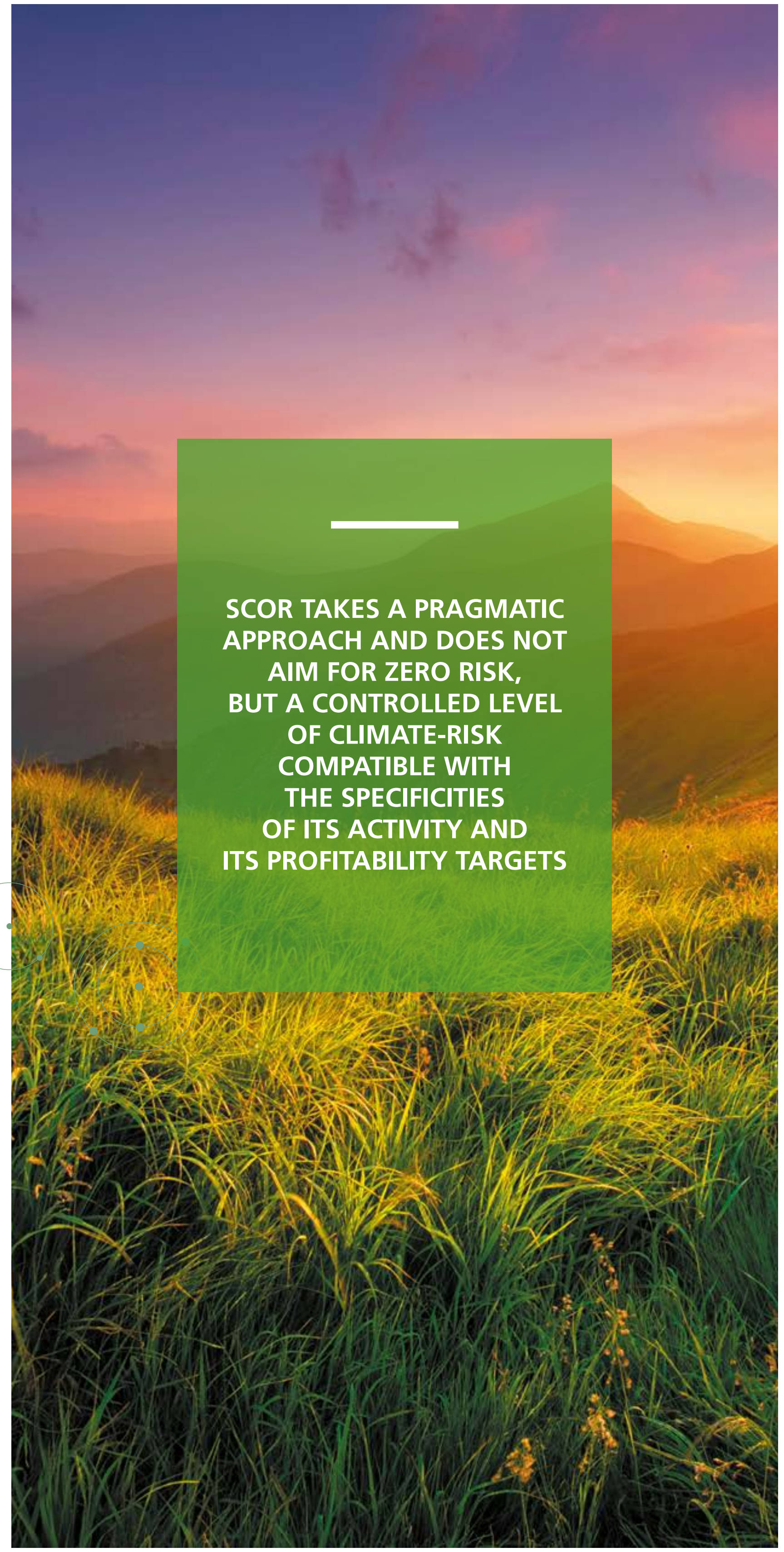
Because of the disparity of the conclusions determined by the methodology used, and because the coverage ratio is often incomplete, SCOR continues to endeavor to establish a robust, reliable benchmark that would allow it to base its strategy on stable and consistent results. To this end, the Group participates in work groups aiming to devise a suitable methodology to be adopted and shared by as many others as possible.

