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SCOR SE is pleased to renew its commitment to promoting and further advancing the 10 principles of the United Nations Global Compact, which the company first formally endorsed in 2003.

Our Communication on Progress (COP) this year deals with the four overarching principles of the Global Compact (human rights, labour relations, environment and anti-corruption). We describe the practical actions that have been taken over the course of the year, or in recent years, and outline their underlying objectives. An update on the information communicated last year is also available in this COP.

Part of this COP also appears in the SCOR's 2017 Activity and CSR report and in the management report attached to SCOR's reference document, where additional information is also available, notably with regard to our involvement in several research activities, as well as the creation of a Corporate Social Responsibility committee to leverage the pivotal role of the Board in ensuring that the corporate strategy is consistent with the company's long-term sustainability.

Yours faithfully,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

Denis Kessler

HUMAN RIGHTS

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights; and*

Principle 2: *Make sure that they are not complicit in human rights abuse.*

SCOR seeks to promote the protection of human rights internally, with regard to supply chain management, mainly through its procurement policy but also through the design of products and services.

SCOR fully acknowledges the growing concern in society at large that businesses should play an essential role in the protection and promotion of human rights. This growing concern is reflected in the context of the recent enactment of laws, e.g. the “United Kingdom Modern Slavery Act”. Relevant example of this acknowledgement is SCOR’s recent decision to issue a *Statement on Slavery and Human Trafficking* pursuant to this Act. Although not all SCOR companies are subject to the UK Modern Slavery Act, this Statement has been issued by SCOR SE as the Group parent company to demonstrate SCOR’s group-wide commitment to human rights and ethical behavior. This statement is posted on the Group’s website and is reviewed annually and updated as required.

In the context of the former sustainability initiative of the CRO Forum, SCOR participated in the drafting of a brainstorming paper on human rights and insurance. The purpose of this document published in 2014 is to build an understanding of why the insurance industry has to bring respect for human rights into its risk management framework and how it can address human rights issues in its business relationships with other corporations. The paper (“*Human Rights and Corporate Insurance*”) is available on the CRO Forum’s website.

Implementing a procurement policy with a dedicated corporate responsibility clause

With regard to its worldwide activities, SCOR endeavors to adopt best practices in each of its locations. Any employee who deals with a supplier must, before concluding a contractual partnership, ensure that such supplier gives an undertaking to comply with the requirements of the Code of Conduct established in 2012 by the SCOR Group and which apply to all its employees (or a commitment from the company that it respects equivalent requirements). The framework agreement developed by the Group’s legal department, which must be used by the Group’s various different components, thus contains a specific section on the Code of Conduct. This framework agreement also contains an appendix, the *Sustainable Development Charter*, which begins with a reminder of SCOR’s adherence to the principles of the United Nations Global Compact, and sets out the Group’s expectations with regard to its suppliers and subcontractors in the fields of labor relations, health and safety conditions, the environment, ethics and the way in which they must integrate these expectations into the design of their products and services.

SCOR’s procurement chain and outsourcing is not as complex as it can sometimes be in other industries; assistance from external service providers mainly consists of IT development and maintenance as well as maintenance and operations of the building from which SCOR conducts its activities. The criteria mentioned above are applied to these outsourcing contracts.

Designing products and developing the expertise needed to push back the frontiers of insurability

Amongst the aspects encompassed by human rights, the Declaration proclaims the right to social security, to the economic, social and cultural rights indispensable to human dignity and to the free development of each individual's personality. Reinsurance companies such as SCOR have a strong social value-added function through their investments and through the development of risk assessment, which pushes back the frontiers of risk insurability on a global basis.

Bringing insurance to people living in poverty or to people with severe health conditions and who need insurance cover in order to be granted a loan, is an efficient way to secure the basic needs that are indispensable to the free development of each individual's personality.

