

Chairman and Chief Executive Officer

United Nations  
Global Compact Office  
New-York, NY 10017  
United States of America

**SCOR**

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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 2018 Activity and CSR report and in the non-financial performance declaration attached to SCOR's reference document, where additional information is also available, notably with regard to our involvement in several research activities.

Yours faithfully



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.*

Although SCOR believes that the primary responsibility for human rights lies with States and their governments, the Group fully acknowledges the wider society's increasing expectation that businesses should play a significant role in the protection and promotion of internationally recognized human rights standards.

As a signatory of the United Nations Global Compact, SCOR addresses human rights issues in relation to its employees, the management of privacy, and its supply chain management. In terms of human rights promotion, ensuring ethical business conduct and harnessing the social value of the Group's products and services can, by way of extension, indirectly help to broaden access to basic rights. In this respect, SCOR strives to make its own contribution to pushing back the frontiers of insurability, bridging the protection gap, and supporting healthy lifestyles among the Group's insured clients.

**Ensuring fair treatment of personal data**

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.

The General Data Protection Regulation (GDPR) (EU 2016/679) of April 27, 2016 has been in force since May 25, 2018 and constitutes the overarching regulation on Data Protection in Europe, with the objective of making companies accountable for their processing of Personal Data. Although the GDPR is general and does not specifically relate to reinsurance, it has an impact on SCOR's data processing activities.

Apart from the processing of personal data relating to its employees, SCOR's activities may lead to the processing of other personal data, which in particular implies compliance with the regulation on personal Data protection and privacy, which is an essential component of SCOR's activities. The Code of Conduct defines the most important principles related to the respect of personal Data and privacy, which are mandatory for all employees.

In 2018, the Group completed a project<sup>1</sup> designed to comply with the requirements of the GDPR, which has led to the implementation of several organizational and technical measures.

*Appointing a Data Protection Officer*

In accordance with the General Data Protection Regulation, the Group has appointed a Data Protection Officer (DPO) who is in charge of maintaining and building the overall compliance structure put in place. This DPO works with compliance officers, legal counsels and IT Security teams worldwide.

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

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<sup>1</sup> This internal GDPR project was structured around 7 major areas – 4 relating to legal and compliance matters, and 3 dealing with the enhancement of data protection. These were: (i) an exhaustive personal data processing inventory, (ii) privacy directives and risk assessment, (iii) a data breach process, (iv) contract assessment, (v) access control, (vi) a retention/archiving strategy, (vii) an encryption feasibility study

- providing information to, advising and making recommendations to those responsible for data processing
- sounding any alarms as necessary
- acting as a mediator and coordinator and informing people of their rights regarding access, rectification and opposition.

Formalizing a set of data privacy and protection guidelines and procedures

SCOR maintains multiple guidelines and policies that relate to or impact some aspects of data privacy and/or protection:

- Group Data Protection Guidelines, which set out the minimum standards applicable within the Group when processing Personal Data;
- Group Data Breach Response Guidelines, which provide the Group's employees with the necessary information on the steps to be taken if a data breach occurs, from its discovery to its notification to a data protection authority;
- Group Information Security Control Procedure, which defines the security rules to be enforced in all of SCOR's activities, and a Group Information Security Policy, which notably defines the governance of IT security.

These documents are the responsibility of the Group Data Protection Officer, the Group Chief Compliance Officer and the Group Chief Information Officer, respectively. They are maintained and updated pursuant to SCOR's internal procedures and define the mandatory rules applicable to all employees across the Group.

In addition, data leakage prevention measures were implemented within the Group in the first half of 2019 to strengthen the Data Protection Guidelines and to meet the expectations of our stakeholders and clients.

Accompanying the digital transformation

SCOR seamlessly invests in the development of its employees and their expertise to ensure that the Group is able to seize new opportunities in a sustainable way. In this respect, drawing on the success of its SCOR University concept, the Group has created a Digital Academy. With the ultimate goal of enhancing employees' knowledge on digital topics, this academy has three objectives: to leverage the capabilities provided by collaborative and mobility tools in terms of increasing productivity, to develop the digital culture linked to emerging trends, new methodologies and their impact on the wider-society and the insurance industry, and to acquire digital expertise and new skills.

As part of this global training program, the Group's employees have been invited to take digital training courses on data privacy and cybersecurity through the Group's e-learning facility, to further raise awareness on security issues. With regard to cybersecurity training, the IT Security team provides a mandatory annual training course, which is updated each year with new topics, and since early 2019 has provided a quarterly phishing exercise that specifically addresses the increasing threat of such attacks.

