

SUSTAINABILITY POLICY

May 2025

Combining the Art and Science of Risk

to protect societies

SCOR

The Art & Science of Risk

Combining the Art & Science of Risk to protect societies

As a global reinsurance company,
SCOR contributes to the welfare, resilience and sustainable development of society by bridging the protection gap, increasing insurance reach, helping to protect the insured against the risks they face, pushing back the frontiers of insurability and acting as a responsible investor.

Through the expertise and know-how of its employees,
it combines the Art and Science of Risk to offer its clients an optimum level of security and creates value for its shareholders by developing its Life and P&C business lines, respecting strict corporate governance rules. SCOR provides its clients with a broad range of innovative reinsurance solutions and pursues an underwriting policy founded on profitability, supported by effective risk management and a prudent investment policy.

Contents —

04

1. Sustainability: overarching principles

P. 05— 1.1. SCOR's *Raison d'être*: Combining the Art & Science of Risk to protect societies
P. 05— 1.2. The double materiality principle
P. 06— 1.3. SCOR's Theory of Change
P. 07— 1.4. Transparency

08

2. SCOR's Approach

P. 08— 2.1. Scope of SCOR Sustainability Policy
P. 08— 2.2. General reference framework
P. 08— 2.3. Identifying risks, opportunities, and impacts
P. 11— 2.4. Engaging
P. 11— 2.5. Promoting positive impacts
P. 11— 2.6. Measuring progress toward targets and objectives
P. 11— 2.7. Disclosing
P. 12— 2.8. Participating in the public debate

13

3. Selecting priorities and setting the ambition

P. 14— 3.1. Unleashing the potential of our people
P. 14— 3.2. Climate change
P. 16— 3.3. Nature
P. 16— 3.4. Protecting People's life and promoting preventive behaviors

17

4. Governance

19

5. Guidelines

P. 20— 5.1. Climate change- impact objectives
P. 21— 5.2. Thermal coal
P. 22— 5.3. Oil & gas
P. 23— 5.4. Deforestation
P. 25— 5.5. Tobacco
P. 25— 5.6. Normative exclusions

SCOR's sustainability policy establishes the overarching principles underpinning SCOR's sustainability ambition. It defines the framework for ensuring that sustainability is fully embedded in the Group' strategy and at every level of its activities.

Chapter 1.

Sustainability: overarching principles



The Group's sustainability approach is guided by its *Raison d'Être* and its Theory of Change. Its involvement in United Nations convened initiatives and the Sustainable Development Goals provides global frameworks to develop an ambitious sustainability strategy.

1.1. SCOR'S *RAISON D'ÊTRE*: COMBINING THE ART & SCIENCE OF RISK TO PROTECT SOCIETIES

As a global (re)insurance company, SCOR contributes to the welfare, resilience, and sustainable development of society by bridging the protection gap, increasing insurance reach, helping to protect the insured against the risks they face, pushing back the frontiers of insurability and acting as a responsible investor. Through the expertise and know-how of its employees, it combines the Art and Science of Risk to offer its clients an optimum level of security and creates value for its shareholders by developing its L&H and P&C business lines, respecting strict corporate governance rules. SCOR provides its clients with a broad range of innovative (re)insurance solutions and pursues an underwriting policy founded on profitability, supported by effective risk management and a prudent investment policy.

The Group shares the fortunes of societies over the long term. Closing the protection gap is both an imperative, and a source of opportunities in its business which consists in two main goals:

- protecting society from extreme events, accompanying economic agents in mitigating the effects of climate change and enabling a smooth energy transition
- accompanying people's health and well-being, including by developing accessible health prevention

To deliver on its ambition, SCOR ensures that this approach is clearly reflected in its main reference texts, in particular the Code of Conduct, and that every employee embarks on the Group's sustainability journey.



1.2. THE DOUBLE MATERIALITY PRINCIPLE

Protecting the business from downside effects linked to non-financial risks is at the heart of SCOR's risk management. Financing the sustainable development of societies encompasses another dimension requiring SCOR to consider impacts of its decisions on People and ecosystems with the aim to not compromise the ability of future generations to meet their own needs. The double materiality principle combines financial (outside-in) and impact (inside-out) materiality and underpins SCOR's Theory of Change.

SCOR considers a sustainability matter as material if it is relevant from:

- a financial perspective (or outside-in approach), which is related to the financial risks and opportunities that sustainability matters can have on the organization, or
- an impact perspective (or inside-out approach), which is related to the significant impacts that the SCOR can have on people or the environment.

1.3. SCOR'S THEORY OF CHANGE

WHAT IS A THEORY OF CHANGE?

A Theory of Change is a very simple concept, developed in the middle of the 19th century. It helps understand how and why a desired change is expected to happen. In its Theory of Change – Concept note[1] dated 2016, the UN presents the Theory of Change as follows:

- A Theory of Change describes how we believe that change could be made to happen and outlines the main elements for that change.
- It seeks to identify how we think that different factors could interact in relation to the change and what the underlying assumptions and risks are.

The Theory of Change underpins a robust framework which shows the pathway to positive impact, linking objectives, actions, outcomes and impact. The result chain can be presented as shown in the graphic (see below):

THEORY OF CHANGE AND FINANCIAL INSTITUTIONS

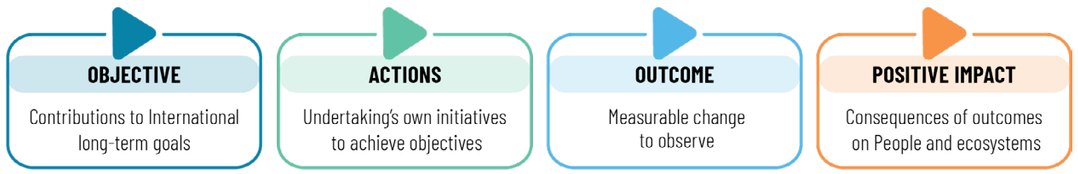
A Theory of Change is particularly useful for financial institutions as it helps them align their sustainability strategy with expected long-term impacts, especially in the context of sustainable development. It is of particular interest for actors sitting alongside the real economy as they want to create positive impact by acting on externalities out of their direct area of control.

UN convened Net Zero Asset Owner Alliance and the UN Principles for Responsible Banking use this concept in their guidance to members in the specific context of Climate Change. They have identified actions that financial institutions should combine to contribute to the reduction of GHG emissions in the atmosphere, and not only in their own portfolios:

i) set reduction targets in own portfolios,
ii) engage with clients / investees engagement and
iii) seize business opportunities stemming from the transition to a low carbon economy.

These actions can be complemented by policy advocacy and stakeholders' collaboration.

Decarbonization of a financial institution's portfolio does not necessarily lead to reduction of GHG emissions in the atmosphere if a free rider continues to provide insurance or financing to clients or investees that have been excluded because of poor environmental performance. The Theory of Change enables to think beyond and decide on additional actions for actual impact.