Bringing insurance to low income populations: SCOR's involvement in the microinsurance industry

SCOR is involved at different stages of the microinsurance industry (i.e. financing, capacity provider, scheme designer):

- Financing: SCOR has invested in Leapfrog, a pioneer Private Equity fund in the Microinsurance field. In addition to the investment return, this partnership enables SCOR to benefit from Leapfrog's Microinsurance business network in Africa and Asia (more information on this initiative is available on Leapfrog's website).
- Capacity provider: as for traditional insurance, SCOR provides capacity to specialized microinsurers and general insurers. SCOR is currently involved in various schemes, on both the P&C side (mainly agricultural risk) and the Life side (health, critical illness) in emerging markets such as India, China and Brazil.
- Scheme designer: in some circumstances, SCOR partners with international or local institutions in order to set up innovative schemes, in particular in the agricultural risk transfer field where SCOR has demonstrated its expertise in alternative transfer schemes.

Developing tailored solutions for people with severe health conditions

For many years SCOR, through its subsidiary SCOR Global Life, has been developing strong expertise in the field of risk assessment through a longstanding involvement in research and development and through partnerships with the world of medical research (cardio-vascular risks, Alzheimer's disease, etc.). This consistent approach, applied over the years, led to a new partnership early in 2011 on the Human Immunodeficiency Virus (HIV) with the team at the Université Pierre et Marie Curie at the Pitié-Salpêtrière hospital. The SCOR Corporate Foundation for Science has taken over the responsibility of some of these existing scientific research operations.

This regular dialogue with medical experts enables SCOR to anticipate the consequences of factors affecting the assessment of risks, and to monitor social, epidemiological, medical and therapeutic issues. For instance, in some countries the granting of loans may be subject to the availability of death or disability insurance cover that would be triggered in the event of death or disability. People who have suffered severe health conditions may not be in the position to find a cover that meets these requirements. As the results of the research undertaken by SCOR are translated into underwriting decisions and shared through various means with its clients, SCOR is able to develop tailored solutions that further expand insurability and allow people to fulfill their projects.

Ensuring fair treatment of personal data

Jurisdictions worldwide have continued to implement restrictions and regulations aimed at protecting the personal data of their citizens and residents.

In light of technological developments, the protection of personal data is a crucial component of the respect of basic rights, as illustrated in Article 8 of the Charter of the Fundamental Rights of the European Union.

Aside from personal data relating to its employees, SCOR's activities may lead to the processing of other personal data, which notably implies compliance with European Directive 2005/68/EC and with the French legislation on Data Protection and Freedoms Act.

On May 25, 2018, the European General Data Protection Regulation (GDPR) will come into force. Conscious of the major challenges involved in implementing this regulation, SCOR has been preparing for it for more than a year.

Given the nature of insurance and reinsurance, the impact of the GDPR on this sector is significant. As a global reinsurer, SCOR decided at a very early stage to anticipate these changes by taking a pragmatic approach. Thanks to the Group's knowledge of risk, which is at the heart of its business, SCOR is at the forefront of personal data protection.

To anticipate the new regulation, SCOR has launched an internal GDPR project structured around 7 major areas – 4 relating to legal and compliance matters, and 3 dealing with the enhancement of data protection. These are:

- an exhaustive personal data processing inventory
- privacy directives and risk assessment
- a data breach process
- contract assessment
- access control
- a retention/archiving strategy
- an encryption feasibility study

A Data Protection Officer (DPO), in charge of personal data protection, is appointed since 2011. The Group's four *Societas Europae* (SCOR SE, SCOR Global P&C SE, SCOR Global Life SE and SCOR Global Investments SE), have designated this DPO as an expert correspondent, both for the management team of SCOR in terms of its contact with the French Data Protection Authority (*Commission nationale de l'informatique et des libertés* or CNIL). This employee is responsible for the relations of the Group with the French Data Protection Authority, as well as for the implementation of data processing within the Group. The DPO independently monitors compliance with the law and is responsible for:

- providing information to, advising and making recommendations to those responsible for data processing
- updating a list of processed data and the accessibility of this list
- spreading a culture of data protection
- providing information to, advising and making recommendations to those responsible for data processing
- sounding any alarms as necessary
- mediation and coordination in terms of informing people of their rights regarding access, rectification and opposition.

Pursuant to the GDPR provisions, the Group Data Protection Officer will be notified to the relevant authority by May 25, 2018.