5
CLIMATE
RISK MANAGEMENT

PRACTICAL IMPLEMENTATION OF CLIMATE RISK MANAGEMENT: EFFECTS ON PORTFOLIO MANAGEMENT

The type of portfolio management adopted by SCOR is based on rapid adaptability to market changes, which asset managers must be capable of handling. The average duration of assets is relatively short (5 years at December 31, 2017) and the normal rotation of the portfolio means that assets are reallocated rapidly.

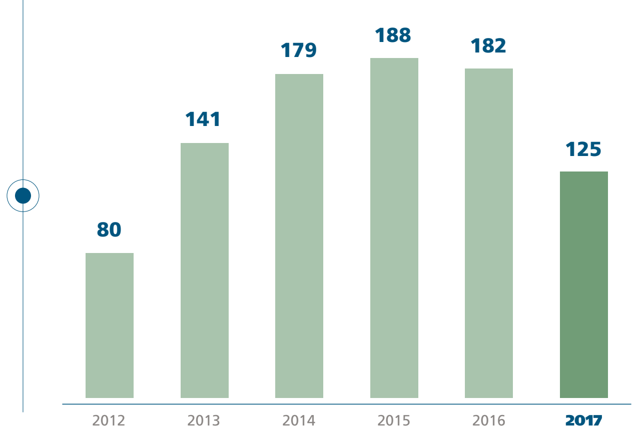
In addition to the carbon footprint, sector allocation is monitored systematically, ensuring that portfolio positioning is in line with Group objectives for climate risk exposure. The Group takes a pragmatic approach and does not aim for zero risk. Rather, it seeks a controlled level of risk that is compatible with the specificities of its activity and its profitability targets.



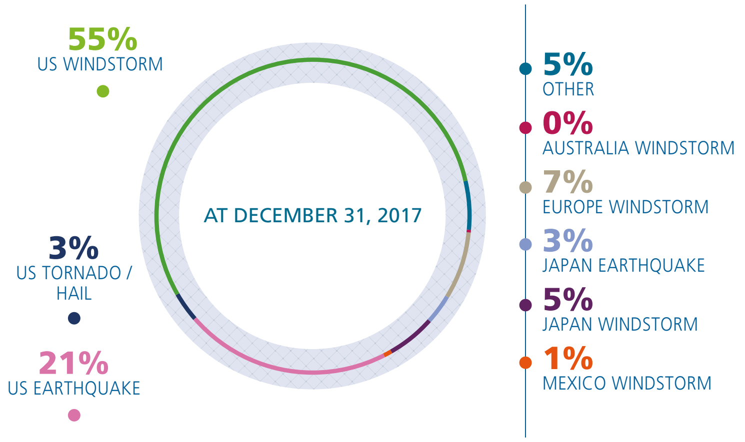
5.2. ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

SCOR uses its expertise in the insurance coverage of natural catastrophes, both to optimize asset portfolio profitability through diversification, and to finance reconstruction after natural catastrophes. Thus, SCOR participates actively in strategies for adapting to climate change, by developing, distributing and investing in financial products that cover natural catastrophes (insurance-linked securities). At the end of 2017, SCOR held EUR 125 million in funds of this type managed by its SCOR IP subsidiary. The reduction in exposure compared with 2016 is a direct result of the exceptionally high level of claims experience in 2017.