[1] 16.-2016-10-18-Guidance-on-ToC-PSG-LAC.pdf

SCOR'S THEORY OF CHANGE

SCOR has developed its own Theory of Change, striving to optimize its positive impacts on Nature and People. It is underpinned by its Raison d'Être to combine the Art and Science of Risk to protect Societies and recognizes the need to act to improve resilience. SCOR's Theory of Change is designed to address the Group environmental priorities, i.e. climate change and biodiversity loss. The Theory is particularly relevant in the context of international environmental goals, as SCOR's impacts are mainly indirect, resulting from behaviours of its clients and investees (see graphic below).

When setting actions to be implemented to create actual positive impact, SCOR focuses on how to combine:

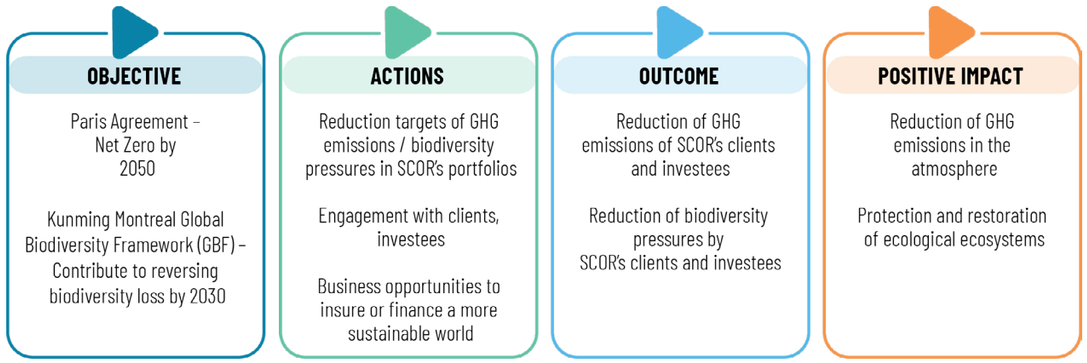
- the reduction of negative pressures or impacts of its activities by setting targets, implementing best-in-class strategies or exclusions
- engagement with clients and investees
- opportunities stemming from the transition to low carbon economy and a sustainable world where People live in harmony with Nature

Despite its efforts to achieve its goals and targets to deliver positive impacts, SCOR remains highly dependent on externalities outside of its control. Without decisive and global actions by governments and all stakeholders SCOR will not be able to deliver on its objectives.



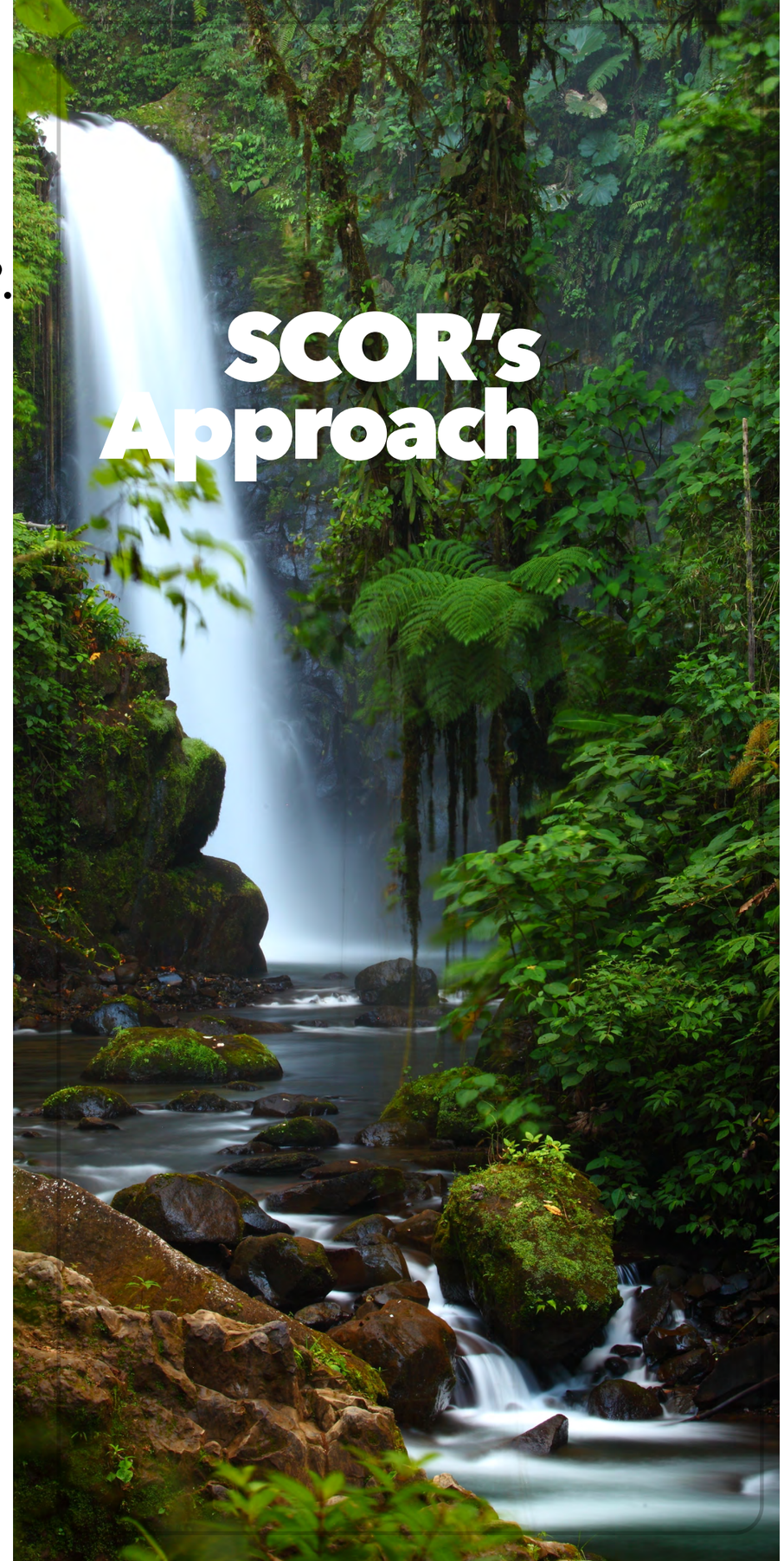
1.4. TRANSPARENCY

Measuring progress and publicly reporting on outcomes is part of SCOR's philosophy. It demonstrates the Group's commitment to deliver on its objectives and targets and contributes to spreading good practices and sharing innovation across the (re)insurance industry.



Chapter 2.

SCOR's Approach



2.1. SCOPE OF SCOR SUSTAINABILITY POLICY

This Sustainability Policy applies to all invested assets held by SCOR and is provided to all asset managers. It also applies to underwriting activities with limitations on the scope when mentioned.

2.2. GENERAL REFERENCE FRAMEWORK

UNITED NATIONS GLOBAL COMPACT INITIATIVE

SCOR is a longstanding participant of the United Nations Global Compact, integrating its 10 principles – on human rights, international labor standards, environmental protection, and the fight against corruption – within a framework tailored to its sphere of influence.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

SUSTAINABILITY PRINCIPLES: PSI AND PRI

Since 2012, SCOR is a founding signatory of the Principles for Sustainable Insurance, a global initiative announced in the run up to the United Nations conference on sustainable development, created under the aegis of the United Nations Environment Programme – Finance Initiative (UNEP FI). Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. Following the 4 principles, the Group endeavors to embed environmental, social, and governance considerations in its (re)insurance activities and risk management framework. The Group also works on innovative solutions to help clients and partners deal with sustainability challenges and dialogue with external stakeholders to better provide positive impacts. SCOR communicates regularly on its progress in its Universal Registration Document and its Sustainability Report.