LABOR

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*

Principle 4: *Businesses should uphold the elimination of all forms of forced and compulsory labor.*

Principle 5: *Businesses should uphold the effective abolition of child labor;*

Principle 6: *Businesses should uphold the elimination of discrimination in respect of employment and occupation.*

SCOR's **Code of Conduct** stipulates that the company "is committed to providing a workplace environment that is free from physical hazards, all forms of discrimination and/or harassment based on gender, sexual orientation, race, religion, disability, or workers' or union representative mandates, and from any other abusive physical, verbal or visual conduct".

As a global company which firmly believes in **diversity** as a **real asset**, SCOR has based its Human Resources policy on global, harmonized and non-discriminatory policies in line with the principles set forth by the United Nations Global Compact. These policies consist of:

- a homogeneous and **global remuneration structure** that is identical throughout the world,
- **training and skills development** accessible to all employees, through SCOR University,
- encouragement of sectorial, functional and geographical **mobility**,
- **social dialogue** based on a global approach, including **employee representation on the Board** of Directors of SCOR SE, the parent company, by an employee elected.

This section of our "Communication on progress" illustrates how these policies are being embedded in **SCOR's daily operations and human resources management**, in particular with regard to **principles 3 and 6** of the United Nations Global Compact:

- freedom of association, right to collective bargaining, and employee engagement,
- diversity and equal opportunities,
- career and talent management.

Information regarding SCOR's approach to promote **principles 4 and 5** is provided in the section above with respect to the protection and promotion of human rights in the procurement chain. Most of the countries in which SCOR has its offices have high social standards and SCOR's workforce is highly qualified. Hence, the Group believes that when it comes to human resources management the risk our subsidiaries, branches and offices not to comply with these principles is very low.

Freedom of association, right to collective bargaining, and employee engagement

As a *Societas Europaea*, SCOR has set up a European committee covering all of its European subsidiaries and branches including the one located in Switzerland, corresponding to almost 60% of SCOR worldwide workforce. The SCOR Common European Companies Committee is made up of employee representatives from all of SCOR's European subsidiaries, who meet to exchange information concerning the Group, and to maintain an on-going dialogue between employees and the management.

The European Committee is regularly convened; 5 meetings were held in 2017 (2 in 2015 and 5 in 2014).

In addition to these meetings held at the European level, social dialogue takes place at local level too. In 2017, 72 meetings (55 in 2016 and 76 in 2015) were held with staff representatives (33 meetings in France, 1 meeting in Italy, 22 meetings in Switzerland, 12 meetings in Germany, 4 meetings in Sweden). The breakdown of the meetings by location held in previous years is available in our previous Communications on Progress.

5 collective agreements were signed (6 in 2016 and 9 in 2015) within the Group in 2017 (2 in France, 2 in Brazil, and 1 in Italy). The list of these collective agreements is available in appendix D of SCOR's 2017 reference document (section 1.3.2. *Social relations*, p. 306).

Although no collective agreement related to health and safety in the workplace was signed in 2017 –27 meetings (25 in 2016 and 15 in 2015) were held with the Group's staff representatives to discuss local health and safety conditions (7 meetings in France, 1 in Italy, 15 in Colombia, 2 in Brazil, 1 in Mexico and 1 in Germany).

In order to ensure that its employees are kept properly informed, SCOR has created a dedicated labor relations page on the company's intranet. On this page employees can find information relating to the Works Council and Health and Safety Committee meetings, collective bargaining and agreements. There is also a dedicated section for European labor relations and representatives. A specific page on the intranet is also devoted to the European committee.

Complementary to collective bargaining, **social dialogue** at SCOR encompasses other additional forms of involvement and cooperation with a view to ensuring continuous alignment between employees' aspirations, interests and well-being with the organization's own goals and values:

- In this respect, SCOR carries out every four to five years a **Global Employee Survey**, and has implemented a **global enterprise social network** where employees can share ideas, experience and expertise while breaking geographical boundaries to allow employees located far away to communicate. Employees can also take part in several different kinds of global consultation where they are invited to share their ideas about SCOR's future with the top management.
- SCOR's **employee shareholding policy** is also a mean to foster employee engagement and dialogue. This policy is based on the attribution of bonus shares and stock options in accordance with individual performance to a significant share of employees.