SCOR'S EXPOSURE TO ILS PRODUCTS (IN EUR MILLIONS)



BREAKDOWN OF ESTIMATED LOSSES



5.3. PROMOTING THE ENERGY TRANSITION

On the publication of its "Vision in Action" 2016-2019 strategic plan, SCOR reaffirmed its commitment to financing the energy transition through additional investments of up to EUR 500 million in renewable energy sources and energy-efficient buildings.

For many years the Group has taken a proactive approach to the environmental certification of its real estate investment portfolio. In addition to office buildings acquired for SCOR's own use, the real estate portfolio contains assets purchased solely for investment purposes. The Group owns one of the very first positive-energy office buildings of its size (more than 23,000 m²), in Meudon-la-Forêt, near Paris. This type of acquisition is supplemented by several refurbishment programs within the existing portfolio, with environmental certification and improved energy-efficiency targets.

For many years, SCOR has included certification criteria in its acquisitions, as shown in the above chart. Although some of the properties acquired are not certified, the vast majority are eventually refurbished and awarded one or more certifications. Consequently, SCOR's real estate portfolio boasts an increasing number of BREEAM (BRE Environmental Assessment Method, see glossary) and HQE (High Quality Environmental Standard, see glossary) certifications.

In 2017, SCOR's real estate activities led to a reduction in the accredited portion of the real estate portfolio.
This is a direct consequence of the real estate value creation cycle, since a building that underwent refurbishment and secured accreditation was sold in late 2017.
Also during the year, SCOR invested in a real estate project that is not yet certified, but that aims to achieve accreditation over the next few years.

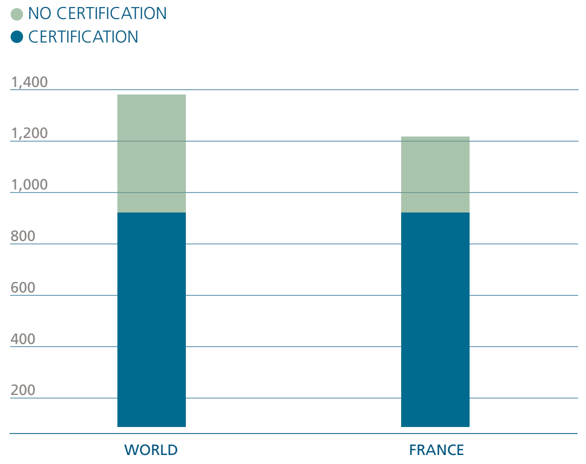
In addition to its tertiary real estate business, the Group has created real estate debt funds and infrastructure debt funds through its asset management subsidiary. Environmental targets are gradually being introduced into both funds.

SCOR's investments in real estate debt funds managed by its subsidiary SCOR IP totaled EUR 184 million at the end of 2017. In its selection of eligible debt, certification labels are an important consideration for the asset management company. BREEAM, HQE or LEED (Leadership in Energy and Environmental Design, see glossary) certification was achieved by 61% of SCOR's gross investments, compared with 69% in 2016. This decrease stems from the higher proportion of investments in projects under development that have not yet been certified.

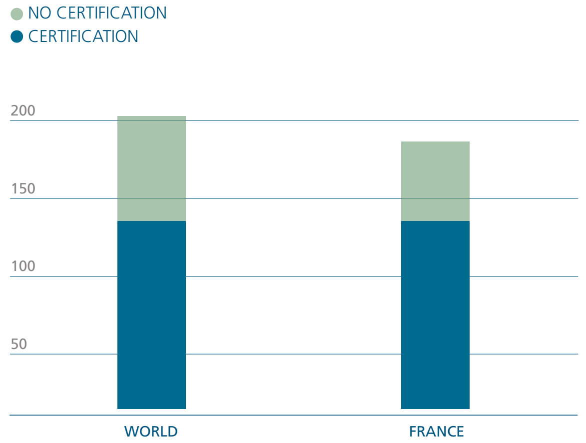
At the end of 2017, SCOR had also invested EUR 222 million in infrastructure debt, through funds managed by its subsidiary SCOR IP. Of these funds' infrastructure projects, 44% relate to the energy transition.

