

# 06

## NON-FINANCIAL PERFORMANCE STATEMENT

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This consolidated non-financial performance statement was prepared in accordance with the provisions of Article L. 225-102-1 and Article L. 22-10-36 of the French Commercial Code enacting Directive 2014/95/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Unless stated otherwise, this consolidated statement covers SCOR SE and all its fully consolidated subsidiaries, hereinafter "SCOR" or "the Group", other than the exceptions stipulated in the note on methodology in the appendix to this statement.

## 6.1. BUSINESS MODEL

### 6.1.1. BRIEF DESCRIPTION OF THE GROUP'S BUSINESS ACTIVITIES

SCOR, the world's fourth largest reinsurer, is established in around 30 countries and provides services to over 4,400 clients worldwide. It is chiefly active *via* two reinsurance <sup>(1)</sup> business units (Life and P&C) and a business unit specialized in proprietary investments and third-party asset management.

The Group is structured around three regional management platforms, or "Hubs": the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.

The Group is a three-engine group driven by SCOR Global Life, SCOR Global P&C and SCOR Global Investments. The Group's

organizational decisions are guided by the principles of skills and expertise mobilization, operating efficiency, structural simplicity, clear reporting lines and balance between teams from the Group's different entities.

In the face of the Covid-19 pandemic, SCOR has once again demonstrated the strength and resilience of its business model as well as its ability to absorb major shocks. The Group continues to implement its strategic plan, "Quantum Leap", combining growth, profitability and solvency, without changing its risk appetite, protection policy, or capital management policy (see Sections 1.1 and 1.3.5 of the Universal Registration Document).

#### 6.1.1.1. REINSURANCE BUSINESS

The reinsurance industry has a specific feature to be structurally exposed to shocks. Major risks, which are the raw material of reinsurance, result in shocks whose origins, scale and impacts vary depending on the economies and populations concerned.

The reverse nature of the reinsurance production cycle is another specific feature of its business model: the selling price of reinsurance products and services is set before their actual cost is precisely known.

In this context, reinsurers create diversified risk portfolios. This is achieved through the aggregation of major risks that, as a reinsurer, SCOR pools by business line and geographical area. The Group thereby builds a portfolio with a more regular risk profile. It also limits its exposure by transferring part of these risks through their retrocession and their securitization.

Reinsurance is therefore a business that involves deliberately taking calculated risks. It enables the Group's clients to cover their risks by transferring a portion of them, so that they can be pooled worldwide. In return for a premium that it invests to generate investment income, reinsurance absorbs the financial consequences of the events and damages to which it is exposed.

The Group is active in two reinsurance segments *via* its business units:

- SCOR Global P&C operates in three business areas: Reinsurance (e.g. Property, Casualty, Credit and Surety, Decennial Insurance, Transport, Construction, Agriculture risks and Natural Catastrophes), Specialty insurance (e.g. Business Solutions, Managing General Agencies, SCOR Channel), and P&C Partners (alternative solutions and new products);
- SCOR Global Life covers Life and Health insurance risks through three product lines – Protection, Longevity and Financial Solutions – with a strong focus on biometric risks.

The Group's reinsurance activities and the types of reinsurance it engages in are presented in greater detail in Sections 1.2.5.1, 1.2.5.2 and 1.2.5.3 of the Universal Registration Document. Additional information about developments in the life and non-life reinsurance market is provided in Section 1.3.1 of the Universal Registration Document.

#### 6.1.1.2. INVESTMENTS AND ASSET MANAGEMENT

The Group also conducts investment activities *via* SCOR Global Investments, its third business unit, which is tasked with managing the investment portfolio of the Group's legal entities. Within this business unit, SCOR Investment Partners also manages funds on behalf of third-party clients.

SCOR Global Investments, its organizational structure and vehicles open to third parties are presented in Sections 1.2.3.1 and 1.2.5.6 of the Universal Registration Document. Additional information about developments in the financial markets is provided in Section 1.3.1 of the Universal Registration Document.

(1) SCOR operates also in Specialty Insurance in property and in casualty.

### 6.1.2. RESEARCH AND RISK MANAGEMENT

Risk management is at the heart of the Group's reinsurance and investment activities. It is underpinned by a risk appetite framework built around four concepts <sup>(1)</sup>: Risk Appetite, Risk Preferences, Risk Tolerances and "Footprint" scenarios.

Reinsurance requires a robust risk management system, strong modeling capabilities in order to assess, quantify and actively manage risks (e.g. through risk pooling and hedging), and a skilled workforce able to combine theoretical and analytical considerations with empirical experience.

At the forefront of risk modeling, particularly for extreme risks in Life and P&C business, the Group devotes significant resources to fundamental applied research and the promotion of scientific risk management techniques in various disciplines.

In order to keep abreast of biometric trends and scientific developments, the Life business unit relies on five communities of expertise called chapters (see Section 1.2.6 - Research and development, patents and licences), which are used to assess the key factors inherent to mortality, longevity, morbidity and policyholder behavior risks. Biometric risks such as mortality, longevity, disability and long-term care are at the heart of underwriting in Life reinsurance. The chapters enter into many scientific partnerships, such as with ADERA (*Association pour le développement de l'enseignement et des recherches auprès des universités, des centres de recherche et des entreprises d'Aquitaine* – INSERM) in Long-Term Care risk, and the Pierre et Marie Curie University at the Pitié-Salpêtrière Hospital in HIV developments.

In addition, the Group has established the SCOR Corporate Foundation for Science to promote scientific research. Founded in 2011 with a EUR 0.3 million endowment, the Foundation had been funded by the SCOR Group with a total of EUR 12.5 million in support until the end of 2020. Between 2011 and the end of 2020, the Foundation has devoted EUR 10.8 million to promoting scientific research.

Since it was created, the SCOR Corporate Foundation for Science has financed seminars and conferences on subjects such as emerging infectious diseases, longevity risk for modern retirement schemes, and the expectations of economic agents in an economic crisis, as well as an international seminar in Paris on meteorites in collaboration with the French national Museum of Natural History. The Foundation also jointly organizes similar events. It also supports research projects across a variety of disciplines, as well as scientific and actuarial awards and research chairs.

SCOR and the SCOR Foundation also organize Actuarial Awards in Europe (France, Germany, Italy, Spain & Portugal, Sweden, Switzerland and the United Kingdom) and in Asia (Singapore). The Group places great importance on the development of actuarial science and each year awards prizes for the best academic papers in this field.

Additional information about the R&D activities, the SCOR Corporate Foundation for Science, and other research activities is presented in Section 1.2.6 of the Group's Universal Registration Document.

### 6.1.3. GOVERNANCE SYSTEM FOR SOCIAL AND ENVIRONMENTAL ISSUES AND RISKS

An integrated governance system has been established to consider social and environmental issues arising from business activities, including the principal environmental, social and governance (ESG) risks related to them, as well as broader corporate social responsibility (CSR) initiatives. This system is structured around five core pillars:

- a general reference framework consisting of the Group's mission statement and adherence to global initiatives supported by UN programs, supplemented where appropriate by subject-specific reference frameworks and transposed into standards (e.g. the Code of Conduct) and relevant Group activities;
- a structured governance framework, which the Board of Directors is responsible for overseeing, assisted, as provided for in its Internal Charter, by the preparatory work of its specialized committees, in particular the Corporate Social and Societal

Responsibility and Environmental Sustainability Committee, the Risk Committee and the Audit Committee;

- integrated initiatives, translated into operational measures in annual action plans, the implementation of which is periodically reported to the supervisory and management bodies;
- a risk management system shaped by the formal procedures in place and applied to the most relevant functional processes, building on the risk analyses performed in connection with this performance statement and the monitoring of megatrends and associated emerging and operational risks;
- a framework of performance conditions indexed to CSR criteria, applied in a manner appropriate to the responsibilities exercised within the Company.