Since 2019, SCOR is also a signatory of the Principles for Responsible Investment, striving to respect the principles to better embed environmental, social and governance within its investment decision process and ownership policies and practices. The Group collaborates with other actors of the investment ecosystem to promote the principles and fosters transparency through public reporting.

ALIGNMENT WITH INTERNATIONAL OBJECTIVES

SCOR intends to align with international objectives to limit global warming and preserve biodiversity. Achieving the objectives of the Paris agreement and living in harmony with Nature are the first two pillars of SCOR's sustainability ambition. The Group has committed to Net Zero in 2050 and is a signatory of the Finance for Biodiversity Pledge.

SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS

In order to be more impactful, SCOR has collectively selected three SDGs as priority for its sustainability roadmap, leveraging on its core activities and strengths:

- SDG #13 – Climate action
- SDG #3 – Good Health and Wellbeing
- SDG #4 - Quality education

Directly linked to its core business and internal expertise, these SDGs come as a priority when designing the Group sustainability ambition. They are complemented with other goals supporting the main objectives. All are directly related to Nature as the main sustainability concern beyond climate change:

- clean water and sanitation (SDG #6),
- sustainable cities and communities (SDG #11),
- life below water (SDG #14),
- life on land (SDG #15).

2.3. IDENTIFYING RISKS, OPPORTUNITIES, AND IMPACTS

Following its double materiality approach and to get the full picture of its impacts, risks, and opportunities (IRO), the Group regularly conducts reviews of the risks that could have a material adverse effect on its activity, its financial situation, or its results (or capacity to reach objectives). It also considers impacts of its activities on people and ecosystems, using various enterprise risk management (ERM) mechanisms or relying on external frameworks.

DETECTING NEW TRENDS

Collaborating, sharing expertise and knowledge, and leveraging on peers' experience is an accelerator of SCOR's understanding of new challenges. SCOR tries to onboard new topics at early stage and is involved in several initiatives at national, European, and international levels to stay connected with innovation around sustainability. SCOR carefully selects those initiatives that are more likely to support its sustainability journey and its own commitments.

Thanks to its core business as a reinsurer, SCOR has developed a strong risk culture across the entire Group. Monitoring new trends is critical to maintain momentum and detect not only new risks but also new opportunities. It is part of the Group's strategy to create long-term sustainable value and provide a differentiated value proposition to its clients and partners.

STAKEHOLDERS DIALOGUE

SCOR considers stakeholders dialogue as a key component of its sustainability ambition, especially when conducting its materiality analysis. More frequently and on a regular basis, the Group discusses with its main shareholders through dedicated calls on most material sustainability matters covering environmental, social and governance topics.

MATERIALITY ANALYSIS

SCOR regularly conducts a materiality analysis to assess which sustainability matters and new trends are likely to be most critical when considering its business model, keeping the two lenses of the double materiality. The objective of this analysis is to:

- Identify and prioritize sustainability matters based on stakeholders' expectations and business perspective to set the adequate sustainability ambition for SCOR.
- Meet the expectations of SCOR's stakeholders, using the materiality matrix as a basis for non-financial information, and anticipate the application of new standards and soft laws.
- Identify the impact of SCOR's business on ESG matters, whether on itself, its value chain or worldwide.

INCORPORATING ESG CRITERIA IN BUSINESS AND INVESTMENT DECISIONS

SCOR incorporates sustainable risks and opportunities in all its investment decisions and monitors their sustainability impacts. ESG criteria enable to identify and monitor most critical positions in terms of risks and impact. ESG ratings can be complemented with controversies analyses and may lead to exclusions.

EXCLUSIONS / BEST-IN CLASS STRATEGY – PROMOTING A JUST TRANSITION

SCOR applies restrictions to its business and investment universe. Normative considerations lead to exclusion of sectors that are not in line with SCOR's values.

On investments, the list of exclusions is communicated to all investment managers with immediate effect. The exclusion applies to all types of assets falling under the definition of invested assets. New investments are banned, and remaining positions are actively managed to accelerate the run-off in compliance with local regulation.

SCOR considers sustainability under the lenses of risks, opportunities, and impact. Investing in and (re) insuring portfolios promoting sustainable development and allowing for a balanced approach towards a just and resilient transition is a driver for SCOR's approach to sustainability. Priority is given to exiting sub-sectors where more sustainable alternatives exist and it allows to support companies with clear commitments to align with SCOR's sustainable objectives.

2.4. ENGAGING

As a responsible investor, SCOR exercises the voting rights of its direct investments in shares and does not delegate voting accountability. However, the Group intends to reduce its operational risks through operational delegation to investment managers when possible. To facilitate its voting decisions, SCOR has selected a proxy voting which helps taking sound decisions. Main areas of attention, when voting, are the following:

- Independence of Board members
- Diversity of Board members
- Compensation
- Lobbying transparency
- Sustainability ambition and performance of the company.

2.5. PROMOTING POSITIVE IMPACTS

SCOR considers sustainability under both lenses of risks and opportunities. (Re)insuring and investing in new opportunities that bolster sustainable development and allow for a balanced approach toward a just and resilient transition.

2.6. MEASURING PROGRESS TOWARD TARGETS AND OBJECTIVES

Measuring outcomes is critical to assess the success and the limitations of actions taken to reach the targets. SCOR defines a phased action plan complemented by qualitative objectives and quantitative targets. Interim targets and objectives enable to monitor the adequacy of decisions with the Group sustainable strategy. Regular internal reporting to the Group Executive Committee and to the Board of Directors on achievements versus objectives / targets and progress on the action plan ensure transparency and proper monitoring and overseeing. At top management level, a portion of the variable part of the compensation package of the Chief Executive Officer and of the members of the Group Executive Committee is linked to the achievement of sustainable objectives.

2.7. DISCLOSING

SCOR believes that transparency fosters good practices. Sharing state of play is a good way to provide meaningful information to stakeholders and support the emergence of best practices. SCOR constantly enhances its external disclosures, at least annually, and communicates on innovations and preliminary studies to provide evidence of its effort to participate in solutions to current sustainability challenges. Its public reports and disclosures on sustainability follow good practices and addresses regulatory requirements under a state-of-the-art framework.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

SCOR supports the Taskforce for Climate-related Financial Disclosures (TCFD) and the implementation of its recommendations. SCOR publishes climate-related disclosures both in its Universal Registration Document and in its Sustainability Report.

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)

SCOR is taking part to the preliminary work of the Taskforce on Nature-related Financial Disclosures ("TNFD") and as an Observer Member, has also brought valuable insight on next steps and future requirement. SCOR has publicly supported the launch of the TNFD and participates as a Member of the TNFD Forum to the development of the framework.

Sharing publicly internal expertise and wide spreading knowledge through public events is a way to foster transparency and promote best practices.