Diversity and equal opportunities

For several years now, SCOR has been pursuing a **gender diversity policy**. While gender diversity is expected by employees and constitutes a genuine social issue, it is also a veritable driver of **economic performance** and helps promote social responsibility, attracting staff and increasing staff loyalty.

This policy led to the implementation of several initiatives both on a global scale and locally. Some of the **local initiatives are publicized on the Group's intranet** homepage, available to all employees across the world, with a view to **spreading the message** across all the entities of the Group.

Although the focus is on gender diversity in this section of SCOR's Communication On Progress, the promotion of diversity at SCOR encompasses other themes such as **generational and cultural diversity**. Further information on these initiatives is available in appendix D of SCOR's 2017 reference document (section 1.3.5. *Diversity and equal opportunities*, pp. 308-310) published on SCOR's website.

Global initiatives

With a view to **facilitating access of female employees to management and key positions**, the Group pays particular attention to the number of women who are promoted to Partner within the Partnership program.

The Partnership program is a major tool for motivation and career management. Through this program, SCOR recognizes the role played by its employees occupying management and key positions, or positions

that have a specific impact on the results and the implementation of the Group's strategy. The Partnership also aims to recognize individual performance and involvement and is a way of retaining the Company's key talent and resources. The appointment and promotion of Partners is conducted in accordance with an annual procedure. Candidates must have regularly demonstrated their skills and their commitment, along with a high level of performance over several years.

Women accounted for 36% of the "Partner" nominations during the 2018 nominations process which took place at the end of 2017 (50% in 2016, 35% in 2015).

In November 2016 the Group signed **the Global Charter on Professional Equality between Women and Men**. This Charter extends to all of the Group's offices throughout the world the commitments taken at European level through the European Charter the Group has signed in 2015.

Through this Charter, SCOR undertakes to use all foreseeable means to promote professional equality, in order to **ensure equal opportunities** between Women and Men working in equivalent fields and similar functions with the same skills, experience, responsibilities, performance and education, **in the following priority areas:**

- recruitment and hiring,
- career development,
- access to the highest levels of responsibility,
- professional training,
- pay equity,
- work / life balance: through teleworking, by ensuring that absences related to maternity do not affect career development and salary.

The Global Charter on professional equality between Women and Men is promoted in the Group's intranet.

Other initiatives are undertaken by the Group to **advance gender equality and professional equality** on a global scale:

- **SIGN: The "SCOR International Gender Network"**, was launched on November 4th 2016 in Paris to promote gender diversity and women empowerment within the Group on a global scale. Sponsored by a Board member, SIGN fosters the implementation of a mentoring program and several workshops.

SIGN is organized into bureaus around the world so that educational events, meetings, mentoring and initiatives are handled at a local level. Employees are regularly informed of SIGN activities and achievements through a quarterly newsletter.

The network has now 200 members across the Group. Membership in SIGN is open to both male and female employees.

The SIGN Mentorship Program received more than 40 applications to join the program. 13 mentor-mentee duos have been selected. Drawing on the success of this mentorship program, SCOR has decided to expand this initiative through its inclusion in SCOR University (a description of SCOR University is provided below).

- Since 2016 SCOR organizes in all of its major locations a **Global Diversity Week** to promote diversity within the Group (following the Gender Diversity Day implemented in 2015). Through a both humoristic and pedagogical global campaign on cultural diversity awareness and local actions on a specific type of diversity (age, culture, gender...), the main objectives is to favor good working relationships.

Local initiatives

Besides the above-mentioned initiatives, concrete steps are also taken locally to promote gender diversity and equal opportunities between Women and Men. As an illustration, SCOR has been a partner of the **French Women in Insurance Awards** ("*Trophées de la Femme dans l'Assurance*") since 2014 with a view to highlighting SCOR's female talent both internally and externally. These awards were promoted on the Group's intranet. SCOR is also a member of the Financi'Elles network.

Other initiatives implemented locally are available in SCOR's 2017 reference document (pp. 308-309).