In addition to this training, the Group has embedded data privacy and GDPR in its legal and compliance training program, which is conducted across the Group's Hubs. This program consists of regular classroom training sessions conducted by legal and compliance professionals worldwide. During these sessions, employees are trained on data protection obligations, particularly those stemming from the GDPR. These training sessions are practical and include case studies to help employees identify potential issues that may arise during their activities, along with the proper way to resolve these.

### Managing human rights in the supply chain

The reinsurance business is a highly regulated, business-to-business financial services industry. It requires significant capital resources, and utilizes a highly skilled and educated workforce. Most aspects of the reinsurance business<sup>2</sup> are performed with the Group's internal resources. Other suppliers are limited to the provision of business services (e.g. office facilities, information technology, office supplies, etc.). As such, SCOR does not have a "supply chain" in the same manner as a manufacturing or construction entity and believes there is a low risk of human rights abuse, particularly slavery and human trafficking, in its supply chain.

However, acknowledging the growing expectation that businesses should uphold internationally recognized human rights standards within their supply chains, SCOR has issued a Statement on Slavery and Human Trafficking pursuant to the "United Kingdom Modern Slavery Act". Although not all SCOR companies are subject to this Act, this Statement was issued by SCOR SE as the Group's parent company to demonstrate SCOR's group-wide commitment to human rights and ethical behavior in the supply chain. This statement is posted on the Group's website and is reviewed annually and updated as required.

This statement is accompanied by a set of proportionate measures starting with the Group's Code of Conduct, which includes a Human Rights section that clearly and unambiguously states that SCOR has no tolerance for any form of human abuse, servitude, forced labor, compulsory labor, human trafficking or slavery. The Group also has an outsourcing policy, a sustainable charter whose scope will expand in the future, and communication channels that enable employees to report any suspected or actual act that violates applicable laws and regulations. These communication channels were enhanced in early 2019 with the implementation of a web-based tool that enables employees to report concerns, anonymously or otherwise, via SCOR's internal intranet portal and also on SCOR's external website.

### Helping to broaden access to basic rights

Among 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 vulnerable and/or underserved people, and thereby providing the financial relief needed after an insured event, may help to secure a sustainable economic environment and the basic needs that are indispensable to the free development of each individual's personality.

#### Bringing insurance to low income and vulnerable populations

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

- Financing: SCOR was an early investor in Leapfrog, a pioneering Private Equity fund in the Microinsurance field. In addition to the investment returns, this partnership gives SCOR access to Leapfrog's Microinsurance business network in Africa and Asia (more information on this initiative is available on Leapfrog's website);
- Capacity provider: for traditional insurance, SCOR provides capacity to specialized microinsurance companies, general insurers, and state-sponsored programs. 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;

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<sup>2</sup> However, some aspects of producing, evaluating and managing reinsurance business may be performed by collaborative business partners. In many instances these collaborative business partners are also regulated entities, however in all instances they utilize an educated and skilled workforce like the Group's staff.

- Scheme designer: in some circumstances, SCOR not only provides reinsurance capacity but also partners with international or local institutions in order to set up innovative schemes, notably in the agricultural risk transfer field where SCOR has demonstrated its expertise in alternative transfer schemes.

The Group is active in several industry forums that specifically reflect on practical solutions to bridge the protection gaps in most countries around the world, with an acute gap in vulnerable countries. SCOR's Chairman and CEO is a member of the steering committee of the Insurance Development Forum, an institution that brings the United Nations, the World Bank and several other international bodies together with the (re)insurance industry. SCOR is also a member of InsuResilience (The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions), an initiative more specifically designed to bring insurance solutions to the most economically vulnerable populations.

A recent illustration of SCOR's commitment to increasing (re)insurance access for economically vulnerable populations and/or countries in the context of global warming is the Group's involvement in a satellite Index Insurance product for farmers in Ethiopia. This product uses state-of-the-art technology to help build drought resilience in poor farmer households. It has some unique features, including providing livestock Asset Protection insurance with the objective of keeping core breeding animals alive during major droughts. Under this project, initiated by the World Food Programme (WFP) SCOR not only provides reinsurance support but also provides technical support for model validation and program pricing.

SCOR also joined the Philippine program for covering typhoons and earthquakes in 2018. The program includes covering national and local government assets, such as primary and secondary schools.

In addition, the Group is also involved in adaptation strategies via its asset management subsidiary, a signatory of the Principles of Responsible Investment (PRI), by creating, distributing and investing in financial products to cover natural catastrophes (cat bonds and insurance-linked securities).