These pillars are presented in greater detail in the following subsections

#### 6.1.3.1. GENERAL GOVERNANCE FRAMEWORK AND TRANSPOSITION INTO NORMS AND STANDARDS

The consideration of social and environmental risks related to the Group's business activities and operations, and more generally the Group's CSR policy, are guided by involvement in UN global initiatives and by the multi-stakeholder orientations set out in the

corporate mission statement of SCOR: *"offer its clients an optimum level of security, create value for its shareholders, and contribute to the welfare and resilience of society by helping to protect insureds against the risks they face"*.

(1) These concepts are defined in Section 1.2.5 of the Group's Universal Registration Document.

These initiatives provide a general reference framework and useful principles for addressing social and environmental issues, given that the Group conducts business in countries with legal and governance environments characterized by varying degrees of maturity in these areas:

- at cross-sector level, as part of its longstanding participation in the United Nations Global Compact, SCOR is pursuing the integration the 10 principles set out therein, covering human rights, international labor standards, environmental protection, and the fight against corruption, in a framework tailored to its sphere of influence ;
- at the level of the (re)insurance sector, SCOR, as part of its (re)insurance activities, has been a founding member since 2012 of the Principles for Sustainable Insurance, and is a member of the Principles for Responsible Investment as an institutional investor (2019) as well as *via* its asset management subsidiary, SCOR Investment Partners (2017). These initiatives provide a multi-stakeholder and partnership framework for the integration of risks and opportunities arising from environmental, social and societal issues, including the development of expertise and solutions to address issues relevant to the business activities under consideration. On May 27, 2020, SCOR also joined the

Net-Zero Asset Owner Alliance, an international initiative bringing together investors who are committed to transitioning their investment portfolios to carbon neutrality by 2050.

This general reference framework is supplemented, where appropriate, by subject-specific local (e.g. on disability-related topics) and global (e.g. the Geneva Association's Climate Risk Statement) charters.

The principles contained in these initiatives are translated into norms and standards in the Group's main reference texts, including: (i) its Code of Conduct, an entire section of which is dedicated to the Group's mission, the United Nations Global Compact and the Principles for Sustainable Insurance, (ii) its climate policy, which sets out the three main orientations pursued by the Group in this area, and (iii) its sustainable investment policy.

The principles adopted in this general reference framework are also translated into operational form *via* internal guidelines setting out the rules of conduct and the procedures to be respected in the exercise of the Group's business activities (e.g. anti-corruption policy, ESG underwriting guide for the Group's P&C insurance activities).

### 6.1.3.2. ROLE OF THE SUPERVISORY AND MANAGEMENT BODIES

SCOR's Board of Directors has various advisory committees responsible for preparing its discussions, assisting it in its supervisory role, and making recommendations to it in specific areas, including on environmental, social and governance matters.

Under the conditions defined by the Board's Internal Charter, four specialized committees of the Board of Directors provide regular supervision of the initiatives conducted by the Group's Management within the general framework of its CSR policy and, in particular, in the management of the non-financial risks identified in this statement:

- the Corporate Social and Societal Responsibility and Environmental Sustainability Committee ensures that the Group's CSR approach is consistent with its long-term development, and that the direct and indirect effects of its activities on the environment and society are incorporated into its strategy. As such, this Committee oversees the execution of the CSR action plan, which puts the Group's approach in this area into practice on an annual basis. This plan covers a range of relevant topics, such as relations with Group stakeholders, integrating ESG into (re)insurance and investment activities, the Group's environmental performance with regard to its operations, and the areas covered by the #WorkingWellTogether program described in Section 6.2.1.2. of this statement. In addition, this committee is also responsible for making proposals to the Board of Directors on how to take social and environmental issues into account in the Group's orientations;
- the Risk Committee examines, on the basis of risk and solvency assessments, the major risks facing the Group on both the assets and liabilities side of its balance sheet and ensures that the means to monitor and control these risks have been implemented insofar as possible. It examines strategic risks as well as the Group's main technical and financial commitments, which consist of underwriting, reserving, market, concentration, counterparty, asset-liability management, liquidity and operating risks, as well as risks arising from changes in prudential regulations. In this regard, the Risk Committee is kept regularly informed of the major social and environmental issues that may

influence the Group's activities, including megatrends (e.g. climate change and environmental degradation, changing demographics and lifestyles, digitalization of the economy) and the associated emerging risks closely linked to these issues;

- in addition to its accounting and financial remit, the Audit Committee has ethics-related, internal audit and compliance responsibilities. Accordingly, the Committee reviews the annual compliance plan and is kept informed about the Company's activities in this area. The compliance plan addresses the main risks identified in Section 6.3 of this statement. It sets out the activities of the compliance function, its annual priorities – defined on the basis of a prior risk analysis – and the procedures for detecting, preventing and responding to the most significant risks facing the Group;
- the Compensation and Nomination Committee is charged primarily with drawing up the rules used to calculate the variable compensation of executive corporate officers and ensuring that these rules are in line with the annual assessment of the performance of executive corporate officers, taking the Group's strategy into account. The Committee is also responsible for examining the terms, amount and allocation of stock option programs for all the Group's employees. The Group's environmental and social performance is one of the performance conditions associated with these compensation instruments, as specified in Section 6.1.3.5 of this statement. It also makes sure that executive corporate officers implement a policy of non-discrimination and diversity, in particular with regard to the balanced representation of men and women on the executive bodies. In this regard, the Committee is kept regularly informed of the trends observed.

The composition of these committees, the combination of skills brought together within them, the preparatory work conducted by each of them ahead of Board meetings, and the regular interactions with Executive Management and the Executive Committee provide a structured environment for the analysis of social and environmental issues, from both a financial materiality standpoint and a social and environmental materiality standpoint.



At the level of the management bodies, SCOR set up a Group CSR Committee at Executive Committee level in 2018. In addition to this committee, the Executive Committee is also guided by the work of a Group Risk Committee and a Group Investment Committee when considering the social and environmental risks arising from the Group's activities and operations and implementing the Group's CSR approach.

The coordination and execution of the aforementioned action plan, which is shaped by this CSR approach, is entrusted to a cross-functional internal committee that brings together representatives

from the three business units mentioned in Section 6.1.1 of this statement, and Group functions (e.g. Risk Management, Human Resources, Compliance, Investor Relations, Communications, and Group Hub representatives). This committee is led by the Group's Head of Sustainability under the authority of the General Secretariat. Its operational role aims to promote a cross-functional approach to CSR and the management of non-financial risks, in order to harmonize the initiatives taken by the Group and ensure the consistency of the action plans drawn up by each business unit and Group function.

### 6.1.3.3. INTEGRATION OF SOCIAL AND ENVIRONMENTAL ISSUES IN THE GROUP'S STRATEGY

SCOR is at the heart of the key social, economic and environmental issues facing society, as its activities help to build the resilience of societies *via* its risk identification, analysis, transfer and pooling techniques. These issues are regularly analyzed by the Group's teams, both from a risk standpoint and from the perspective of development opportunities, particularly in the context of its system for identifying and analyzing megatrends and the associated emerging risks, as well as in the analysis of non-financial risks covered by this statement.

Regularly informed of these analyses by its advisory committees (see above), which also hold specific focus sessions during their meetings, the Board of Directors approved the Group's current strategic plan, "Quantum Leap", following a review by the Strategic Committee. The orientations formulated under this plan emphasize the Group's ability to contribute to the resilience of societies. Several of the incremental focal points developed over the course of the plan address longer-term social and environmental issues and the related risks and opportunities. Four challenges in particular influenced the orientations announced in the strategic plan, some of which are related to the risks presented in Section 6.1.3.4 of this statement and, more generally, to the Group's CSR policy:

- social issues linked to attracting and retaining talent: the nature of the Group's business activities and the corresponding competitive environment require skills in several specialized disciplines in a narrow labor market concentrated over a few locations worldwide, where some labor markets are highly competitive. In this context, the ability to attract and retain talent is important given the importance of human capital in the Group's business model;
- environmental issues, including climate change: against the backdrop of climate disruption, which, may have short-, medium-,

and long-term implications depending on the risks considered, the strategic plan includes orientations designed to support the energy transition, develop solutions for adapting to the physical risks associated with climate change (through the activities of the Group's P&C business unit), finance a sustainable world, and reduce and offset the carbon impact of the Group's operations;

- challenges linked to prevention, health, welfare and insurance access in this field: in a context of changing morbidity and mortality causes, contributing to the collective understanding of the causes behind these risks and to the effectiveness of prevention and treatment, and translating this risk knowledge into impacts through the development of products, providing greater protection for a larger number of people, is an integral part of the strategic plan for the Group's Life business unit. Other aspects of this business unit's development plan encompass the ability of the business to promote lifestyles with a positive impact on human health, and to build solutions with its partners that address the needs of vulnerable populations (e.g. due to health conditions);
- societal issues arising from the digitalization of the economy and societies: accelerating the Group's transformation *via* greater use of new technologies (e.g. artificial intelligence, robots, blockchain, big data, multi-cloud, satellite imaging), with a view to expanding its product and service offering, providing added value to its clients in their own digital transformation, and bridging the protection gap, is a key focus of the "Quantum Leap" plan. It is supported by dedicated policies for the protection of the Group's information systems and the data (particularly the personal data) it manages.