Career and talent management

Individual career management and the **development of employee skills** are major objectives of the Group's Human Resources policy and the "Vision in Action" strategic plan.

With a view to the development and permanent evolution of its employees, SCOR pays specific attention to mobility within the Group and has a policy of active individual career management through two major initiatives.

1. **Strategic Talent Workforce Reviews**: Identifying business needs and necessary skills and defining an individual development plan for each employee.

Launched in 2012, the Strategic Talent Workforce Reviews (STWRs) bring together the top management and the HR department of each Company department/division. The reviews are organized by activity and are divided into three stages:

- Review of the organizational structure and the challenges fixed over the medium term: This stage consists in discussing developments (projects, structure, etc.) that will have an impact on the business fields and organizational structure of the company. It also involves sharing business challenges and the associated HR needs. The objective of this stage is to enable managers to have the right talent in the right place, to determine the skills that need to be developed in order to keep up with changes, to maintain expertise and to prepare for future needs. By doing all of the above, these reviews help to identify individual needs in terms of training.
- Individual assessment of each employee: This stage consists in analyzing current skills and outlining potential career paths, and defining HR action plans (training, remuneration, professional development, etc.) with a view to providing suitable solutions for each employee in terms of career management and professional support and assistance, in accordance with their level of progress and performance within the company. The Group's talent and potential talent is reviewed during this stage.
- Validation of succession planning and departure anticipation plans: This part of the STWR enables the HR department to map employees and regularly update Key Positions requiring pre-determined succession planning.

2. SCOR University: Developing skills and preparing for future needs.

Created in 2013, SCOR University is designed to promote a global and dynamic approach to training, in tandem with the Group's strategic challenges and individual career management.

Thus, SCOR University is particularly committed to:

- Ensuring the constant development, of the knowledge, know-how and life skills necessary to advance business and adapt quickly to our environment, taking into consideration the needs expressed by the employees themselves;
- Adding value to a “business partner” between management and HR, which implies a single new global, common process based on the shared analysis of training needs;
- Aligning all of the training actions throughout the Group, ensuring global access to all training actions, while respecting cultural specificities and local practices.

SCOR University is committed to developing the expertise of its employees, to anchoring a managerial, leadership culture within the company, and to supporting and assisting change in order to achieve our ambitions and respond to changes in both the environment and our fields of business.

All of the Group's training initiatives are run under the aegis of SCOR University, with an accent on courses that actively bring together employees from different countries, reflecting our business and the global ambitions of our Group. In 2017, **56,301 training hours** were offered by the Group (The breakdown of training hours by hub in the previous years is available in our past Communication On Progress):

- 36,639 training hours (EUR 1,765,246) were provided in the EMEA hub,
- 7,663 training hours (SGD 470,810) were provided in the Asia-Pacific hub,
- 11,999 training hours (USD 440,429) were provided in the Americas hub,

In 2017, on average, approximately 20 hours of training were followed per employee.

Through SCOR University, SCOR offers all of its employees training facilities that are as varied as they are innovative, based around 3 pillars: Pillar 1 “Technical”, Pillar 2 “Management & Leadership” and Pillar 3 “Excellence”.

Pillar 1 – Technical: this pillar includes training programs based on the acquisition and development of practical skills and knowledge linked to the Group's strategic challenges and its expertise. These programs thus deal with subjects such as actuarial science, technical developments in the various business sectors, finance, claims, asset management, and so on. This pillar also includes programs on global themes like Solvency II, enterprise risk management, legal and regulatory training, foreign languages, and tools relating to projects rolled out within the Group. Most of the programs in this pillar are developed locally but are taught and shared on a global scale. Created in close collaboration with experts in the fields concerned, these programs rely, for the most part, on the expertise and strong involvement of internal trainers, who constitute a valuable conduit for the transmission of knowledge within SCOR.

Pillar 2 – Management & Leadership: the programs in Pillar 2 deal with managerial, methodological and strategic aspects, as well as with project steering and change. Providing the same level of training throughout the Group, these programs help not just to strengthen know-how and interpersonal skills, but also to construct and share common values. For example:

- Mastering the basics of management, including how to conduct Annual Appraisal and Development Interviews (ADI),
- Supporting and assisting the development of teams;
- Steering teams remotely and managing multicultural teams;
- Preventing discrimination and managing diversity;

- Mastering the basics of project management (including the SCOR methodologies developed to ensure the smooth running of project management within the company).