*Developing tailored solutions for people with severe health conditions and harnessing technologies to empower healthier and safer lives*

SCOR also helps to broaden access to basic human rights through the development of solutions addressing the needs of vulnerable populations. Over the past few years, the Group's Life division, in partnership with its clients, has been developing products and solutions tailored to local needs. Examples include full Life insurance for HIV-positive customers (South Africa), the development of insurance coverage for cancer survivors in Hong-Kong, and an innovative solution in Spain providing coverage for newborns with congenital conditions such as Down's Syndrome within a family coverage offering. This last product was developed in close collaboration with a Spanish insurer and involved in-depth R&D on congenital illnesses to push back the frontiers of insurability.

Such meaningful products, specifically created for causes that matter, draw on the experience and expertise the Group is nurturing within its life R&D centers and its partnerships with the world of medical research (cardiovascular risks, Alzheimer's disease, etc.).<sup>3</sup> As the results of the primary research undertaken by SCOR are translated into underwriting and pricing decisions, and shared through various means with its clients, SCOR is able to develop tailored solutions that further expand insurability, and enable people to fulfill their projects.

Empowering healthier and safer lives also contributes to securing a sustainable economic environment. Recent examples of such solutions include (i) the development of the Biological Age Model, which not only continuously assesses how one is living, but also empowers and coaches individuals to make the right choices to live healthier lives, (ii) a partnership with iBeat to increase survival rates in case of cardiac arrest

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<sup>3</sup> Further information on the Group's life R&D activities in SCOR's 2018 registration document are available on the Group's website,

in the US, and (iii) the development of a digital offer for diabetes management with the consumer engagement app Health2Sync in Hong-Kong.

**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** (employer value campaign and communication tools)
- **social dialogue** based on a global approach, including **employee representation on the Board** of Directors of SCOR SE, the parent company, by two elected employees.

Publicized and promoted to employees, particularly during the annual Global Diversity & Inclusion Week, the diversity policy is part of the #WorkingWellTogether program launched in 2018, whose main focus areas are aligned with the Code of Conduct: #Gender diversity, #GenerationalDiversity, #Multicultural, #EmployeesWithDisabilities, #Wellbeing.

As part of this program, the Group implemented a set of events and initiatives in 2018 to raise awareness with regard to employee inclusion. The objective was to promote diversity and inclusion in all its forms, and to encourage a global culture and good working relationships.

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 promoting **principles 4 and 5** is provided in the section above with respect to the protection and promotion of human rights in the supply 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 of our subsidiaries, branches and offices not complying with these principles is insignificant.

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

SCOR's ambition is to establish a coherent and harmonized social dialogue aimed at sharing the Group's main principles with all employees.

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's global

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 convened regularly; 5 meetings were held in 2018 (5 in 2017).

In addition to these meetings held at the European level, social dialogue also takes place at local level. In 2018, 78 meetings (72 in 2017, 55 in 2016) were held with employee representatives (31 meetings in France, 1 meeting in Italy, 22 meetings in Switzerland, 12 meetings in Germany, 4 meetings in Sweden, 8 meetings in Brazil). The breakdown of the meetings by location held in previous years is available in our previous Communications on Progress.

**7 collective agreements were signed** (5 in 2017, 6 in 2016) within the Group in 2018 (4 in France, 2 in Brazil, and 1 in Italy). The list of these collective agreements is available in appendix D of SCOR's 2018 reference document (section 2.1.4. *Developing social dialogue*).

Although no collective agreement related to health and safety in the workplace was signed in 2018 – 22 meetings (27 in 2017, 25 in 2016) were held with the Group's employee representatives to discuss local health and safety conditions (7 meetings in France, 3 in Switzerland, 9 in Colombia, 2 in Brazil, 1 in Mexico).

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.

Complementing 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 and the organization's own goals and values:

- In this respect, SCOR periodically conducts 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 means of fostering 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 to promote social responsibility, attracting employees and increasing employee loyalty.

This policy has 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** and the **integration of employees with disabilities**.



With a view to **facilitating the access of female employees to management and key positions**, the Group pays 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 58% of the "Partner" nominations during the 2019 nominations process** which took place at the end of 2018 (36% in 201, 50% in 2016). 29% of the partners are women.

In November 2016 the Group signed **the Global Charter on Professional Equality between Women and Men**. This Charter extends to all the Group's offices throughout the world and extends the commitments made at European level through the European Charter signed by the Group 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 on the Group's intranet.