Additional information on the Group's strategic plan is on SCOR's website in its 2019 and 2020 investor day presentations.

### 6.1.3.4. MANAGEMENT OF NON-FINANCIAL RISK: PRESENTATION OF RISKS AND ANALYSIS

The non-financial performance statement provides a current view of the assessed non-financial risks arising from the Company's business activities, based on the information categories referred to in Articles 225-102-1 III and L. 22-10-36 of the French Commercial Code.

In accordance with the requirements of the European Non-Financial Reporting Directive and its most recent non-binding guidelines, SCOR has conducted an internal assessment of the main non-financial issues and risks relating to its business activities.

The identification of significant issues and risks as defined in Article 225-102-1 and Article L. 22-10-36 of the French Commercial Code, led by the department in charge of corporate social responsibility, follows an analysis of non-financial risks based on the information categories established in this article and their

first-level breakdown in Article R. 225-105 of the French Commercial Code. These categories have been supplemented by the analysis grids traditionally used by non-financial rating agencies and a materiality analysis conducted using a questionnaire that aims to identify the ESG integration areas (e.g. ethics and transparency, the integration of ESG in investments, the integration of ESG in underwriting activities, the development of (re)insurance solutions aligned with the needs of society, responsible purchasing, diversity etc.) that are most relevant, from the perspective of both stakeholders, including the Group's employees, and the Group's supervisory and management bodies. The expectations of external stakeholders have been identified in consultation with the Group's internal teams responsible for developing and maintaining relationships with them as well as *via* a questionnaire answered by a certain number of external stakeholders.

These issues and the associated risks have been cross-checked against the results produced by other mechanisms for identifying existing risk factors within the Group (e.g. megatrends and emerging risks, operational risks). Non-financial risks have been assessed qualitatively by specialists based on their frequency, severity, the Group's ability to influence them and their impact on its activities, particularly in financial, reputational and operational terms. This analysis, which was carried out on the basis of the internal methodology developed in previous years, took place in several stages using a process involving the Board's Corporate Social and Societal Responsibility and Environmental Sustainability Committee.

The main risks identified as a result of this review are:

- risks of diminished appeal to potential talent, in particular as a result of reputational and operational factors, which may arise through an inadequate compensation policy, a lack of skills development, or insufficient consideration of diversity;
- risks associated with business ethics, particularly legal, reputational and financial risks which may arise from issues relating to economic sanctions programs, anti-corruption, anti-

money-laundering and anti-terrorism regulations, personal data protection and security, and regulatory tax requirements, including tax evasion matters;

- risks relating to ethics in data, especially in the context of an increased use of artificial intelligence;
- risks arising from society's expectations of financial companies in terms of ESG integration and high-impact products and services, particularly with regard to reputation, and more particularly in this area, risks related to climate change, including operations-related emissions given the corresponding commitments made by the Group in this field, and expectations in terms of support for the energy transition;
- risks associated with the digitalization of the economy, including legal, reputational, operational, financial risks, potentially caused by incidents linked to cybercrime, with possible ramifications for other non-financial risks mentioned above, such as personal data protection.

These risks, and the associated policies or programs and performance indicators, are presented in Sections 6.1.3.4 to 6.2.1.2 of this statement.

### 6.1.3.5. PERFORMANCE CONDITIONS AND SOCIAL AND ENVIRONMENTAL ISSUES

SCOR has incorporated social and environmental criteria into the compensation of its teams, based on arrangements appropriate for the relevant compensation mechanisms and the responsibilities held within the organization:

- a portion of the short-term variable compensation paid to the Group's executive corporate officer has, since 2015, expressly been based on personal CSR objectives. These objectives, their attainment and their achievement rates are set out in the report on corporate governance included in the 2020 Universal Registration Document;
- since 2020, a portion of the short-term variable compensation of the members of the Executive Committee is also based on CSR objectives;

- all the beneficiaries of long-term compensation components (performance shares and stock options) must satisfy the CSR-based allocation conditions, and in particular, since 2012, comply with ethical principles as provided for in the Code of Conduct, and since 2017 complete CSR training. In 2020, this CSR criterion consisted of completing the online training module on the recognition of unconscious biases;
- finally, as part of its Annual Appraisal and Development Interviews, in 2019 SCOR introduced the option for managers and their employees to set specific CSR-related goals (e.g. diversity, well-being at work, environmental performance, integration of ESG issues into the Group's business activities).

## 6.2. SOCIAL IMPACT OF SCOR'S ACTIVITY

SCOR's Human Resources strategy is based on unifying values that reflect its commitment to its clients, employees and shareholders. Alongside financial capital, human capital is an essential resource for a reinsurer such as the Group. Financial capital ensures solvency, while human capital ensures profitability. In this sense, one of SCOR's competitive edges lies in its ability to attract, mobilize, optimize and retain talented, competent people to achieve excellence in its expertise. An inadequate compensation policy, lack of skills development, or insufficient consideration of diversity may contribute to an operational risk of a failure to attract and retain key people (see Section 3.1.6.2 – Risks related to staff

and Section 6.1.3 – Governance system for social and environmental issues and risks). Conscious of this risk, human capital management, overseen by the Group Chief Human Resources Officer, strives to retain the individuals working in the Group, particularly through its compensation policy, and through constructive measures designed to develop employees' skills (SCOR University) and promote diversity, well-being in the workplace and community engagement (#WorkingWellTogether).

The programs implemented in these areas and the associated performance indicators are described in the following sections.

### 6.2.1. HUMAN CAPITAL AS A KEY SUCCESS FACTOR FOR THE GROUP

The Group considers diversity and inclusion to be a strong asset, and has therefore implemented a global harmonized human capital management strategy, based on respect and dignity, where individual differences are valued and skills and knowledge are developed throughout employees' career.

Thanks to the many initiatives taken in the recruitment process and its strong employer brand, the Group identifies the best candidates available in the market and facilitates their integration. Once hired, new employees are supported throughout their SCOR career. The Group pays particular attention to recognizing the contribution of each individual's performance to the Group's

strategic objectives, thanks to a compensation structure that is identical throughout the world and aligned with shareholders' interests, regulatory and prudential (e.g. Solvency II) requirements and labor market practices in the reinsurance industry. The Group also offers employees the opportunity to develop their individual skills based on business needs, and encourages professional mobility.

Proposing an innovative and dynamic working environment, SCOR promotes the acquisition of knowledge and know-how through the implementation of dedicated development programs and the definition of succession plans.

#### 6.2.1.1. ALIGNING STAKEHOLDERS' INTERESTS AND RETAINING TALENT THROUGH A MERIT-BASED COMPENSATION POLICY

The Group's compensation policy is designed with the objective of aligning interests by discouraging excessive risk taking, while attracting and retaining employees and rewarding individual performance <sup>(1)</sup>.

It is governed by the regulations specific to the insurance sector (e.g. Solvency II) and asset management (e.g. CRD IV and AIFMD) as well as by specific local requirements, and aligned to the Group Fit & Proper policy.