Within this pillar, SCOR has developed leadership program (the “Global leadership program”, and the “Stepping up leadership program”). The Group is to launch a pilot regional leadership program in 2018.

Pillar 3 – Excellence: pillar 3 ensures high-level support for the Group’s identified talent and potential talent. It notably includes training programs leading to qualifications and diplomas, as well as individual, “tailor-made” facilities such as coaching and assessment. These programs are established in partnership with internationally renowned schools and universities. They are closely linked to the identification and monitoring of talent and high potential employees during the Strategic Talent Workforce Reviews (STWR).

ENVIRONMENT

Principle 7: *Businesses should support a precautionary approach to environmental challenges;*

Principle 8: *Businesses should undertake initiatives to promote greater environmental policy;*

Principle 9: *Businesses should encourage the development and diffusion of environmentally friendly technologies.*

SCOR's environmental approach is guided by its Climate policy. Adopted in 2017, this policy draws on the international initiatives to which SCOR has been adhering for many years as regards the environment and the fight against climate change. A signatory to the United Nations Global Compact (2003) and the Kyoto Protocol (2009) under the aegis of the Geneva Association, SCOR is also a founding member of the Principles for Sustainable Insurance (2012). Similarly, the Group is a signatory of more recent initiatives and statements such as the "United for Resilience statement" (2015), the "French Business Climate Pledge" (2015, 2017) and the "Decarbonize Europe Manifesto" (2017).

The Group's Climate policy sets out the main components of SCOR's "low-carbon" strategy, as well as its objectives. It identifies the means to achieve them and specifies the Group's organization in order to ensure proper implementation. The Group's Climate policy also outlines the level of actions that contribute to address climate change:

- climate risk management: it notably draws on (i) the promotion of climate-related risk management research and (ii) the development of solutions contributing to climate change adaptation and mitigation;
- the environmental impact of operational processes: the measures taken aim notably to reduce the carbon intensity stemming from office management, control business travel, and implement a carbon offsetting program;
- targeted sectoral exclusions: the sectors from which the Group has announced its withdrawal, or a strengthening of its selection criteria are outlined in these guidelines.

Climate risk management

Fostering research initiatives in the area of climate risk management

Climate risk management research, notably in terms of climate risk modelling techniques and climate risk transfer mechanisms, contributes to a better understanding of climate change challenges and adaptation. In this respect, SCOR provides institutional and financial support to targeted institutions involved in the aforementioned areas whilst enhancing its own tools and expertise.

This institutional commitment to climate change adaptation is backed at the highest level of the Group. SCOR's Chairman and Chief Executive Officer has co-chaired the Geneva Association's Extreme Events and Climate Risks working group since May 2015 and is a member of the steering committee of the Insurance Development Forum, which is an organization dedicated to climate resilience enhancement.

Moreover, SCOR is one of the earliest supporters of OASIS, a British non-profit organization developing an open source platform for the modeling climate events. The Group has also partnered with Climate-KIC, one of the largest public-private partnerships designed to combat climate change.

The SCOR's Corporate Foundation for Science also promotes climate-related research. Since 2015, the Foundation has organized two scientific climate seminars which brought together international experts representing different disciplines. The last one on "*how will risk modeling shape the future of risk transfer?*" took place on March 9, 2017. The Foundation has also decided to support a research project on the

exposure of coastal zones under different sea-level-rise scenario and its implications in terms of adaptation strategy.

Beyond its institutional commitment and the continuous enhancement of its own natural catastrophe modelling tools, SCOR embeds climate-related risk management considerations in its ESG report on investments. Drawing on its expertise, the Group assesses the potential physical climate-related risks to which its investments in real-estate, infrastructure loans and real-estate loans are exposed. Transition risks induced by climate change are also another area of investigation for which the Group explores several different risk metrics on a large portion of its investment portfolio. Further information is available in the ESG report on investments, prepared in compliance with Article 173 of the French law on energy transition for green growth, and published on the Group's website.