In 2018, other initiatives were undertaken by the Group to **advance gender equality and professional equality** on a global scale:

- Review of a **roadmap for gender diversity and equal treatment**: the Group Head of Human Capital & Transformation presented the Corporate Social and Societal Responsibility and Environmental Sustainability committee with an overview of the results achieved in terms of diversity. As part of this presentation, the committee was also informed of the Group's strategy to enhance its female talent pool and to further build a working environment that would facilitate women's access to managerial positions. This roadmap is supported by existing recruitment and talent management policies and processes that contribute to creating an inclusive workplace free of discrimination. It draws on proactive principles in terms of salary increase, performance assessment, promotion within the partners program, and the identification of employees with high potential during the Strategic Talent Workforce Reviews.
- Furthering the contribution made by **SIGN** (SCOR International Gender Network) to the promotion of diversity across the Group: launched in 2016 and led by a mixed-gender network of volunteer employees, SIGN is an internal network that organizes global and regional events and activities designed to promote gender diversity.
- Development of a pilot **mentoring program**: this development program for high-potential employees, based on an individual mentoring, was launched in 2017, developed in 2018 and proposed to 14 women. The positive feedback received led to this program being integrated into the action plan proposed by the Human Resources department and extended to the Group's male population.

- Collective **agreements**, regional **networks** and local **events**: signing of an agreement on the quality of life at work, including equal treatment between women and men (Paris); joining The Women's Insurance Network (London); partnership with "Advance" to increase the share of women in leading positions (Zurich); organization of a lunchtime talk with the Group General Secretary to discuss the role of women in leading positions (Singapore).

Initiatives were also implemented in 2018 to facilitate the **integration of employees with disabilities**. In an incentivizing regulatory environment, SCOR intends to scale up its support for the employment of disabled people. The Group aims to communicate better on disabilities in order to change biased attitudes, to inform this group of employees about their rights and to provide them with the tools and solutions to ensure their full integration and retention. Examples of initiatives taken in this respect in 2018 are:

- Participation in the French governmental initiative "DuoDay" on April 26, 2018.
- Promotion of disability as an integral part of diversity through the Global Diversity Week, to facilitate the integration of employees with disabilities.
- Participation in the "Officiel du Handicap" event (a unique national initiative involving high-level public authorities, companies and associations) organized by "Mission Handicap" (a French organization promoting the employment of people with disabilities).
- First "Semaine du handicap" event organized in 2018 in Paris. An internal communication campaign enhanced employees' knowledge on the inclusion of employees with disabilities.

Finally, initiatives were implemented in 2018 to develop **cultural and generational diversity**. With 65 nationalities and substantial cultural differences, the Group pays close attention to the conditions necessary for collaborative work, to the integration of new employees, and to supporting the older and more junior employees in the company. SCOR's aim in this regard is to accelerate the integration of newcomers, to encourage improved global cooperation and knowledge sharing, to offer new development opportunities for older employees and to improve the visibility of young employees.

- Non-discriminatory measures for older employees have been applied in certain locations, especially in Paris where an agreement on non-discrimination and equal treatment of employees was renewed for the 2017-2019 period. Other non-discriminatory measures for older employees relate to recruitment and job retention, career planning, and skills management.
- Personal coaching and support for older employees are also in place, along with a pension scheme tailored to the employee's personal situation (Cologne).
- Promotion of cultural differences in the United States ("Color My World: Costumes from around the world"). In Australia, China and Japan, webinars were organized to raise awareness of cultural differences. In France, employees were invited to express their feelings about diversity during a painting and writing workshop. In the United-Kingdom, a conference presented the evolution of LGBT issues in the insurance market in coordination with LINK (Lesbian, Gay, Bisexual, Transgender Network).

## Career and talent management

The development of expertise, knowledge and career paths plays a key role in employee motivation and wellbeing, and in the performance of the Group. In this regard, a whole range of facilities has been implemented to support and assist employees in their professional development. **This skills development objective resulted in the training of nearly 98.5% of employees in 2018.**

To ensure 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, implemented through two major components of SCOR's talent management system.

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

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.

**85% employees were covered by strategic talent workforce reviews in 2018** and succession plans were defined for both (N-1) COMEX members (93%), and (N-2) COMEX members (58%).

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

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" relationship between management and HR – a single global 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.

- In 2018, on average, approximately 17 hours of training were given per employee (including e-learning programs).
- Training represents a cost of almost EUR 1.95 million in 2018 (including e-learning programs).