In terms of risk and regulations, SCOR is committed to maintaining a compensation policy that is fully in line with SCOR's controlled risk appetite and discourages taking excessive risks, aligning management objectives with shareholder expectations, motivating and retaining its pool of talent, and being compliant with the regulations and guidelines defined by the regulators regarding compensation policies.

#### Key components of the Group's compensation policy

Compensation comprises several components: a fixed and a variable portion, an immediate and a deferred portion, and an individual and a collective portion. The components include a base cash salary, an annual cash bonus, shares and options where applicable, pension schemes and any other benefits.

Base salaries are set according to criteria that consider a variety of factors, such as conditions on the local labor market, education and professional experience before joining SCOR, expertise acquired, and the current position and responsibilities of the employee.

SCOR reviews base salaries on a yearly basis, to reward individual performance, and when the employee takes on new responsibilities. An automatic adjustment to account for inflation is not applied, except in the few countries where it is legally required.

For employees who are not Partners, the SCOR cash bonus rewards individual performance over the previous year <sup>(2)</sup>.

In addition, the Group <sup>(3)</sup> has adopted an employee share ownership policy, which resulted in share allocations to all employees (based on their performance) in 2010, 2011, 2013, 2014, 2015 and 2018.

(1) SCOR Channel is currently not included in the Group's compensation policy but applies the main principles including those described below. Exceptions will be duly mentioned.

(2) SCOR Channel does not have a partnership scheme. A specific short-term incentive plan based upon individual and collective performance applies to all staff.

(3) For SCOR Channel, a specific long-term incentive plan (based on two main elements, one related to the performance of SCOR Channel and the other linked to the price of SCOR shares) is in place to reward and retain senior staff and key individuals.

### "Partners" program

The "Partners" program involves approximately 25% of the total number of employees (excluding SCOR Channel). In addition to specific compensation plans, this program gives access to selective information and proposes specific career development solutions.

There are four main Partner levels: Associate Partners (AP), Global Partners (GP), Senior Global Partners (SGP), and Executive Global Partners (EGP). Apart from the EGPs, these levels are then subdivided into two levels, to take into account seniority or special achievement promotions.

The Company has a formal procedure for appointing and promoting Partners, which is conducted every year at an Executive Committee meeting. Candidates for an appointment or promotion to the Partnership must have consistently demonstrated their skills, leadership and commitment.

The Partnership level determines the bonus components of the Partners. Calculated from the basic gross annual salary, the SCOR bonus system is linked directly to the individual performance appraisal (corresponding to predefined ranges linked to individual performance) and also to the ROE that SCOR achieved in the previous financial year.

SCOR Partners are also eligible to receive free shares and stock options. However, this does not mean that an allocation occurs every year or that every Partner will receive them. In addition, the Group has set up a Long-Term Incentive Plan (LTIP), a complementary scheme to retain some of its key employees. The individual allocation process for free shares and stock options process is supervised by the Compensation and Nomination Committee.

Further to decisions of the Shareholders' Meeting and the Board of Directors of SCOR SE, the vesting of these share-based compensation plans is now subject to the completion of Corporate Social Responsibility (CSR) training. The addition of this requirement builds on the Group's CSR commitments and the shareholder dialogue it is actively pursuing. In 2020, the CSR training requirement consisted of an online module on cognitive bias. This module aims to raise employee awareness on the existence of unconscious biases that can influence the ability to make rational decisions, enabling employees to overcome the different forms of bias and ensuring an inclusive work environment.

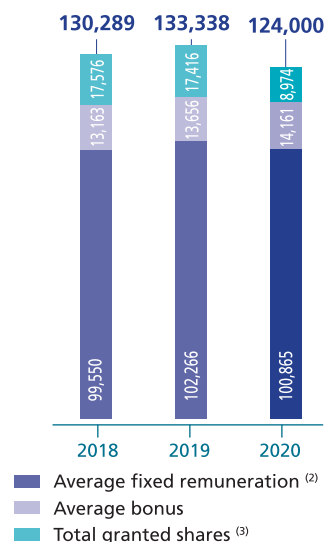
### 6.2.1.2. PROMOTING INCLUSION THROUGH DIVERSITY AND EQUAL TREATMENT

Promoting diversity, inclusion and equal treatment is an essential objective of the Group's human capital management policy. It is part of its social commitments for combating discrimination, and contributes to its economic and financial performance and the recognition of the Group's employer brand, which in turn helps to attract and retain skills.

SCOR's Diversity and Inclusion policy, as well as the Code of Conduct, describe the Group's commitment to achieve the principle of equal opportunities in all aspects related to the employment conditions of its employees, in terms of recruitment, evaluation, compensation and talent management. To that end, this policy defines a global harmonized framework while defining roles and responsibilities of the various stakeholders regarding its enforcement and the eventual means of redress in the event of non-compliance with the aforementioned principles.

The Group's compensation policy reflects the desire to implement compensation schemes in accordance with best market practices and to involve key employees in the Group's medium- and long-term development. The Group's commitment to adopt compensation systems that are in line with the best market practices enables it to involve key employees in the Group's long-term development.

### Compensation (composition of the package) – (in EUR) <sup>(1)</sup>



(1) Excluding SCOR Channel and SCOR's corporate officer. Total compensation is calculated on the basis of 2,990 employees as at December 31, 2020.

(2) Average fixed compensation is based on the annual base salary paid to the employee, prorated to actual hours worked.

(3) Amount calculated, for each plan, by multiplying the number of shares allocated by the fair value of the share in the plan, which is calculated in accordance with IFRS.

In 2020, SCOR Channel's average employee compensation was EUR 137,013, composed of average fixed compensation of EUR 106,103 and of an average bonus of EUR 30,910, which includes the specific long-term incentive plan.

In 2020, the turnover rate was 6.9% (number of departures in 2020, excluding dismissals, deaths, internal mobility and trainees as a proportion of the overall headcount as at December 31, 2019). This rate is at an acceptable level with regard to talent retention.



In order to achieve pay parity between men and women and comply with associated relevant legal and regulatory requirements, SCOR has developed a proprietary tool in order to start performing gap analyses in the main countries where the Group operates.

The promotion of diversity and gender equality is also based on a global program, #WorkingWellTogether, which seeks to create a working environment suitable for developing an inclusive culture that promotes well-being and engagement among the Group's employees. This program takes the form of various local interactive events (e.g. workshops, conferences, digital training modules) designed to fully engage employees and unite the Group under this initiative, as is the case with the inclusion and diversity weeks. In order to ensure its full promotion within the Group, SCOR has set up a communication plan that includes a brand (#WorkingWellTogether), a corporate identity and a local embodiment based on testimonials and ambassadors. To establish a shared and inclusive culture, the "Diversity and Inclusion" section of the intranet site has been completely revamped with more dynamic content for employees to learn about these issues more effectively.

The promotion of diversity, an integral part of the #WorkingWellTogether program from the outset, is a major focus area of this approach, and has taken shape through the deployment of initiatives that help spread a culture of openness. In addition to promoting diversity and gender equality, the other areas covered by this program directly concern diversity matters:

- promoting a multicultural environment ;
- leveraging generational diversity ;
- facilitating employment and integration of disabled employees;
- ensuring tolerance of employee's sexual orientations and gender identity.

Alongside diversity issues, well-being at work is #WorkingWellTogether's second pillar and more recently, engagement in favor of communities was added as the program's third pillar.

### First #WorkingWellTogether pillar: diversity and inclusion

In this section, aspects related to the Group's policy to achieve a gender equality are set out, but also more widely aspects promoting cultural and intergenerational diversity and the integration of disabled individuals. These aspects are covered in the #WorkingWellTogether program.

SCOR's Diversity and Inclusion policy builds on the commitments undertaken in the past by the Group to achieve equal treatment between men and women. While this has been key principle of the Group, specific targets and commitments in this area were made in the Group's Europe region, and then adopted Group wide in 2016 via a global charter. In addition to the cultural development enacted through the #WorkingWellTogether program, the Diversity and Inclusion policy and charter are integrated more broadly into a comprehensive diversity and inclusion strategic plan that was submitted in 2020 to the Corporate Social and Societal Responsibility and Environmental Sustainability Committee of SCOR's Board of Directors. Under the objectives established in the corresponding appendix to the Internal Charter of the Board of Directors, this Committee aims to "ensure that the executive

corporate officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies" and it "reports to Board of Directors".