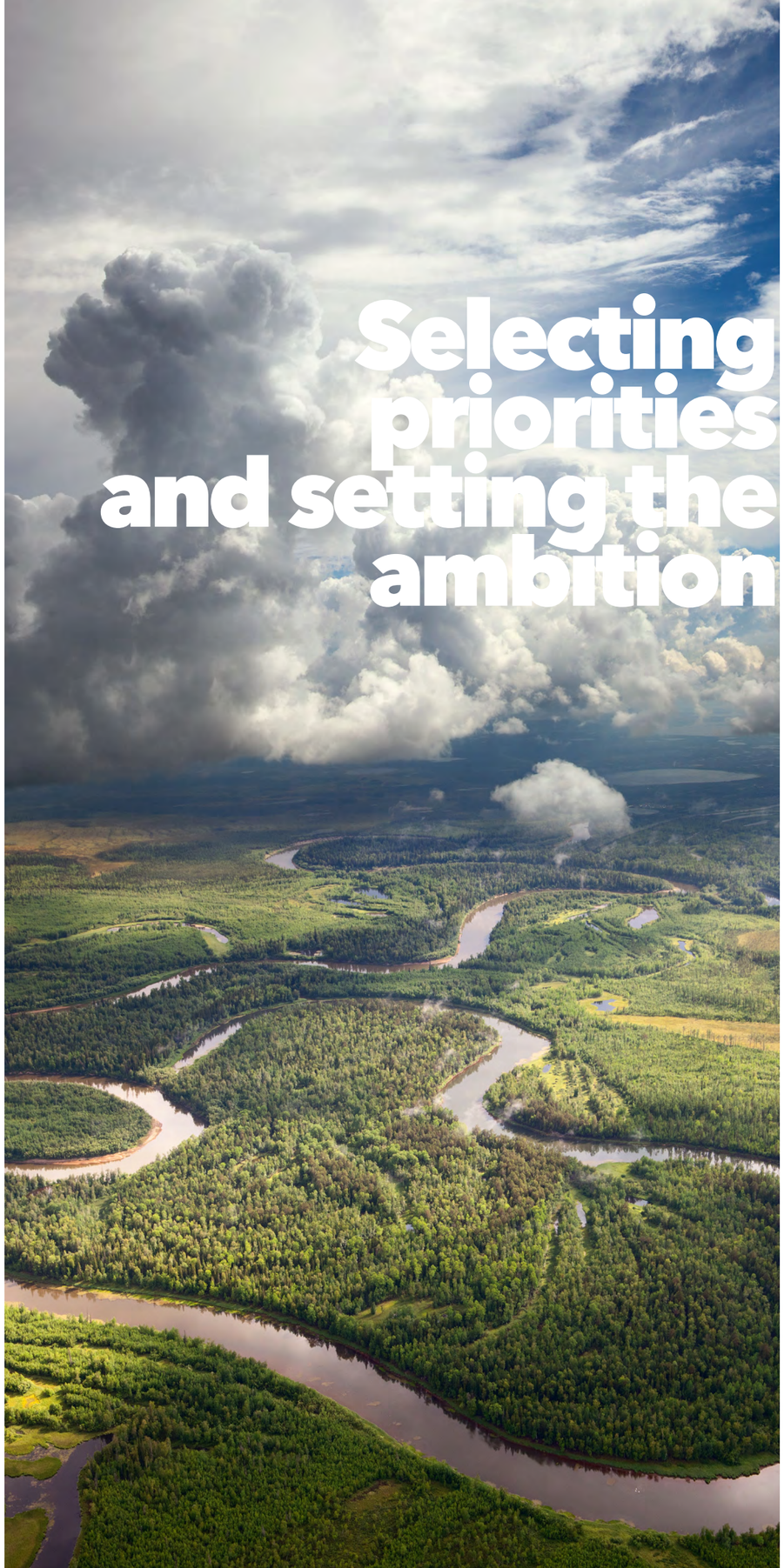
2.8. PARTICIPATING IN THE PUBLIC DEBATE

As a Tier one global reinsurer, SCOR has a role to play in sustainable finance. The complexity of the challenges deserves collaboration and partnership. Collaboration is of utmost importance to foster common understanding of the challenges and coordinate answers through the development of robust frameworks, methodologies, and science-based targets.

The Group also commits to participate to working groups and initiatives led by national and international professional associations to foster a better understanding of sustainability-related topics and a better implementation of sustainability in business and investment decisions.

Singapore office / Singapore – certified Green Platinum





Chapter 3.
Selecting priorities and setting the ambition

Improving resilience of societies drives the Group's sustainability ambition. The Group aims at achieving this ambition by taking commitments to a more sustainable economy and thanks to the dedication of all SCOR's employees.

3.1. UNLEASHING THE POTENTIAL OF OUR PEOPLE

Embedding sustainability at every level of the company is a prerequisite to succeed in transforming business models toward more resilience and positive impacts. Human capital – SCOR's employees around the world – is a key driver to prepare the Group for the risks of tomorrow, address sustainability challenges and ensure SCOR delivers on its commitments and objectives. The (re)insurance industry is highly competitive and strongly relies on employees' expertise to constantly push the frontier of insurability and transform knowledge into impact.

SCOR carefully looks at developing skills and preparing for future needs as well as retaining talent through a competitive and efficient compensation policy, aligned with its ambition and its stakeholders' interests. The Group also endeavors to offer a nurturing working environment fostering diversity, inclusion, curiosity, leadership, and empowerment. Raising awareness, sharing, and expanding knowledge, support the transformation of the Group and ensure people can stay at the forefront of sustainability developments.

Several core policies, applicable worldwide, underpin this transformational journey:

- Compensation policy
- Diversity and inclusion policy
- Health and safety policy

As sustainability is a fast-evolving topic, the Group participates in external working groups to stay informed on latest developments and cutting-edge discussions. New standards and innovations in sustainable finance are shared within the business unit and more broadly within the Group through dedicated training sessions or more informal talks. This facilitates awareness and appropriation of best practices to better implement sustainability, stimulate curiosity and foster innovation across the Group.

3.2. CLIMATE CHANGE

RISK MANAGEMENT AND CLIMATE LEADERSHIP

Research on climate risk management, particularly on climate risk modeling techniques and climate risk transfer mechanisms, contributes to a better understanding of and adaptation to climate change challenges. This institutional commitment to climate change adaptation is backed at the highest level of the Group.

In addition, the natural catastrophe modeling teams tries to factor the latest usable scientific knowledge into the models they use.

Climate change is also a substantial threat for Life & Health. It impacts agriculture and food, property, access to water etc. SCOR's Life and Health (L&H) business focuses on the relevance of climate change and its impact on human health and, by extension, the life insurance industry.

COMMITMENT TO NET-ZERO EMISSION BY 2050 AND REDUCING GHG EMISSIONS IN THE ATMOSPHERE

Consistent with its Theory of Change, SCOR is firmly dedicated to contributing to achieving carbon neutrality by 2050 by supporting the reduction of GHG emissions in the atmosphere. As a financial institution, SCOR seeks for dialogue and engagement with partners, clients, and investees to support their transition journey alongside the reduction of emissions linked to its own business.