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 **global and regional leadership programs**, the “Global leadership program”, the “Stepping up to Leadership” program and “Aspire”, which are all designed to equip our employees with the skills they need to successfully perform their current roles and accelerate their future development within the Group. ).

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).

(Re)insurance companies are in a unique position to help protect society and the real economy from risks relating to climate change, and to support society in its transition and adaptation to new energy sources.

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. It focuses on holistic, integrated risk management, developing solutions contributing to climate change adaptation and mitigation, drawing up business segment guidelines, reducing the carbon intensity of operational processes and offsetting carbon emissions from business trips.

The monitoring of issues related to the broader Group's environmental strategy (e.g. climate change, biodiversity loss, world heritage sites) is embedded in SCOR's system of governance through a dedicated Corporate Social and Societal Responsibility Committee attached to the Board of Directors of SCOR SE, as well as through a similar committee at the Group Executive Committee level. Within the latter, the Group Chief Operating Officer is the sponsor and the ultimate person responsible for overseeing the implementation of the climate policy.

At an operational level, the climate policy is coordinated and monitored by the Group General Secretary through the Head of CSR.

**Holistic and integrated risk management**

*Institutional commitment, supporting research into risk modeling*

Climate risk management research, notably in terms of climate risk modeling 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 also is a member of the steering committee of the Insurance Development Forum, an institution that brings the United Nations, the World Bank and several other international bodies together with the (re)insurance industry. SCOR is also a member of InsuResilience (The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions), an initiative more specifically designed to bring insurance solutions to the most economically vulnerable populations.

Moreover, SCOR was one of the earliest supporters of OASIS, a British non-profit organization developing an open source platform for the modeling of climate events. The Group has also partnered with Climate-KIC, one of the largest public-private partnerships designed to combat climate change. Through this partnership, at the beginning of 2018 SCOR launched a feasibility study on the modeling of fire risk for property insurance and on how to reduce this risk in a broader risk context.

SCOR's Corporate Foundation for Science also promotes climate-related research and modeling. Since 2015, the Foundation has organized two scientific climate seminars which have brought together international experts representing different disciplines. The last one, titled "How will risk modeling shape the future of risk transfer?" took place on March 9, 2017. The Foundation also supports a research project on the exposure of coastal zones under different sea-level-rise scenarios.

The Group regularly makes its expertise in risk management and managing the impact of climate change available to the financial marketplace and public policymakers, in order to help to draw up methodologies offering insurance and reinsurance operators a better understanding of the challenges relating to combating climate change. In 2018, SCOR took part in various working groups at the Fédération Française de l'Assurance and was selected to join the Technical Group of Experts on Sustainable Finance set up under the aegis of the European Commission. SCOR's experts are also involved in other forums developing climate change disclosure principles (e.g. chairing the EFRAG European Lab project task force on climate-related reporting) and ways to model climate change risks and further integrate them into the insurance prudential framework (e.g. EIOPA Technical Expert Network on Catastrophe Risks).

#### *Assessing the impact of the investment portfolio on the climate*

SCOR makes a quantitative assessment of the risks of its portfolio concerning the environment by means of two main metrics: the carbon footprint and alignment of the asset portfolio with the 2°C Scenario. However, the methodologies used by the service providers in charge of these calculations are not yet standardized, which limits the significance of the results.

Moreover, the carbon footprint is only an indicator at a given time. It provides little information on the approach or commitment of issuers with regard to climate risk, or on how SCOR can efficiently manage its assets with regard to risks related to greenhouse gas emissions.

Carbon intensity is defined as the ratio of total CO<sub>2</sub> emissions to GDP for states and to turnover for companies. It is calculated excluding real estate debt, infrastructure debt and direct real estate. This data reflects the impact of the issuing company's positioning on the environment. The carbon intensity per million euros invested was 285 tons at the end of 2018, up by 14% compared to the end of 2017. The calculation covers 89% of the Group's portfolio at the end of 2018

The ratio of total CO<sub>2</sub> emissions to the amount of investments made by SCOR (tons of CO<sub>2</sub> equivalent per EUR million invested) reflects the impact of SCOR's portfolio on the environment and depends directly on the investment strategy pursued. This metric is included in the ESG investment report, which is available on the Group's website.

#### *The physical and transition risks relating to climate change*

SCOR analyzes "acute" physical risks which could affect its portfolio of real estate debt, infrastructure debt and direct real estate investments. Acute physical risks are defined as risks related to events such as natural catastrophes, which include extreme weather phenomena such as cyclones, hurricanes and floods. The physical risks are analyzed using SCOR's internal model for simulating natural catastrophes. Based on scenarios validated by the Group's modeling teams, this model estimates potential losses from natural

catastrophes. In this respect, the fact that the bulk of the investments are located in France affords reasonable protection against physical risk.