This comprehensive diversity and inclusion strategic plan, will be adapted to local levels, intends to define a common framework to ensure the implementation of an increasingly inclusive organization through three pillars:

- "Connect": creating a working environment free from prejudice and discrimination, where every employee is accountable.
- "Educate": anchoring our diversity and inclusion culture by leveraging partnerships and building internal training pathways.
- "Act": implementing impactful actions throughout the employee's career cycle.

In particular, this framework includes the actions of the 2017-2020 roadmap on gender equality, which identifies 24 actions that contribute to the development of a balanced and more diverse talent pool, leading to a more balanced representation within management bodies and senior positions. This roadmap includes measures in the areas of recruitment, training and development, pay increases, appointments and promotions within the Partners program (see Section 6.2.1.1 – Aligning stakeholder interests and retaining talent through a merit based compensation policy of this non-financial performance statement), as well as coaching in view of leadership positions for high-potential employees identified during the Group's annual talent review (Leadership & Organizational Reviews).

### Ensuring a balanced representation of men and women in governing bodies

SCOR is one of the companies that believes in the benefits of gender balance within its governing bodies. Numerous gender balance measures are already in place or are being implemented and are working towards increasing the number of women in governing bodies. The aforementioned three-year action plan lists measures to promote women's access to senior positions. Several levers have been identified, in particular:

1. Developing women's talents;
2. Strengthen the visibility of female talent;
3. Strengthen awareness of gender equality;
4. Strengthen the action of the internal network SIGN (SCOR International Gender Network) to communicate and raise awareness on diversity;
5. Encourage young graduates to join the reinsurance industry;
6. Achieve salary equity between men and women within the Group;
7. Act in favor of corporate social responsibility.

In addition to meeting the objectives set in the framework of the updated AFEP-MEDEF corporate governance code on January 29, 2020, recommending the implementation and publication of a specific gender diversity policy for governing bodies, SCOR aims to implement a particularly ambitious and proactive women's development policy, in order to effectively support and develop gender diversity and inclusion within these bodies.

In this context, the Board of Directors decided to set a target of 20% of women at the Group Executive Committee in 2021 (and 30% by the end of 2025), from 10% today. In order to build a strong pipeline of senior female talent, and in line with SCOR's policy implemented in the last few years aiming at ensuring an equitable balance in the number of men and women joining its Partnership program, the Board of Directors has also decided to set an additional target of 27% women amongst Global Partners (GP), Senior Global Partners (SGP) and Executive Global Partners (EGP) by the end of 2025, from 19% today. GP, SGP and EGP partners represented 10.7% of employees as of December 31, 2020.

The time horizon set by the Board of Directors correspond to a policy for gender diversity within the aforementioned bodies, which are both proactive and compatible with SCOR's three-year action plan.

At the end of 2020, 10% of the Group's Executive Committee are women, and women account for 19% of the expanded scope corresponding to GP to EGP Partners. They also represent 31% <sup>(1)</sup> of the Group's Partners. In comparison, at the end of 2016, there were no women on the Executive Committee, and they represented 18% and 27% of the expanded scope corresponding to GP to EGP Partners, respectively.

At the same time, measures are being taken to encourage women to become members of the Board of Directors within SCOR subsidiaries, as evidenced by the open exchange session hosted by the SIGN network in the presence of one of the female independent directors of the Board of Directors of SCOR SE.

### Main measures taken in 2020

As part of its Diversity and Inclusion policy and the associated roadmap, SCOR has continued to deploy proactive measures, alongside an orchestrated internal communication approach under the #WorkingWellTogether brand:

- **Recruitment:** SCOR is committed to raising awareness among those involved in the recruitment process on diversity and inclusion, ensuring that the process is free from discriminatory behavior through recruitment-specific training promoting diversity and inclusion. In addition, SCOR strives to ensure that the selection process is as objective as possible, thanks to the use of a skills-based evaluation system. Specific checks are also carried out on candidate evaluations via the Group's recruitment platform to ensure that equal treatment is respected. Finally, SCOR is currently working on the creation of a Graduate Program aimed at promoting diversity and inclusion through the integration of new talent, particularly women, in key functions in the reinsurance sector.
- **Mentoring:** the mentoring of women is an integral area of the roadmap and included in the CSR action plan, which is subject to quarterly reporting to the Social Responsibility, Societal Responsibility and Sustainable Development Committee of the SCOR Board of Directors. Initially developed in 2017 as part of the SIGN network (see above), this program was integrated into the Group's human capital management processes and extended to men as well. The objective of this program is to help accelerate the career of participants by pairing them with a mentor from top management.
- **Training:** the content of leadership training programs leading to high-responsibility positions has been reviewed and optimized in 2020, notably thanks to the new online training platform "My Learning Platform". Particular attention is paid to ensuring balanced representation within the Group's three flagship programs, Global Leadership Program, SUL (Stepping Up to Leadership) and its regional ASPIRE program, launched for the

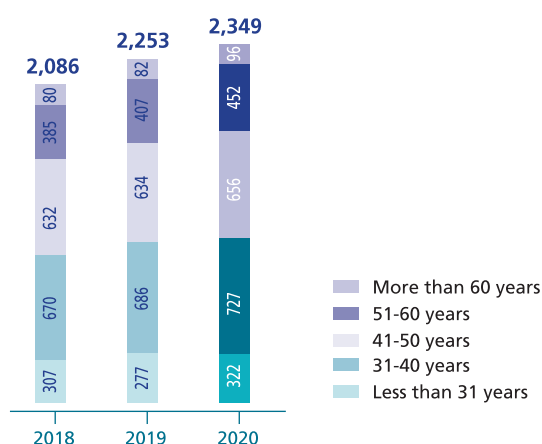
Group's youngest talents. In 2020, 37% of the participants of these training programs were women. In addition, the Group continued its efforts to train and raise awareness of issues related to discrimination and harassment. These modules, designed for all Group employees, and tackling a broader scope of issues than simply gender diversity, help to create the conditions for an inclusive culture that respects differences.

- **Evaluating, nominating and promoting:** based on the observation that the percentage of women within the Partners program was a necessary condition to increasing the percentage of women in higher responsibility positions, the Group is careful to ensure a balanced representation of employees participating in the program. In early 2020, women represented 52% of the new nominations in this program, and 42% of the promotions. In the Partners program, SCOR strives to maintain a female promotion rate that is at least equal to the representation of women within the Partnership.
- **Mobilizing employees and promoting role models:** in addition to the support from the Group and its Management to continue SIGN network activities globally and locally, that now see more than 300 employees participate, SCOR also involves its teams, particularly through their contribution to promoting role models in positions and fields in which the female pool is traditionally underrepresented (science, technology, engineering and mathematics). In light of this, the Group showcased the career paths of women on its intranet, including personal career insights as part of the Women In Tech initiative in order to combat a number of stereotypes and promote potential careers within this type of industry.
- **Performance benchmarking:** the Group's commitment to continuously improve its policy is also reflected in its involvement in associations working towards the advancement of women in careers in the financial industry, such as Financi'Elles (France), the Women's Insurance Network (London), and Advance (Zurich). In addition to the networking opportunities provided by these networks, SCOR, through its involvement, is able to rate its performance in diversity and female representation in high-responsibility positions by comparing them to their industry counterparts. In this regard, pursuant to French law, SCOR's index of professional equality between men and women in France stood at 90/100, a level higher than local requirements: a great recognition of SCOR's policy on compensation, promotion, processes of returning from maternity leave, and gender equality among the ten highest compensated employees.
- **Internal Network:** The governance of SIGN (SCOR International Gender Network), a diverse and autonomous network of employees, was reviewed in 2020 in order to fully integrate the Group's CSR objectives and align joint efforts to promote inclusion. The scope of the network, renamed SIGN+ (SCOR Inclusive Global Network), has also been broadened to include all forms of diversity. Many initiatives have been proposed in 2020 by the network for this purpose, in the form of lectures and informal talks. For example, five interview sessions have been proposed (one with a member of the Board of Directors and two with a member of the Group's Executive Committee) to share their experience and other career advice while reaffirming their commitment to diversity and inclusion issues.