Developing adaptation and mitigation solutions

At their own scale, the Group's operational divisions, contributes to the development of climate change adaptation and mitigation solutions in their core activities.

Through the provision of a wide range of cover, and its risk rating and pricing function, the re/insurance industry plays a significant role in improving societies' climate resilience and it is amongst the solutions to climate change adaptation. Indeed, natural catastrophes are a key risk in SCOR's Property and Casualty business. SCOR provides effective reinsurance protection against natural catastrophes which creates significant benefits for Society particularly at a time of increased extreme events partly driven by climate change. Furthermore, it contributes on its own level to climate change mitigation policies, through providing reinsurance coverage to projects participating in the energy transition and developing related expertise.

The Group's investment activities also contribute to the fight against climate change and to the energy transition. In the context of its strategic plan "Vision in Action" (2016-2019), SCOR reaffirmed its commitment to finance the energy transition through an additional investment of up to EUR 500 million in renewable energy sources and energy-efficient buildings. Moreover, SCOR is involved in strategies for adapting to climate change through its asset-management company, which is a signatory of the Principles for Responsible Investment (PRI). This company designs, trades and invests in financial products that provide capacities for the coverage of natural catastrophes (in the form of "Cat bonds" and "Insurance Linked Securities"). The marketing of real-estate and infrastructure debt funds in which environmental considerations are embedded contributes to the transition to a low-carbon economy. By way of illustration, the SCOR Infrastructure Loans III fund, launched in November 2017, has been awarded the EETC label ("Energy and Ecological Transition for Climate"). Launched in 2015 by the French Ministry of Environment, Energy and Marine Affairs, this label guarantees that a fund invests most of its assets in environmentally-friendly activities and that it excludes nuclear and fossil fuel businesses as well as companies involved in controversial environmental or social practices.

As of end of 2017, the Green share of the Group's investment portfolio reached 6.5%.

Further information is available in the ESG report on investments, prepared in compliance with Article 173 of the French law on energy transition for green growth, and published on the Group's website.

Environmental impact of operational processes

Although reinsurance is not an industrial activity with a significant impact on the environment, SCOR strives to manage the environmental impact stemming from its operational processes, among which are office management, business travel and to a lesser extent office equipment.

To do so, the Group focuses on the following areas:

- environmental quality of offices and certification: SCOR not only integrates environmental considerations in its projects of extension or relocation but it also promotes an eco-friendly management of its office premises through the implementation of environmental management systems where feasible. This approach is gradually expanding to office premises in which the Group is a tenant. As of end of 2017, 65% of the surface area occupied by SCOR's workforce is covered by a certified environmental management system (LEED, BREEAM, HQE).
- energy consumption management, and renewable energy use: most of the energy consumed by the Group's sites comes from electricity (67%). The share of renewable energies has significantly increased in 2017, thanks notably to the Paris office's shift to a 100% renewable energy supply of electricity. They now account for 67% of electricity purchases in 2017 whereas this share was 31% in 2015.
- waste management and water consumption: SCOR has implemented proportionate processes both in terms of reduction and recovery of its waste production on its main locations. In this respect, SCOR selectively monitors its waste, particularly the most toxic products for the environment (electronic and computer waste, batteries, ink cartridges and toners, etc.). The production of paper and cardboard waste is also monitored and consolidated throughout the Group, although the reinsurance industry uses less paper than the insurance industry due to less desktop publishing. SCOR is also particularly attentive to the type of paper the organization purchases; as of end of 2017, recycled paper and paper carrying the FSC or PEFC label represented around 84% of paper products purchases.
- greenhouse gas emissions and voluntary offsetting: as part of the French Business Climate Pledge signed in November 2017, SCOR maintained its objective of reducing its carbon intensity by 15% per employee for 2020 on the first two scopes of the GHG protocol. While this goal has already been overachieved as of end of 2017 with a 26% reduction in the carbon intensity of its offices and own vehicles fleet per employee, SCOR pledges to maintain and expand its carbon reduction efforts. Moreover, whilst the Group strives to actively manage business travel emissions, a pilot offsetting program has been launched in 2017 on part of these emissions. This program includes the purchase of certified carbon credits originating from agroforestry projects. To involve the whole Group in this initiative, two proposed forest protection projects, one in Zimbabwe and one in Peru, were submitted to a vote by SCOR employees throughout the world. In the end both projects received a similar number of votes and they were both selected.