In its P&C activities, the Group protects itself against the “acute” physical risks to which the company is exposed through its global capital shield strategy. For this, the Group uses primarily traditional retrocession, capital market solutions, a solvency buffer and a contingent capital facility.

In addition, the natural catastrophe modeling teams within the Group’s P&C division try to factor the latest usable scientific knowledge into the models they use. The natural catastrophe modeling tools used by the P&C division to assess insurance risks take account of climate risk both implicitly (for example, claims activity is used as the basis for calibrating models) and explicitly (for example, using current estimates of the increase in sea levels to assess the risk of coastal flooding rather than long-term averages).

The Group also makes a quantitative measurement of its transition risk exposure that may affect its asset portfolio. Drawing on the work of Moody’s Investor Service, SCOR has identified the sectors most exposed to transition risk depending on different investment horizons, and quantified the risk depending on the maturity of the securities held.

### **Support with mitigation and adaptation**

On their own scale, the Group’s operational divisions contribute to the development of climate change adaptation and mitigation solutions in their respective core activities.

#### *Climate change mitigation*

By developing expertise linked to the coverage of projects supporting the energy transition, reinsurance activities contribute to mitigation policies. In this regard, the Group’s P&C division launched a specific initiative in 2018 on the underwriting of renewable energies, in order to identify reinsurance needs for each market and define its underwriting policy in this area.

In the area of investments, on the publication of its “Vision in Action” 2016-2019 strategic plan, SCOR reaffirmed its commitment to financing the energy transition through additional investments of up to EUR 500 million in renewable energy sources and energy-efficient buildings. SCOR intends to fully exercise its responsibility as an institutional investor while also making its portfolio more resilient.

The Group takes a proactive approach to the environmental certification of its real estate investment portfolio. In addition to office buildings acquired for SCOR’s own use (see below), the real estate portfolio contains assets purchased solely for investment purposes, most of which are undergoing renovation work with the aim of obtaining environmental or energy efficiency certification.

In addition to its tertiary real estate business, the Group invests in real estate debt funds and infrastructure debt funds, most of which aim to provide funding for the transition to a low-carbon economy and energy efficient buildings.

The green part of the portfolio, which also includes green bonds, represented 6.9% of the portfolio at the end of 2018

#### *Adaptation to climate change*

By means of the cover offered and its risk pricing position, insurance and reinsurance play a role in companies’ resilience; they form part of solutions for adapting to climate change. SCOR provides effective reinsurance protection against natural catastrophes that benefits the company as a whole, particularly given the increase in extreme events.

Contributing to climate change adaptation is a means of development pursued by the Group’s P&C division. Through its involvement in dedicated working groups within the Insurance Development Forum, or in the

development of its activities, the P&C division supports the coverage of national natural events and/or coverage initiated by international bodies.

SCOR has thus supported the launch of a satellite Index Insurance product for farmers in Ethiopia. This insurance product uses state-of-the-art technology to help build drought resilience in poor farmer households. It has some unique features, including providing livestock Asset Protection insurance with the objective of keeping core breeding animals alive during major droughts. Under this project, initiated by the World Food Programme (WFP) SCOR not only provides reinsurance support but also provides technical support for model validation and program pricing.

SCOR also joined the Philippine program for covering typhoons and earthquakes in 2018. The program includes covering national and local government assets, such as primary and secondary schools.

In addition, the Group is also involved in adaptation strategies via its asset management subsidiary, a signatory of the Principles of Responsible Investment (PRI), by creating, distributing and investing in financial products for covering natural catastrophes (cat bonds and insurance-linked securities).

### **Commitment and implementation of sector guidelines**

For many years, the SCOR group has practiced a policy of exclusion. Standard exclusions have gradually been added to by themed exclusions guided by risk management demands or commitments, particularly in terms of the effects of global warming. SCOR excludes companies that generate more than 30% of their turnover from coal or that are included in the list of the 120 biggest coal-fired power plant developers published by NGO Urgewald. These exclusions have led to the liquidation of holdings in the portfolio.

In the area of underwriting, the Group has made a commitment not to offer facultative insurance or reinsurance that would specifically encourage the development of new thermal coal mines or lignite mines or plants. This policy was further strengthened in April 2019 with the decision to also exclude the construction of new coal-fired power plants, irrespective of the technologies, the construction, and quality of the coal.