(1) Excluding SCOR Channel [calculated on the basis of the Group's headcount at the end of the year].

## Promoting cultural and generational diversity

### Breakdown by age <sup>(1)</sup>



(1) Due to local laws, the age of the employees working in the Americas Hub has not been taken into account in these figures.

With approximately 65 nationalities and the resulting cultural differences, the Group pays close attention to the conditions necessary for a collaborative work environment and the integration and development of employees, regardless of their origin or nationality.

The Diversity and Inclusion Month organized in June 2020, is an annual flagship event that takes place across the Group's offices. The event provides an opportunity, through a variety of activities (workshops, quizzes, videos, resources, training modules), to raise employee awareness and emphasize the Group's commitment to these issues. Given the social context, the initiatives were focused on mental health and support for the 2020 #BlackLivesMatter movement following the tragic events that affected the entire world. As an example, this support was reaffirmed through communications sent to all employees in the Americas, in tribute to George Floyd but also as part of "Juneteenth", an annual holiday celebrating the end of slavery in the United States. Sessions were held throughout the year, as evidenced by the initiatives launched in London around Black History Month, facilitating discussions and contributing to collective and individual awareness on the themes of cultural and ethnic diversity, the fight against racial prejudice and the promotion of an increased inclusive culture.

Regarding intergenerational diversity, the Group encourages the integration of new employees, and supports the older and younger employees in the company. SCOR's ambition is to encourage employees to work together more effectively and better share their knowledge globally, accelerate the integration of new hires, offer new development opportunities for older employees and improve the visibility of young employees.

In addition, the Group also implements non-discriminatory measures for older employees; they may take the form of collective agreements in some countries, such as in France which upholds its commitments on non-discrimination, equal treatment, recruitment, retention, and the management of the skills of senior citizens.

Personal coaching and support for older employees, along with pension schemes tailored to employees' personal situation, are also set up locally such as in Cologne.

## Ensuring employment and integration of employees with disabilities

SCOR has stepped up its support for the employment of people with disabilities. It therefore focuses on internal and proactive communication regarding disability in order to change negative and subconscious attitudes, inform employees with disabilities about their rights and provide them with the tools and solutions to ensure their full integration.

Employees that report having disabilities account for 0.58% of SCOR's workforce, or 18 employees, and all work in the EMEA region, which accounts for 61% of SCOR's total workforce. Over the last five years, this percentage has remained stable.

Various initiatives were undertaken in 2020 to integrate people with disabilities and raise employee awareness, especially as part of European Disability Employment Week, when the Group ran initiatives to integrate people with disabilities during "DuoDay", conferences (Handicafé Digital), and internal and external communication campaigns. These measures aim to raise employee awareness of the different forms of disability and the recognition of the Worker with a Disability status.

In addition, SCOR continues its commitments with the Manifesto for the Inclusion of People with Disabilities in Economic Life. Signed in 2019, this Manifesto presents ten key actions for the hiring, the inclusion and development of people with disabilities. It aims to strengthen dialogue and the contacts between companies, associations, civil society and jobseekers with disabilities.

## Second #WorkingWellTogether pillar: quality of life and well-being at work

The Group aims to retain talented employees by facilitating an improved work-life balance through the development of an innovative and flexible working environment and dedicated events raising awareness on health and well-being at work.

In 2020, this commitment took on a whole new meaning in light of the global health crisis, requiring the implementation of specific measures to protect the physical and mental health of each of our employees.

### 2020 achievements

- The Group responded to the global pandemic with specific measures in order to protect its employees' physical and mental health and ensure business continuity. Incident Management Teams (IMT) were created in each SCOR site reporting to one of the three regional IMTs, which in turn reported to the Global IMT crisis unit.
- From the start of the pandemic, and very often in anticipation of instructions from local authorities, general remote working measures were put in place for employees, prioritizing their health and that of their families, and to avoid to the spread of the virus.



- SCOR's Business Continuity Plan (BCP) provided the IT infrastructure and resources necessary for employees to continue the activities from home with as little disruption as possible.
- These measures have been subject to regular discussions among employee representatives of relevant countries and in accordance with agreed protocols (see also Section 6.2.14 – Fostering social dialogue for additional information). In addition, specific discussions on the flexibility and evolution of working solutions were launched in the third quarter of 2020.
- The Group has made every effort to minimize the possible negative consequences of this situation on the working conditions of its employees. The risks in terms of work-life balance, feelings of isolation and organizational difficulties associated with working remotely have been specifically taken into account.
- Due to its geographical footprint and local regulations, the Group complies with all International Labour Organization provisions. The topics related to the "Elimination of discrimination in respect of employment and occupation" and to the "Freedom of association and the effective recognition of the right to collective bargaining" are addressed in the paragraph on "Equal treatment between men and women and balanced representation in senior positions" and in Section 6.2.1.4 – Fostering social dialogue. Within the Group, the social climate can be considered good. In 2020, 33 meetings were held with the Group's employee representatives to discuss local health and safety conditions across various countries (6 meetings in France, 1 in Switzerland, 1 in Italy, 3 in Brazil, 11 in Colombia, 9 in Mexico, and 2 in Germany).
- Local specific events were organized to raise awareness on employees' well-being and health, such as training courses, well-being week, professional health awareness initiatives and information meetings. Examples include the launch of the Good Life mobile health application developed by SCOR Global Life's actuarial teams, the "Movember" initiatives focused on male diseases, the introduction of Sharing Groups (Paris) and mental health awareness initiatives. These are key opportunities for employees and the Group to discuss the importance of achieving a work-life balance.
- Medical and health services for employees have also been further developed in 2020 (medical appointments, examinations, sports activities, workstation assessment and ergonomic solutions, and specific solutions for stress management). A psychological assistance program was deployed at each Group site in order to support employees throughout the health crisis.  
In addition, "Pulse" surveys were regularly sent out to assess employee well-being. Between April and July 2020, they considered that the support offered by the Group to respond to the health crisis (remote work training, information and advice, technical support, psychological support, etc.) was very satisfactory (average of 81/100).
- In some countries, employees can gift their own paid vacation days to other employees facing a personal emergency (e.g if their child is sick). In Paris, a system has been set up to support employees helping a family member who is facing a loss of autonomy (disability, disease, old age, etc.). The initiative was presented at a dedicated conference.
- In 2020, the Group rolled out a new digital employee survey solution to assess the satisfaction, motivation and commitment

of Group employees and define relevant action plans where necessary. The global employee survey implemented in 2020 confirmed that employees were proud to work for SCOR and felt a strong sense of belonging, all in a highly appreciated working environment. Global and tailor-made action plans are currently being developed to respond to employee feedback focusing on recognition, evaluation and compensation.

The Group's absenteeism rate (the number of days of absence in 2020 including sick leave and paternity, maternity, parental, sabbatical and exceptional leave divided by the total theoretical number of days worked in the year) decreased between 2019 <sup>(1)</sup> and 2020, from 4.10% to 3.16%. The share of sickness absence (number of days of absence in the year including sick leave, divided by the total theoretical number of days worked in the same year) followed the same trend year on year, decreasing from 1.92% to 1.43%.

### Third #WorkingWellTogether pillar: community engagement

The commitment to supporting communities is #WorkingWellTogether's third pillar. Expanding on the CSR action plan led by the Group's Board of Directors through its specialized committee, this area seeks to facilitate the social, societal and environmental commitment of SCOR employees within communities. This approach is the result of a broad consultation that SCOR has launched with its employees on a number of CSR topics and how these topics could be better integrated into the organization. SCOR is carrying out sponsorship initiatives across the world that lead its entities and teams to get involved in community life.

As part of the "SCOR for Good" project in 2020, the Group has set up an online social engagement platform promoting and facilitating employees' involvement in solidarity initiatives, while taking into account local cultural and/or regulatory specificities.