The commitment to net-zero emissions by 2050 applies to all business of the group:

- (re)insurance activities
- Investments
- Own operations

SETTING REDUCTION TARGETS

To reach Net Zero by 2050, SCOR relies on science-based scenarios. More precisely, the Group has set interim targets by 2030 based on 1.5°C scenarios with low or limited overshoot. The Group aims to achieving this ambition in a balanced way to ensure a just transition and favor impact on the real economy.

The operationalization of SCOR's commitment to Net Zero by 2050 follows robust frameworks and methodologies developed by Partnership for Carbon Accounting Financials (PCAF).

Even if operations of financial institutions have limited impacts, SCOR also intends to reduce GHG emissions stemming from its own operations. Fostering responsible behavior from employees, leveraging new ways of working and optimizing our organization are our main levers to contribute to our Net Zero objectives.

STEWARDSHIP AND ENGAGEMENT WITH KEY STAKEHOLDERS

The Group's approach is to actively support its partners, clients, and investees in their own transition pathways, helping them attain a net-zero emissions business model. SCOR also supports coalitions or position papers with the objective to accelerate the journey of key stakeholders toward more ambitious goals.

UNDERWRITING

SCOR committed to the Poseidon Principles for Marine Insurance (PPMI) in November 2021.

By creating a common global baseline, supportive of society's goals to better enable insurers to assess and disclose their portfolio alignment, PPMI enable SCOR to share in all transparency CO2 emissions of one of its lines of business. Through disclosure and transparency, SCOR aims to raise awareness about climate change, in the insurance market and beyond, and to engage with clients.

INVESTMENTS

SCOR's approach targets mainly listed equities and corporate bonds.

VOTING ACTIVITIES

Voting activities are carried out internally and are supported by services of proxy advisors. SCOR complements proxy advisors' recommendations with its own analysis to form its final decision.

ENGAGEMENT AND CORPORATE DIALOGUE

Corporate dialogue is a powerful tool to support companies in their transition to more sustainable business models. Given the size of its invested assets, SCOR favors collaborative initiatives.

SCOR has decided to join several initiatives like the Climate Action 100+ one for efficient engagement. Given its low appetite for equities as an asset class and the limited amount of its invested assets, the Group favors collaborative initiatives rather than individual dialogue.

SCOR fosters also dialogue with its external asset managers, mainly during the yearly due diligence monitoring processes. This is the opportunity of an in-depth explanation of the philosophy underpinning the sustainable investment approach and a fruitful dialogue on the way investment managers consider SCOR's preferences in their investment decisions and ensure alignment between investment managers calibration tools and SCOR's investment strategy. Best in class strategies are discussed and detailed to ensure a common understanding of the objectives.

PROMOTING POSITIVE IMPACT

UNDERWRITING

In the field of P&C (re)insurance, the Group's strategic plan focuses on issues relating to climate change mitigation through support and develop products addressing the energy transition and adaptation to climate change risks.

INVESTMENTS

SCOR invests in real assets financing the transition to a low carbon economy and in sustainable bonds compliant with international or European standards. SCOR has designed an internal taxonomy to qualify real assets as "green" investments and will progressively shift to criteria referring to the EU taxonomy.

3.3. NATURE

COMMITMENT TO THE PRESERVATION OF BIODIVERSITY

FINANCE FOR BIODIVERSITY

SCOR is committed to the preservation of biodiversity. The Group has signed the Finance for Biodiversity pledge, committing to reverse biodiversity loss in this decade for its investments. The pledge relies on five pillars: collaborating and knowledge sharing, engaging with companies, assessing impact, setting targets, and reporting publicly. Actions linked to these pillars will be progressively implemented by 2024.

The Pledge was initiated by a group of 26 financial institutions calling on global leaders and committing to protect and restore biodiversity through their finance activities and investments and launched during the Nature for Life Hub on 25 September 2020 and the Biodiversity Summit of the United Nations General Assembly on 30 September 2020.

SCOR joined in 2021 the Finance for Biodiversity Foundation and collaborates with other investors to develop a common understanding of the topic and share knowledge and experience. This has led to several guides on methodologies and preliminary engagement actions, mainly on deforestation.

ACT4NATURE INTERNATIONAL

SCOR also joined act4nature international in 2021, an alliance of companies committed to accelerating concrete business action in favor of nature and biodiversity. The Group has made additional biodiversity-related commitments that are specific, measurable, and time-bound, and cover five key action areas:

- Developing a biodiversity diagnosis at Group level
- Exploring impact and measurement
- Collaborating and sharing knowledge
- Engaging with stakeholders
- Managing the biodiversity footprint of the Group's operations.

WORLD HERITAGE SITES

SCOR is committed to protect World Heritage Sites, aligning with UNESCO and Word Wildlife Fund initiatives.

3.4. PROTECTING PEOPLE'S LIFE AND PROMOTING PREVENTIVE BEHAVIORS

Consistent with the Sustainable Development Goal #3, Good health and wellbeing, SCOR has set the sustainable ambition for the Life and Health activities:

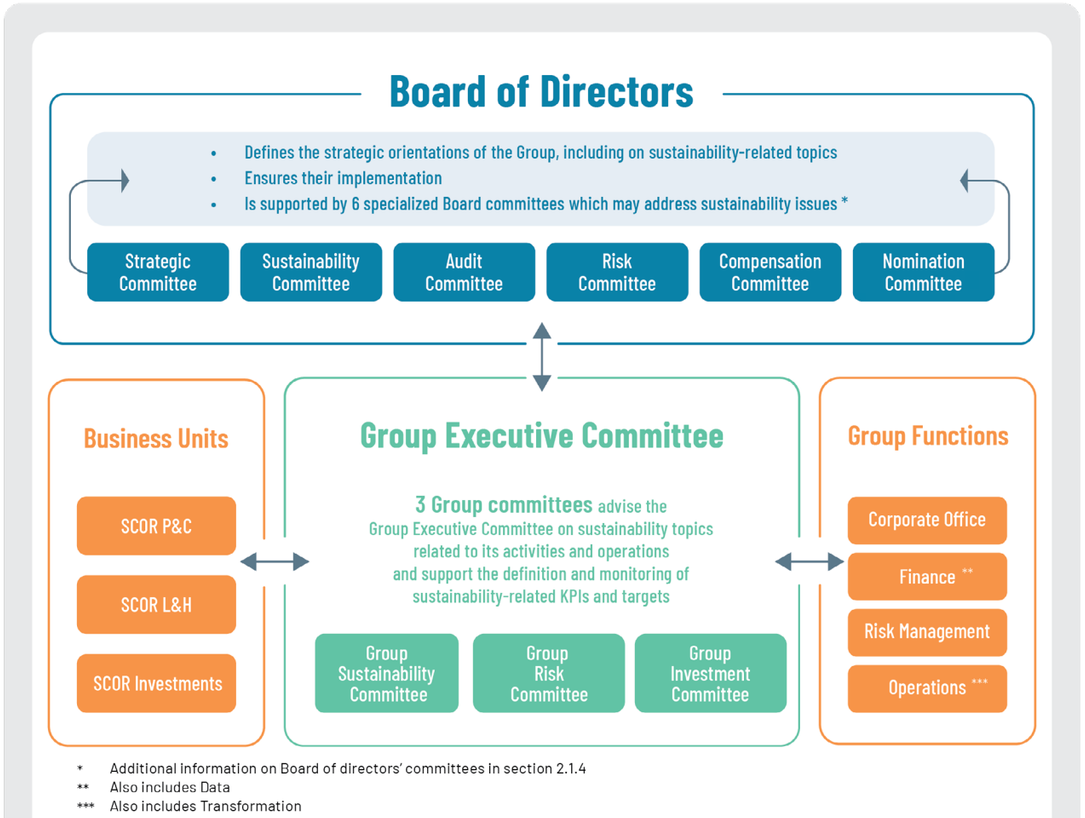
- Offering more insurance solutions to reduce the protection gap
- Helping people live longer and healthier lives,