Furthermore, in order to submit all other projects to a reinforced selection process, the Group's P&C division has adopted an environmental, social and governance practices internal assessment procedure for operations closely related to coal. This is based on a specific scoring grid for each activity subject to this assessment.

The Group's ESG scoring grid for coal extraction therefore comprises thresholds expressed as a percentage of company turnover and as an absolute value in terms of thermal coal produced each year. Other criteria such as coal quality, the trend in coalmining, observance of industry standards and CSR rating are also taken into account. Within the electricity generation sector, the Group's ESG scoring grid includes a threshold expressed as a percentage of GWh generated from the use of thermal coal. Other criteria are also used, such as the technology used, type of coal, CSR rating and the purpose and location of the plant in question.

This approach allows for dialogue to be initiated with the sectors and activities concerned.

In addition to the implementation of sectoral guidelines for industries with high coal exposure, SCOR integrates other ESG dimensions into its investment and underwriting policy. In 2018, the Group thus confirmed its commitment to exclude the tobacco industry from its activities on both on the asset and liabilities side. In addition, the Group associated itself with the PSI/WWF/Unesco declaration on the protection of the world heritage sites.

Exclusion policies are not the only way SCOR strives to integrate ESG factors in its core activities. For instance, through SCOR's Lloyd's syndicate, Channel, the Group has also developed strong expertise in the underwriting of Environmental Impairment Liability (EIL) insurance. Channel has developed a proprietary rating tool made up of 16 environmental indicators, which informs underwriters about the discipline of the



company seeking EIL coverage. Each indicator is rated on a scale of 1 to 5, culminating in an overall grade and a risk premium. When selecting risks, the decision to accept them is driven by this overall grade, by evidence that the insured is committed to environmental risk management (e.g. ISO 14001, EMAS, resources dedicated to environmental risk management), by evidence of environmental performance objectives, and by an on-site visit of the clients' facilities. This direct insurance product not only incentivizes insureds to better manage risks by offering reduced premiums to companies with good grades, but is also a source of capital that helps to restore the environment when it has been damaged by an insured's activities.

### **Management 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, which include 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;
- energy consumption management, and renewable energy use;
- greenhouse gas emissions and voluntary offsetting.

There is a particular focus on greenhouse gas emissions, for which the Group has reiterated its objective of intensity reduction by 2020 in the French Business Climate Pledge issued in November 2017. Launched in 2017, a pilot program regarding carbon offsetting supplements was renewed and enhanced in 2018.

#### *Environmental quality of offices and certification*

SCOR conducts its operations from office buildings of varying size that it either owns or rents in thirty countries.

Whether in its extension or relocation projects, the Group integrates environmental considerations when selecting its offices, notably office buildings it intends to acquire. The Group favors so-called sustainable or eco-responsible construction. SCOR is particularly attentive to obtaining energy efficiency and environmental certifications, whether for design and construction or for renovation. These considerations may be subject to a tradeoff with other constraints such as the location of the office or its availability.

While SCOR takes environmental considerations into account in its extension or relocation projects, the Group also promotes eco-responsible operation by rolling out environmental management systems where possible. In 2018, a new office building in London was BREEAM In-Use certified. At the end of 2018, 55% of the Group's employees within the scope of the environmental reporting process were covered by an environmental management system (50% in 2017).

#### *Management of energy consumption sources and renewable energy use*

The Group focuses on the management of its energy consumption sources and the purchase of energy produced from renewable sources.

The Group consumed more than 18 GWhs in 2018 to operate the premises occupied by its employees (lighting, heating, cooling – including data centers – and power for operating various equipment). Most of the energy consumed by the Group's sites encompassed in the scope of the environmental survey comes from electricity (68%). Renewable energy now accounts for 67% of electricity purchases compared with 31% in 2015.

#### *Greenhouse gas emissions and offsetting*

As part of the French Business Climate Pledge signed in November 2017, SCOR maintained its objective of reducing the carbon intensity of its management of operational processes by 15% per employee by 2020

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on the first two scopes of the GHG protocol. At the end of 2018, the Group's carbon intensity reduction reached 25%. Moreover, the Group pursued and reinforced its carbon offsetting program for emissions relating to air transport (83% of the Group's emissions); in 2018, around half of the Group's emissions stemming from air transportation were offset, i.e. 10,000 TeqCO<sub>2</sub>. These carbon credits are not deducted from the greenhouse gas emissions reported in the Group's 2018 registration document available on SCOR's website

**SCOR SE**  
5, avenue Kléber  
75795 Paris Cedex 16, France  
Tél. + 33 (0) 1 58 44 70 00  
Fax + 33 (0) 1 58 44 85 00  
[www.scor.com](http://www.scor.com)

RCS Paris B 562 033 357  
Société Européenne au capital  
de 1 469 373 374,58 Euros

**ANTI-CORRUPTION**

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

SCOR aims to be a trusted partner. This trust implies a strong focus on business ethics and compliance matters, particularly in terms of compliance with economic sanctions programs, anti-corruption, anti-money laundering and anti-terrorism regulations, data privacy and protection, as well as regulatory tax requirements, including tax evasion matters.