This platform, run by a network of employee volunteers, enables the Group to offer volunteering activities (skills-based or field volunteering) and to organize fundraising and goods collections in all Group sites. For the launch of the platform, engagement initiatives were adapted to factor in Covid-19 and related local charity needs.

In 2020, numerous activities, collections, donations and other sporting events were organized to support or raise funds for research, education, the treatment of diseases such as cancer, the fight against poverty and insecurity, and other solidarity initiatives related to Covid-19.

For example, in the Americas, the teams give back to communities by supporting a number of charity events as volunteers under the "Give4Others" program. The SEAC (SCOR Employee Activities Committee), a SCOR employee association, joined forces with non-profits Concrete Safaris and Volunteers of America for the organization holiday experiences for underprivileged teenagers, community cooking initiatives, coat collections and a virtual night event in support of the homeless. The United Way fundraising campaign, launched in fall 2020 in the United States and Canada with an interoffice competition, was a real success, raising more than EUR 93,000 to support initiatives in education, health and the fight against insecurity.

(1) 2019 results do not include SCOR Channel.



In Latin America, community outreach is just as present. In Brazil, employees have given back to the community through donations to retirement homes (Amparo Thereza Christina) and the distribution of water to the homeless during lunch breaks. In Argentina, masks to protect against Covid-19 were delivered to the Gutierrez & Garrahan children's hospitals as part of the "A cake for a smile" program organized by the "El Atardecer" association, blankets were made for the homeless and meals were distributed for the "Conidarte" association. In Colombia, collections for clothing and school supplies were organized in support of the Esperanza Mariana Foundation for children with Down's syndrome, and funds were raised to help people affected by Covid-19 (donations of food, medicines, PPE for doctors, mechanical ventilation equipment, school supplies for students in rural areas, etc.), supporting more than 400 families.

In 2020, employees in the Asia-Pacific region worked with charities protecting the environment (raising awareness on the impact of waste on the environment and collection of plastics in tanks), fighting poverty (packing food for the most needy families and organizing clothing collections) and providing teaching assistance (helping migrant workers to improve their English).

In Europe, SCOR employees were also involved in community outreach initiatives at their respective sites. In France, for example, more than 150 SCOR employees took part in a sports challenge in 2020 and reached 15 million steps, using the Good Life mobile application to keep track, in support of cardiovascular disease research and prevention. In Switzerland and Germany, numerous initiatives have also been launched, such as fabric donations for refugees, a bicycle donation scheme for Africa, toy collections at Christmas, a Run4Kids fun run and language courses aimed at social and professional integration. In Spain, employees were also

invited to take part in a virtual fun run to raise funds for "Menudos Corazones", an association that helps and supports families with children suffering from congenital heart diseases. Italy has also shown its support for an association aimed at supporting terminally ill cancer patients. In the United Kingdom, the R.A.I.S.E (Responsibilities, Awareness/Actions, Initiatives, Social/Staff Engagement) committee has been structured to give the employees of SCOR London, SCOR Channel and ReMark the opportunity to help address social, environmental, charitable and community issues impacting their daily lives. For example, staff members offered a £10,000 springboard grant to associations promoting social inclusion. In addition, the Coriali project, which was chosen in a vote, gives people with mental disabilities the chance to develop professionally through the arts, particularly dance. Another success for the R.A.I.S.E. committee was the winter charity program, which raised £11,300 to support four associations fighting against poverty and insecurity, as well as SCOR UK's partner association, the Tom Bowdidge Foundation, which supports child and teenage cancer patients.

In addition to these local initiatives, fun challenges were organized with this new platform as part of the Sustainable Development Weeks, in partnership with Green SCOR, to involve employees in concrete actions related to saving water and reducing plastic use. More than 150 employees took part.

In October 2020 and as part of the SCOR for Good project, the Group, with the strong support of the Board of Directors and the Executive Committee, began offering each employee the possibility of dedicating one day of their working time per year to an activity contributing to community engagement.

In 2020, 400 days of community engagement were recorded.

### 6.2.1.3. DEVELOPING SKILLS AND PREPARING FOR FUTURE NEEDS

Developing the expertise, knowledge and career paths of employees is a key condition to ensure employee motivation and well-being, and ultimately the Group's performance. In this regard, a whole range of tools have been implemented to support and assist employees in their professional development.

For this purpose, 100% of employees participated in at least one training course in 2020 (85% excluding mandatory e-learning training modules).

#### 1 – Developing individual performance

The Annual Appraisal and Development Interview gives employees annual objectives and a concrete appraisal of their contribution over the past year. It provides them with the means by which to make the most of their skills. This interview is a key element in the human capital management policy in terms of individual career management, training and salary increases.

In addition, since 2019 and for 2020, employees and managers have been invited to set CSR (Corporate Social Responsibility) objectives. These objectives are optional (except for the Executive

Committee members, for whom at least one CSR objective is mandatory) and confirm SCOR's commitment to CSR matters. They include civic engagement, well-being and diversity in the workplace, topics developed during the #WorkingWellTogether program, environmental protection, and the integration of social and environmental issues in our work. In addition, since 2020, employees and managers have also been invited to define technological and expertise objectives, in order to enhance the development of innovative and high value-added digital solutions for the Group, in line with the new "Quantum Leap" strategic plan.

#### 2 – Considering career prospects

Beyond analyzing the employee's performance over the past year and setting new objectives, the annual appraisal facilitates the professional development of each employee. With their managers, employees examine the career prospects available within the Group, based on their personal aspirations and the needs of the Company. Together, they also identify any training that could help them to achieve new objectives. Leadership and Organizational Reviews also provide the possibility to implement individual action plans (training, professional development, etc.) for some Group employees.

## 3 – Identifying the Group's strategic needs and skills and supporting and assisting each employee

The Leadership and Organizational Reviews bring together the top management of each company department and the Human Resources Department. These reviews <sup>(1)</sup> are organized by activity in four steps: review of the organizational structure and the business challenges, individual skills and career prospects analysis, definition of action plans (training, professional development, compensation etc.), definition of succession plans.

From an operational point of view, these meetings enable the Group to meet key business needs: having the right talent in the right place, developing skills and preparing for future needs.

## 4 – Developing employees' skills

SCOR University supports the Group in its ambition to become an agile and global learning and development organization, driving SCOR's self-driven learning culture and fostering a sense of initiative :

- by developing SCOR's knowledge society through building learning communities, crafting training pathways and experiences, and enabling knowledge sharing;
- by providing employees with the necessary resources to put them at the center of their professional development.

SCOR University, supported by a global team of training and development specialists, has focused its development in 2020 on the following six themes, in line with the business needs of each of the Group's Business Units, emphasizing on two priorities in particular: Digital Transformation and IFRS 17.

### 2020 achievements

Promoting a self-driven, skills-based learning culture, 2020 was a year marked by developing and digitalizing SCOR's training programs. 2020 also saw a shift in employees' learning behavior, moving more and more to real-time learning with a preference for shorter learning formats.

- Development of the new "My Learning Platform", ensuring access to all learning programs, content and resources for all Group employees worldwide. This new multi-media platform simplifies access to training, offering blended learning solutions that combine a variety of learning formats, such as face-to-face, virtual and digital content. "My Learning Platform" is accessible to all SCOR employees in real time, and was also made available

to external employees such as service providers and SCOR Channel employees in 2020.