To achieve these goals, the Group is leveraging its multiple partnerships with various parties including academics and innovative companies as well as the expertise developed by its Life and Health R&D and medical underwriting teams worldwide. SCOR also draws on the expertise of its data scientists, its extensive data pool and additional external and internal data sources that are integrated into its infrastructure. All these R&D efforts are translated into new products and solutions for insureds, developed in partnership with its clients.

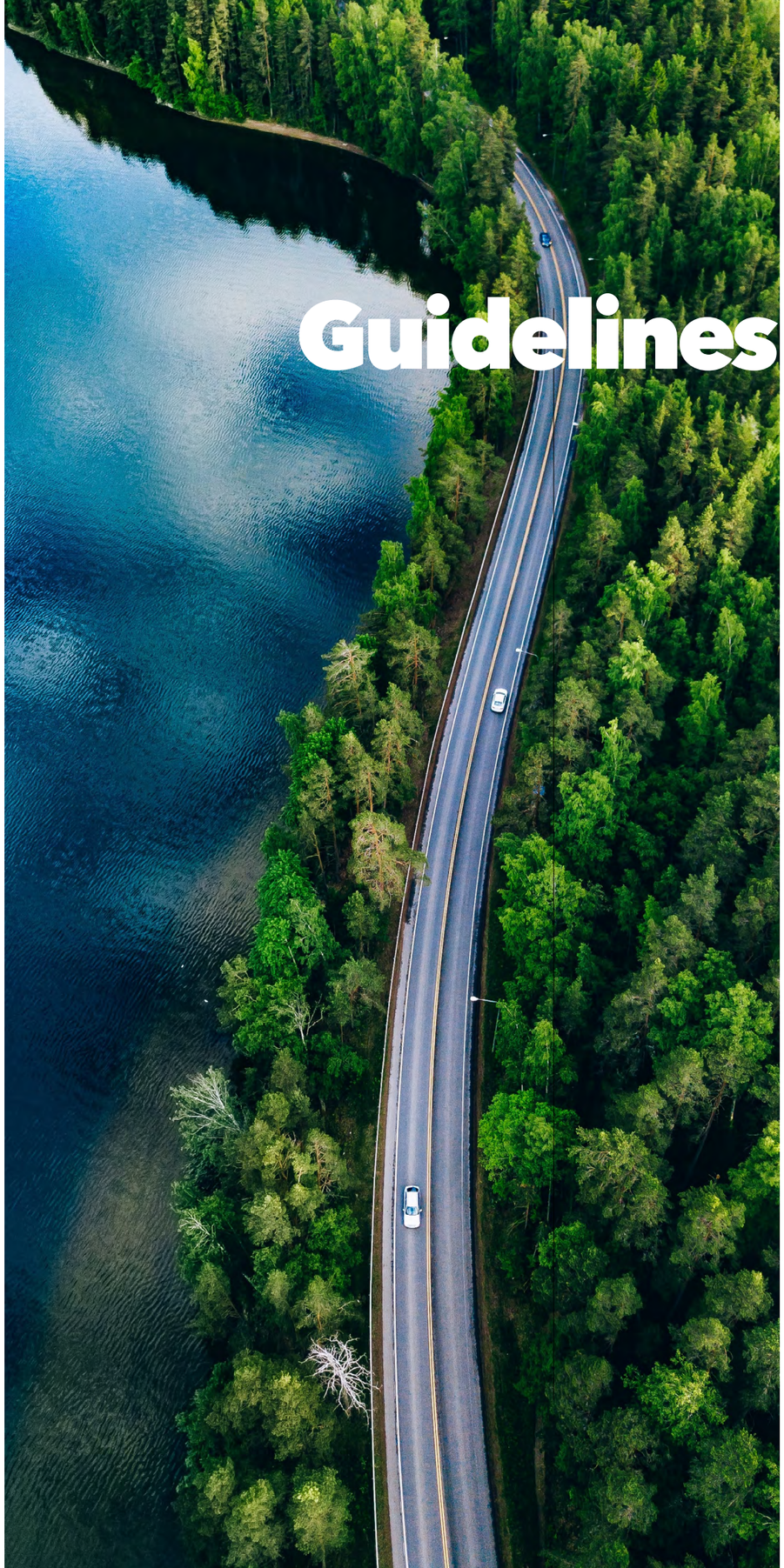


Chapter 4.

SCOR has developed a robust governance framework, in line with the four-eyes principle, to support its sustainability strategy. Various committees ensure responsibility and accountability around sustainability-related matters.



A Sustainability Referral Committee was implemented to arbitrate on topics linked to the sustainability strategy or business ethics.



Chapter 5.

This section details objectives, targets and exclusions applicable to business, investments, and operations

5.1. CLIMATE CHANGE- IMPACT OBJECTIVES

UNDERWRITING

With the ambition to be Net Zero by 2050, SCOR is currently setting targets. To align with the Paris agreement and with the science-based trajectory of 1.5°C [1], SCOR has set its first interim target relating to companies having their headquarters in Europe for its Property & Casualty direct insurance and facultative reinsurance books of business (commercial lines). Using the PCAF[2] methodology SCOR aims to achieve a reduction of 23% in the intensity of its GHG emissions by 2030 versus the end of 2022. SCOR will make all reasonable efforts to reach this interim target by 2030 [3]. The strategy will progressively include reinsurance treaties and Life & Health business as methodologies and data become available.

Furthermore, different approaches are combined to deliver on the decarbonization trajectory:

- inclusion of environmental criteria during underwriting analysis,
- engagement with clients and potential clients (e.g. discussion around decarbonization pathways or science-based net-zero targets): SCOR aims to engage with clients representing at least 30% of SCOR Business Solutions (SBS) premiums to understand how energy transition may impact them, their targets, challenges and needs, over the period of the "Forward 2026" strategic plan.
- development of sustainable (re)insurance products & solutions,
- sustainable claims management (e.g. how to build back better after a claim).

Toward a low carbon economy, and to further strengthening its sustainability strategy, SCOR set the ambition to double the coverage for low carbon energies by 2025 (for production, storage, and transmission) and has set the target of multiplying insurance and facultative reinsurance coverage for low carbon energy by 3.5 by 2030[4].

Also to support the net zero ambition of its direct international shipping policyholders, SCOR became a founding signatory of the Poseidon Principles for Marine Insurance. Under this initiative, the Group has also committed to assessing and disclosing, at least annually, the climate alignment of its hull and machinery portfolios, and to benchmarking them against two trajectories related to a 50% reduction in annual greenhouse gas emissions by 2050 compared to 2008, and a 100% reduction in emissions by 2050.