In this respect, it is SCOR's policy to ensure compliance with all applicable laws and regulations and its Code of Conduct wherever it conducts business. SCOR holds itself to high standards of integrity, professionalism and responsibility and is committed to a strong ethical and compliance culture.

As a member of the United Nations Global Compact, and as a company subject to many extra-territorial regulations in the fight against corruption (e.g. Foreign Corrupt Practices Act, UK Bribery Act, Law on transparency, the fight against corruption and the moralization of economic life), SCOR has embedded the fight against corruption in its Group compliance framework.

### The Group's Code of Conduct

The Group Code of Conduct sets out the key areas of legal and ethical obligations, notably the rules applicable to business confidentiality, the use of insider information, the rules relating to the acceptance of gifts and invitations, as well as those related to the "Know Your Customer" principle, as a key way to defend the Group.

The Code of Conduct must be accepted by the employees as part of the annual Appraisal and Development Interview and is binding. The Code of Conduct is addressed in training (through e-learning modules or classroom training) for new employees and as refreshers for existing employees.

Employees who fail to comply with the principles of SCOR's Code of Conduct may be subject to disciplinary action in compliance with the laws applicable in the country of employment and/or may be subject to criminal/regulatory proceedings. In addition, as per the Group Compensation Policy, violations of the Code of Conduct can prevent the acquisition of shares and stock options.

Regularly reviewed and updated, SCOR's Code of Conduct, which was notably updated in 2017 in light of the Sapin II law<sup>4</sup>, has a zero-tolerance approach towards corruption, including bribery and influence trafficking.

The Code of Conduct is supplemented by the Group compliance policy that defines several principles to support the Compliance framework.

### The Group anti-bribery policy

Embedded in the Group Compliance framework, the anti-bribery policy provides 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), and (vi) illegal facilitation payments.

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

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<sup>4</sup> Law No. 2016-1691 of December 9, 2016 on *transparency, the fight against corruption and the moralization of economic life*

The policy includes the country, sector and activity risk assessment, which is reviewed annually in accordance with the compliance plan. This risk assessment identifies the countries, sectors and activities that, within the context of SCOR's business, expose the Group to a particular risk of corrupt activity, as well as indications of corruption that may be present regardless of country, sector or activity.

The resulting corruption risk mapping also helps to inform the identification of the Group's employees most exposed to corruption or corrupt activity. Targeted training was provided to those employees in 2018 through a dedicated e-learning module.

In addition to this e-learning, SCOR regularly raises the awareness of all employees on this subject via training sessions conducted by the Group's legal and compliance teams and through e-mail alerts. Across all compliance topics (e.g. corruption, sanctions and embargoes, money-laundering), 2018 compliance training included 31 sessions in APAC, 36 sessions in the Americas and 25 sessions in EMEA

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

### **The Group Guidelines on reporting concerns**

All employees are responsible for ensuring compliance with applicable laws, regulations and policies in their daily duties as well as for escalating any actual or suspected compliance breach in line with SCOR's Guidelines on Reporting Concerns, which up until early 2019 provided two channels to raise concerns in a secure manner.

In order to make it easier for SCOR employees and third parties to raise any relevant concerns, including any suspected anti-bribery breach, SCOR has added a third channel of communication – a web-based reporting function.

Through this new channel, the Group's stakeholders are able to report a concern by simply clicking on a link on the SCOR Intranet Portal or on the [www.scor.com](http://www.scor.com) website. This enables secure and confidential reporting of concerns at any time and from any location with internet access. The tool may include attachments and permits anonymous reporting. All reports made through this process are confidentially routed to the appropriate Hub General Counsel and Hub Compliance Officer and to the Group Chief Compliance Officer, so that they are fully reviewed and investigated.

This new web-based, anonymous reporting function has been publicized internally and has been further embedded in the Group through a mandatory e-learning module that the Group's employees were invited to follow during the first half of 2019.