ON THE PUBLICATION OF ITS "VISION IN ACTION" STRATEGIC PLAN, **SCOR REAFFIRMED ITS COMMITMENT TO FINANCING THE ENERGY TRANSITION**

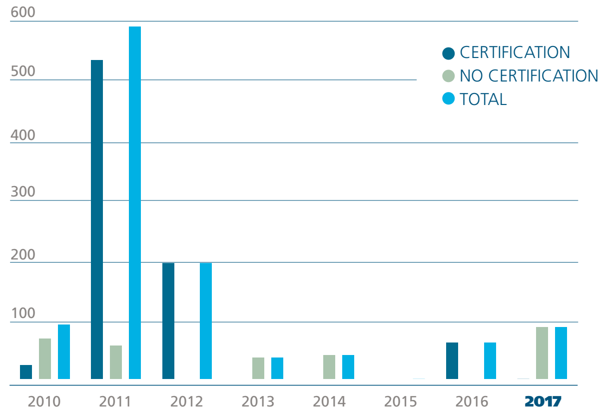
PROPORTION
OF CERTIFIED REAL ESTATE
IN SCOR'S PORTFOLIO
(IN EUR MILLIONS)



PROPORTION OF
CERTIFIED REAL ESTATE
IN SCOR'S PORTFOLIO
(IN M²)



PROPORTION OF
CERTIFIED REAL ESTATE
IN ACQUISITIONS
(IN EUR MILLIONS)



6

CONCLUSION

Through initiatives designed to promote research and the sciences, or to finance the energy transition, SCOR plays an active role in protecting the future. Its status as a long-term investor, and the very nature of the reinsurance business, mean that the Group plays a key role in the understanding of major risks and the implementation of coverage strategies. The Group applies its ESG approach to asset management as a responsible investor, endeavoring to balance risk management with profitability targets. SCOR has committed, throughout the duration of its 2016–2019 "Vision in Action" strategic plan, to adapting its approach in order to enhance the integration of ESG criteria across its entire investment portfolio. Achieving this depends on the creation of a robust benchmark – the Group is involved in an industry initiative in this respect and is working on the methodologies to structure it. Improvements will be gradually integrated into SCOR's investment strategy in the years to come.

GLOSSARY

ALM (ASSET AND LIABILITY MANAGEMENT)
The practice of managing risks that arise due to mismatches between assets and liabilities, based on risk appetite and profitability targets.

BREEAM (BUILDING RESEARCH ESTABLISHMENT ENVIRONMENTAL ASSESSMENT METHOD) CERTIFICATION
British certification, a method for measuring the environmental performance of buildings. BREEAM was first developed by the BRE (Building Research Establishment), whose mission is to improve construction through research.

CATASTROPHE BONDS
Investors purchase catastrophe bonds to cover certain risks (or groups of risks) and to receive income, as with other types of bonds. If one or more of the risks covered should occur, the investor may lose part or all of the income and invested capital.

CSR (CORPORATE SOCIAL RESPONSIBILITY)
Recognition of the need for each company to include social and environmental criteria in its strategy, and to improve its practices with regard to these criteria. CSR covers both corporate responsibility and reporting obligations.

ERM (ENTERPRISE RISK MANAGEMENT)
Approach which includes risk as an integral part of a company's strategy. ERM regroups all methodologies in order to identify, manage and account for risks which may have an impact on the definition of the company's strategy and the achievement of its objectives.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)
Criteria for measuring environmental risks, the management of human capital, and corporate organization. The development of these criteria aims to promote best practices for the respect of the planet and of people.

HQE (HIGH ENVIRONMENTAL QUALITY) CERTIFICATION
French certification awarded to buildings which meet 14 criteria for construction, water management, energy use, comfort, and the capacity to provide a healthful environment through high-quality water and air.