INVESTMENTS

- SCOR has set a target to increase the green and sustainable bonds bucket to:
  - EUR 702 million in market value by end of 2024,
  - EUR 850 million in nominal value by end of 2023,
  - EUR 1,000 million in nominal value by end of 2024
- SCOR has joined the Net-Zero Asset Owner Alliance and has set interim targets for 2025 and 2030 on its journey to Net-Zero emissions by 2050. SCOR has set a targeet to reduce the carbon intensity of the corporate bond and equities sub-portfolio by 27% by 2025 and 55% by 2030 (base year 2020). SCOR has also set a target to reduce the carbon intensity of the investment direct real estate sub-portfolio by 50% by 2030 (base year 2021). And regarding the power utilities portfolio, SCOR has set a target to reduce the carbon intensity (MtCO2e/PJ) by 38% by 2035 (base year 2020).
- SCOR has signed the Finance for Biodiversity Pledge and joined the Finance for Biodiversity Foundation with the aim to collaborate, engage, assess, set targets and report by 2024 at the latest to reverse Nature loss by 2030.

[1] The 1.5°C science-based trajectory refers to the goal outlined in the context of global efforts to address climate change to limit global warming to an increase of no more than 1.5°C above pre-industrial levels.

[2] As per the Partnership for Carbon Accounting Financials (PCAF, version 1 dates November 2022) perimeter when reliable data is available

[3] Achieving this target, however, is highly dependent on externalities outside of SCOR's control. The actions and policies of different governments, and the transition of all stakeholders toward decarbonization of the real economy, are all crucial to align the world to the Paris agreement. Other factors linked to climate science, political, geopolitical, economic and regulatory developments which are outside of SCOR's control may impact SCOR's ability to deliver on its target. Without decisive and global action by governments, the world will not be able to reach a 1.5°C trajectory and SCOR will not be able to achieve its target.

[4] Using SCOR's Estimated Gross Premium Income ("EGPI") for 2020 as the baseline.

5.2. THERMAL COAL

UNDERWRITING

SCOR excludes standalone direct insurance and facultative reinsurance coverage for:

- new thermal coal mine projects
- new coal-fired power plant projects

Effective September 1, 2023, SCOR will exclude standalone direct insurance and facultative reinsurance coverage for:

- new dedicated thermal coal mining infrastructure (e.g., ports, washing and handling facilities) projects

Effective September 1, 2023, SCOR will not write any new business in respect of:

- standalone thermal coal mines
- standalone unabated coal-fired power plants

By 2030 in OECD countries and by 2040 for the rest of the world, SCOR will totally phase out standalone direct insurance and facultative reinsurance coverage for:

- thermal coal mines
- unabated coal-fired power plants

INVESTMENTS

SCOR has committed to divest totally from companies generating revenues from thermal coal, by 2030 worldwide.

- Coal mining: SCOR does not invest in companies deriving more than 10% of their turnover from thermal coal or producing more than 10 MT of thermal coal a year.
- Coal-fired power generation: SCOR does not invest in utilities companies for which coal represents more than 10% of their power production or which have more than 5 GW of coal installed capacity.
- Coal developers: SCOR undertakes not to invest in companies developing new coal-related projects (mines, plants, power stations or infrastructure).

SCOR relies on data from the Global Coal Exit List published by Urgewald to assess the thresholds. The analysis can be complemented with data from other providers.

Investments in green bonds issued by companies "best-in-class" are authorized. Best-in-class refers here to companies with at least commitments to SBTi or following a comparable and credible third-party framework.

Zurich office / Certified by MINERGIE



5.3. OIL & GAS

UNDERWRITING

ON OIL SANDS

Effective September 1, 2023, SCOR will not provide any new (or increase its commitments on existing) standalone direct insurance and facultative reinsurance coverage in respect of oil sands operations (both extraction and upgraders).

Exceptions may be made for direct insurance and facultative reinsurance coverage for insureds with a verified strategy that is aligned with a credible Net-zero by 2050 transition plan and will be based on the Science Based Targets initiative (SBTi), once available, or comparable third-party issued science-based target setting guidance for the upstream oil and gas sector.

ON OIL & GAS

SCOR excludes standalone direct insurance and facultative reinsurance coverage for new greenfield:

- oil field development projects
- gas field development projects (effective September 1, 2023)

Exceptions may be made for specific, standalone direct insurance and facultative reinsurance coverage for insureds with a verified strategy that is aligned with a credible Net-zero by 2050 transition plan and will be based on the Science Based Targets initiative (SBTi), once available, or comparable third-party issued science-based target setting guidance for the upstream oil and gas sector.

ON ARCTIC OIL AND GAS

Effective September 1, 2023, SCOR will exclude specific, standalone direct insurance and facultative reinsurance coverage for oil and gas exploration, production and related dedicated infrastructure projects in the Arctic Monitoring and Assessment Programme (AMAP) Region, with the exception of the Norwegian Arctic Region.

INVESTMENTS

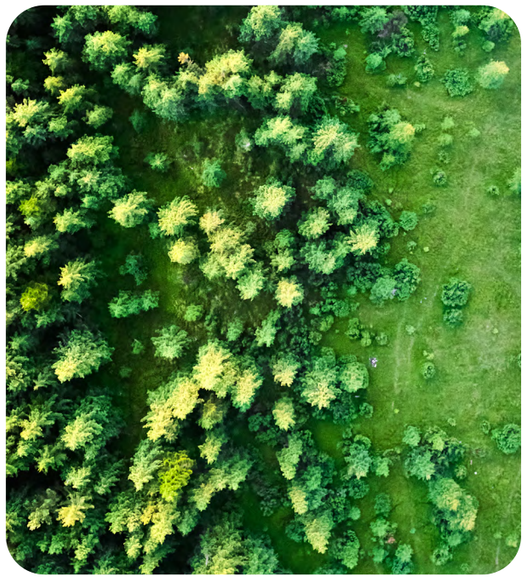
SCOR has committed to divest totally from companies generating revenues from unconventional oil and gas by 2030 worldwide.

SCOR relies on data of the Global Oil and Gas Exit list from Urgewald to define unconventional oil and gas and to set exclusion thresholds:

- Fracking: SCOR does not invest in companies for which fracking represents more than 20% of their total production.
- Coalbed methane: SCOR does not invest in companies for which coalbed methane represents more than 10% of their total production.
- Oil sands: SCOR does not invest in companies for which oil sands represent more than 10% of their total production.
- Extra heavy oil: SCOR does not invest in companies for which extra heavy oil represents more than 10% of their total production.
- Ultra-deepwater: SCOR does not invest in companies for which ultra-deepwater represents more than 20% of their total production.
- Arctic: SCOR does not invest in companies for which Arctic represents more than 20% of their total production. Also, SCOR does not provide investment support for oil and gas exploration in the Arctic National Wildlife Refuge.
- Upstream oil & gas: based on the Global Oil & Gas Exit List from Urgerwald, SCOR does not authorize new investment in companies with expansion plans. SCOR does not invest in oil & gas producers except if they have no expansion plan, comply with the sub-sectors thresholds and are best-in-class. Best-in-class refers to companies with at least commitments to SBTi or following a comparable and credible third-party framework.