Targeted sectoral exclusions

In the frame of the French Business Climate Pledge signed in November 2017, SCOR has confirmed the previously announced development of a coal policy in its underwriting activities as well as a strengthening of the commitments taken with respect to its investments in 2015. These policies set out the frame in which the Group proceeds to targeted exclusion in the coal-related industry.

Guidelines applying to underwriting activities

In the Group's underwriting activities, the Group has committed not to issue insurance or facultative reinsurance that would specifically encourage new greenfield thermal coal mines or stand-alone lignite mines or plants.

Moreover, in order to reinforce its selection process of all its other projects, the P&C division has decided to implement an internal scrutiny process that helps evaluate environmental, social and governance practices in the coal-intensive industry.

Guidelines applying to investment activities

The Group, which in 2015 had divested from companies that derive more than 50% of their turnover from thermal coal, as part of the first French Business Climate Pledge, whilst pledging not to make any new future investment in these companies, lowered this threshold to 30% in 2017. This initiative applies to SCOR's Invested Assets portfolio, which includes corporate bonds, equities, loans (including infrastructure loans), real estate and other investments.

On April 2018, SCOR reaffirmed its commitment to helping manage climate risk. SCOR announced the Group would be expanding its coal divestment strategy based on the Global Coal Exit List (GCEL). The Group currently holds no investments in the GCEL top 120 plant developers and has pledged to make no future investments in these companies.

ANTI-CORRUPTION

Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery*

SCOR conducts its business in a manner reflecting a high degree of integrity, professionalism and responsibility. SCOR is a member of the United Nations Global Compact and is in line with its principles, and particularly with its 10th principle concerning the fight against corruption.

SCOR's Code of Conduct, which was updated in 2017 to comply with the Sapin II law (Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the moralization of economic life), forbids all forms of bribery or intimidation, in France and in other countries, in both private and public sectors. The breadth and scope of the anti-bribery program has also been reexamined, so as to comply with the requirements of this new law (policy update, risk mapping and preparation of awareness measures).

The Group has implemented a zero-tolerance anti-bribery policy, providing guidance on banned activities, key principles and requirements regarding (i) gifts, hospitality and entertainment, (ii) dealing with business partners, (iii) interacting with public officials, (iv) charitable and political contributions and sponsorships, (v) payments and financial controls (management of expenditures, payments and authorizations), (vi) illegal facilitation payments.

The policy identifies special situations that need careful attention, indicating that the legal and compliance department must be contacted in case such situations are identified. The policy also outlines the roles and responsibilities of SCOR's control functions to combat bribery.

SCOR maintains other relevant Group policies and guidelines supporting the Group policy on Anti-bribery, including anti-fraud policy, policy on conflicts of interest, anti-money laundering & combating terrorism financing guidelines, guidelines on reporting concerns and further operational Group policies and guidelines such as the management expenses policy, and travel policy.

The Group compliance framework is regularly updated to reflect new regulatory and statutory provisions or other trend developments over time.

Since 2013, the Group has had a Compliance Policy, annually reviewed, summarizing SCOR's compliance approach. The Policy, which focuses on measures to prevent, detect and respond to the risk of non-compliance, consolidates the overarching principles, tools and processes stated in the Group Compliance Policies and Guidelines and also contributes to the Group's efforts towards a more formalized/documented approach which regulators and others increasingly require. The Policy also contributes to the efficient coordination of compliance activities between the Group, its Hubs and locations as it documents current practices on interactions and reporting processes of Group, Hub and local compliance functions.

In order to ensure proper dissemination of other compliance requirements (e.g. anti-fraud, anti-bribery, anti-money laundering and sanctions & embargoes compliance, anti-trust/competition law) among SCOR employees, as well as to keep them informed about the latest development on those issues, training sessions addressed to the underwriting, claims handling and technical accounting departments are regularly held across Hubs.