ILS (INSURANCE-LINKED SECURITIES)
Insurance products covering natural catastrophe risks.

LAGGARDS, UNDERPERFORMERS, PERFORMERS AND LEADERS
Non-financial ratings agencies divide issuers into several categories, according to their level of maturity and commitment to ESG criteria. The category may reflect all ESG criteria, or it may refer to a company's position with regard to a single criterion for climate change. Laggards and underperformers are below standard and do not meet objectives, while performers and leaders apply the highest standards.

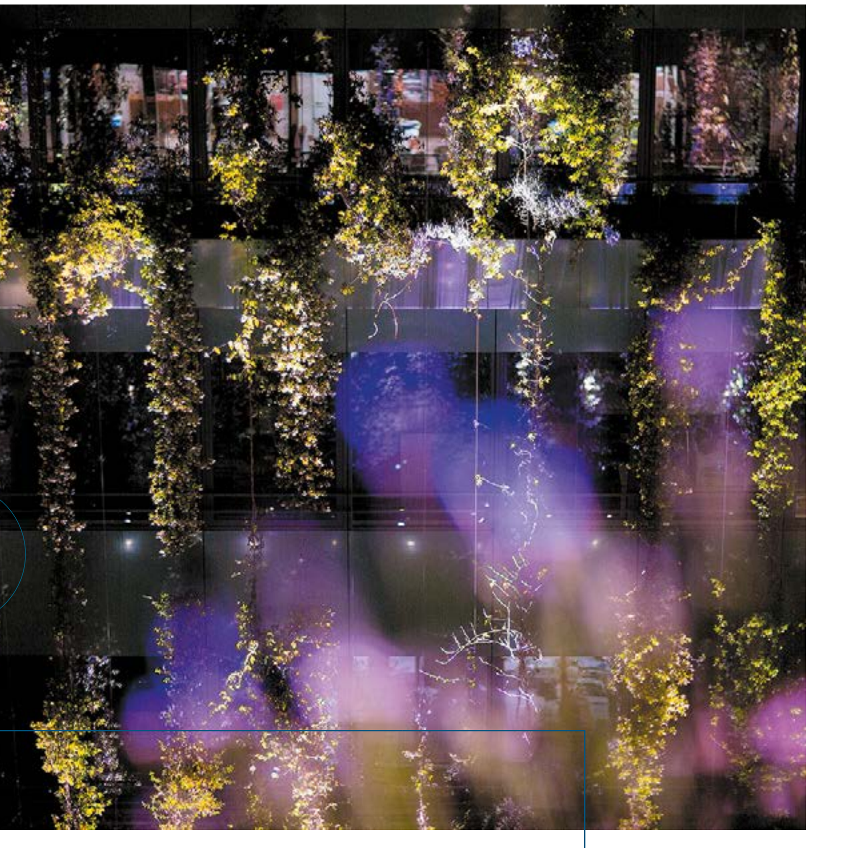
LEED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN) CERTIFICATION
American certification awarded to buildings that meet high environmental quality standards. LEED is the American equivalent of HQE and BREEAM certifications.

SBT (SCIENCE-BASED TARGETS)
Launched in 2015, the SBT initiative aims to encourage 500 companies to define targets for lowering greenhouse gas emissions in line with the 2°C target.

SDGS (SUSTAINABLE DEVELOPMENT GOALS)
The SDGs comprise the 17 goals that the United Nations have set for 2030, including eradicating poverty, protecting the planet and ensuring prosperity for all. These objectives supersede the Millennium Development Goals set for the 2000-2015 period.

TEEC (ENERGY AND ECOLOGICAL TRANSITION FOR THE CLIMATE)
Created in September 2015 by the French Ministry of the Environment, Ecology and Marine Affairs, this certification is awarded to funds which finance the green economy through investments having a positive environmental impact.

UNPRI (UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT)
Initiative launched in 2006 by investors in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact. The UNPRI promotes six principles for responsible investment.



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