Investments in green bonds issued by companies "best-in-class" under the above definition are authorized.

5.4. DEFORESTATION



INVESTMENTS

SCOR has committed on investments to become Net-Zero emissions by 2050 and to contribute to reverse Nature loss by 2030. Ending deforestation is a key element to fulfilling these commitments. Forests play an important role in climate change mitigation, biodiversity protection and in food security. Destruction of tropical forests related to 'forest-risk' agricultural commodities (palm oil, soy, beef, pulp and paper) accounts for 8% of all CO2 emissions[1] and has significant negative impacts on biodiversity and local communities.

Identifying and addressing deforestation investments risks and impacts constitute a very challenging task and requires collective efforts from various stakeholders including policy makers, investees, investors, and data providers. This is the very first step in SCOR journey towards eliminating deforestation in its investment portfolio and SCOR expects to continuously increase the level of ambition in the coming years.

COMMITMENT AND SCOPE

SCOR aims at making its best efforts[2] to ensure that by 2030 its investment portfolio does not contribute to deforestation.

SCOR has conducted a first analysis on its investment portfolio deforestation risks and impacts, and this has showed a relatively low level of maturity of investees regarding the deforestation topic. Therefore, SCOR believes that investors collective action and engagement are crucial to move forward. And this is the very reason why SCOR has signed the Race to Zero financial sector commitment letter on eliminating commodity-driven deforestation by 2025 and joined the PRI Sustainable Commodities Practitioners' Group (SCPG) and the Finance for Biodiversity Foundation to share knowledge about deforestation issues and to trigger investors collective action.

SCOR plans to implement this commitment using 4 levers:

- Risk, impact and risk management
- Engagement
- Collaboratin
- Reporting

This means more precisely engaging with companies, regularly assessing its investment portfolio forest risks and impacts. Collaboration with various stakeholders is also key. As engagement appears to be one of the most efficient tool, SCOR will participate to collective engagement to be more impactful. Insufficient progress by investees may affect SCOR investment decisions. The escalation process will be defined in future iterations of this policy, after first engagement rounds with companies.

[1] Race to Zero Investor expectations (16/09/22) – text in appendix: https://climatechampions.unfccc.int/wp-content/uploads/2022/09/FSDA-Investor-expectations-of-companies-16.09.2022.docx.pdf

[2] In designing its Theory of Change, SCOR relies on scientific expertise when setting targets. Achieving them, however, is highly dependent on externalities outside of SCOR's control. The actions and policies of different governments, and the transition of all stakeholders toward decarbonization of the real economy, are all crucial to align the world to the Paris agreement. Other factors linked to climate science, political, geopolitical, economic and regulatory developments which are outside of SCOR's control may impact SCOR's ability to deliver on its target. Without decisive and global action by governments, the world will not be able to reach a 1.5°C trajectory and SCOR will not be able to achieve its target.



Paris office / France – certified ISDO 14001

EXPECTATIONS TOWARDS INVESTEES

SCOR engages relevant investees about deforestation, and SCOR expects companies to eliminate deforestation in their whole value chain. SCOR is fully aware that deforestation is a tremendous challenge for companies which needs to be embedded in global sustainability frameworks.

SCOR expects investee companies to adopt no deforestation commitments by no later than 2025. In line with the Race to Zero campaign[3] , SCOR especially expects investees to:

- Set a public commitment to deforestation-free and conversion- free covering their production and their whole supply chain
- Participate in collective actions to promote sustainable practices in agriculture
- Publicly disclose on an annual basis about progress regarding their deforestation-free and conversion-free commitment and regarding activities made as part of collaborative actions

COMMITMENT TO COLLABORATE AND REPORT

SCOR aims also at contributing to nature positive initiatives through its investment activities. SCOR will cooperate with other stakeholders to promote standardized, and relevant practices regarding measuring, monitoring and reporting deforestation risks and impacts.

SCOR will report at least annually on its investment portfolio deforestation risks and impacts, and progress made over time by investees.

[3] Race to Zero Investor expectations (16/09/22) – text in appendix: https://climatechampions.unfccc.int/wp-content/uploads/2022/09/FSDA-Investor-expectations-of-companies-16.09.2022.docx.pdf

5.5. TOBACCO

UNDERWRITING

Excluding insurance and facultative reinsurance coverage for the tobacco industry.

INVESTMENTS

SCOR's Life & Health business provides biometric risk and health solutions. Following its holistic approach to sustainability, SCOR considers negative impacts of activities on societies. The Group has signed the Tobacco Free Finance Pledge. Consequently, SCOR does not invest in tobacco manufacturers.



5.6. NORMATIVE EXCLUSIONS

UNDERWRITING

Subject to the advice and determinations of SCOR's Sustainability Referral Committee with respect to European defence, from June 1st, 2025, SCOR's policy is to exclude the provision of direct insurance or facultative reinsurance coverage to any company known to be directly involved in the development, manufacture or sale of anti-personnel mines, cluster bombs/weapons, chemical weapons, biological weapons, nuclear weapons (unless they are produced for the benefit of the armed forces of a nuclear-weapon state according to the Treaty on Non-Proliferation of nuclear weapons of 1 July 1968) depleted uranium munitions, white Phosphorus weapons, and incendiary weapons.

In addition, as part of its Sanctions & Embargoes Policy, SCOR considers not only sanctioned entities and individuals, but also products such as military goods.

INVESTMENTS

When investing, SCOR applies standard exclusions:

- Subject to the advice and determinations of SCOR's Sustainability Referral Committee with respect to European defence, to any company known to be directly involved in the development, manufacture or sale of anti-personnel mines, cluster bombs/weapons, chemical weapons, biological weapons, nuclear weapons (unless they are produced for the benefit of the armed forces of a nuclear-weapon state according to the Treaty on Non-Proliferation of nuclear weapons of 1 July 1968) depleted uranium munitions, white Phosphorus weapons, and incendiary weapons.
- To countries that do not adhere to anti-money-laundering and anti-terrorism financing rules, as defined by the Financial Action Task Force (FATF).
- To companies that have committed serious violations of the United Nations Global Compact (UNGC) and have not demonstrated satisfactory corrective action.



SCOR AROUND THE WORLD

EMEA*:
Belgium
France
Germany
Ireland
Italy
Russia
South Africa
Spain
Sweden
Switzerland
United Kingdom

AMERICAS:
Argentina
Brazil
Canada
Chile
Colombia
Mexico
United States

ASIA-PACIFIC:
Australia
Mainland China
Hong Kong
India
Japan
Malaysia
New Zealand
Singapore
South Korea
Taiwan

*Europe, Middle East, Africa

SCOR
The Art & Science of Risk

To learn more about SCOR's strategy, goals, commitments and markets, visit our website.

www.scor.com

Follow us on social media

©Adobe Stock / Shutterstock (von SITTAKAN / anatoliy_gleb / tong2530)
Zurich Office ©Marcel_Meier-Ooshot
Paris Office ©Aude_Monier-Ooshot
Singapore ©Sue_Photography-Ooshot