- Digitalization of the training offering, with the deployment of LinkedIn Learning, a new digital learning solution providing unlimited access to 15,000 expert-led online courses and video tutorials covering technical subjects, business expertise and professional efficiency. In 2020, SCOR employees completed 1,800 LinkedIn Learning courses and 47,000 LinkedIn Learning videos.
- Roll out of Speexx, a virtual language learning solution available to all employees in five languages. In 2020, 320 licenses were activated.
- Support for the digital transformation: launch of a data science curriculum with an introductory module focusing on machine learning.
- Launch of a digital on-boarding learning path for SCOR new hires accessible via My Learning Platform and split into three modules (global, business, regional) to facilitate and accelerate the integration of new employees.
- For the first time in 2020, the DiSCORvery integration program was held virtually over four half-days, bringing together 180 new hires from the EMEA region, 100 from the Americas and 50 from the Asia-Pacific region.
- In compliance with the Group's values and business requirements, SCOR University proposes a set of solutions to reduce the risks taken by the employees in their daily operational activities: digital training on the prevention of cyber risk and phishing, as well as training modules on the SCOR Code of Conduct, business continuity management and unconscious bias were launched in 2020.
- Re-structuring of management programs: a new management program for new managers was designed at the end of 2020 to better support their development. This 12-week program has a strong focus on the transition from employee to manager, the development of a feedback culture, performance coaching, and the creation of a relationship of trust and authenticity in an ever-changing environment.
- Support for IFRS 17 and the implementation of the associated training strategy with the launch of two IFRS 17 e-learning modules.
- Insourcing of e-learning content production and upskilling of SCOR University to create an interactive e-learning content.

In 2020, on average, each employee received approximately 15 hours of training. Training represented a cost of EUR 843,500 in 2020 <sup>(2)</sup>.

### 6.2.1.4. FOSTERING SOCIAL DIALOGUE

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

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

### 2020 achievements

- The Covid-19 crisis was managed through close social dialogue with employee representatives under the conditions applicable in the various countries. For example, several meetings took place between March and December 2020 with the Social and Economic Committee and at the European level with the CECC regarding the health crisis.

(1) SCOR Channel and ReMark employees are not covered by these reviews.

(2) Data includes global e-learning training. For technical reasons, the expense is calculated net of tax for France.

- The Company specifically informed and consulted the employee representatives as soon as necessary concerning the health crisis, and particularly on the matters of successive e-working and lockdown plans, the procedure for returning to the office and the procedure for handling potential or confirmed Covid-19 cases among SCOR employees. The Group also worked with the occupational doctor and the General Services Department to ensure the effectiveness and robustness of our health and safety measures.
- The CECC met six times in 2020: on February 12, May 11 and 20, June 5, July 8 and September 30.
- In addition to these meetings held at European level, social dialogue takes place at local level too. In 2020, 70 meetings (83 in 2019) were held with employee representatives worldwide (24 meetings in France <sup>(1)</sup>, 16 meetings in Switzerland, 12 meetings in Germany, 12 meetings in the United Kingdom, and 6 meetings in Brazil).
- 17 collective agreements were signed within the Group in 2020 (5 for France, 8 in Germany and 4 in Brazil). These agreements are intended to improve the economic performance of SCOR and the working conditions of employees, in particular by linking them more closely to the Company's performance and improving employee benefits.

## 6.2.2. SOCIAL INDICATORS AND NOTE ON METHODOLOGY

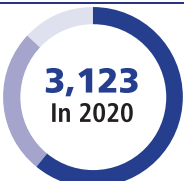
The items mentioned in the document below pertain to the entire Group (SCOR SE and all its subsidiaries consolidated through full integration) except ReMark (149 employees), ESSOR (84 employees), Telemed (45 employees), AgroBrasil (34 employees), Coriolis (7 employees), MRM (5 employees), Château Mondot SAS (21 employees) and Les Belles Perdrix de Troplong Mondot EURL (11 employees, fully consolidated entity).

These entities, all wholly owned subsidiaries of SCOR SE except MRM of which SCOR SE holds 59.9% of the capital, are all managed independently from the Group in terms of human resources (HR policies, processes, rules and frameworks, etc.).

### 6.2.2.1. SOCIAL INDICATORS

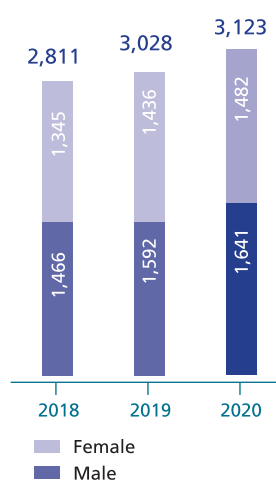
The social indicators published below include SCOR Channel for 2019 et 2020, unlike in previous years.

#### Breakdown by hub <sup>(1)</sup>

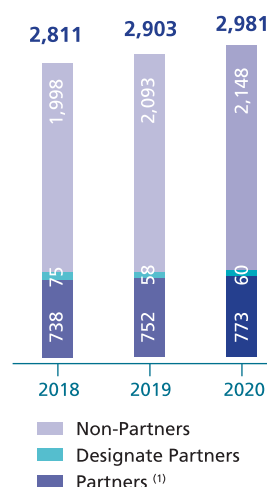
	2020	2019	2018
 <ul style="list-style-type: none"> <li>■ 61% EMEA</li> <li>■ 25% Americas</li> <li>■ 14% Asia-Pacific</li> </ul>	1,912	1,848	1,694
	774	775	725
	437	405	392
<b>TOTAL</b>	<b>3,123</b>	<b>3,028</b>	<b>2,811</b>

(1) Headcount is calculated on the basis of employees registered as at December 31. Each Hub covers a region and may have employees in several countries. For example, the EMEA Hub covers France, the United Kingdom, Spain, Italy, Belgium, the Netherlands, Russia, Ireland, Switzerland, Germany, Israel, Sweden, Kenya and South Africa. As temporary workers and external service providers are managed according to specific rules in each site, this data is not mentioned in the headcount. For a breakdown of countries by Hub, see Section 2.1.7.

#### Breakdown of employees by gender



#### Breakdown of employees by status <sup>(2)</sup>



(1) Definition of Partner: see Section 6.2.1.1 – “Partners” program. The executive corporate officer is included in this group. This figure includes the decisions taken during the 2021 Partners promotions and nominations campaign which took place at the end of 2020.

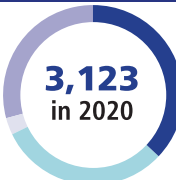
(1) For France, this data includes the meetings of the Social and Economic Committee and the employee representatives.

(2) Excluding SCOR Channel as the “Partners” program is not implemented.

# 06 NON-FINANCIAL PERFORMANCE STATEMENT

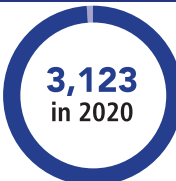
Social impact of SCOR's activity

## Breakdown of employees by business unit

	2020	2019	2018
 <ul style="list-style-type: none"> <li>37% SCOR Global P&amp;C</li> <li>31% SCOR Global Life</li> <li>3% SCOR Global Investments</li> <li>29% Group Functions and Support <sup>(1)</sup></li> </ul>	1,152	1,141	981
	974	981	960
	99	85	78
	898	821	792
<b>TOTAL</b>	<b>3,123</b>	<b>3,028</b>	<b>2,811</b>

(1) The "Group Functions and Support" unit includes the departments reporting to the CFO, CRO and COO of the Group as well as the departments directly managed by the Chairman and Chief Executive Officer.

## Breakdown of employees by type of contract

	2020	2019	2018
 <ul style="list-style-type: none"> <li>99% Permanent contracts</li> <li>1% Fixed-term contracts</li> </ul>	3,095	3,001	2,782
	28	27	29
<b>Total</b>	<b>3,123</b>	<b>3,028</b>	<b>2,811</b>
Trainees <sup>(1)</sup>	203	164	143
<b>TOTAL INCLUDING TRAINEES</b>	<b>3,326</b>	<b>3,192</b>	<b>2,954</b>

(1) All trainees paid under a tripartite relationship between the company, the school and the student. SCOR had 203 trainees as at December 31, 2020 (71 in France, 12 in Switzerland, 30 in Germany, 8 in the United States, 19 in the United Kingdom, 3 in Russia, 6 in Hong Kong, 4 in China, 10 in Singapore, 2 in South Korea, 1 in Taiwan, 32 in Ireland, 2 in Colombia, 2 in Brazil and 1 in Canada). The trainees' employment contracts differ depending on the country and training objectives. All trainee programs aim to introduce the students to the work environment, whether through work-study programs or vocational training courses for specific professions.

## Breakdown of employees by type of working time (and by gender)

	2020			2019			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	1,599	1,346	2,945	1,548	1,298	2,846	1,431	1,208	2,639
Part-time employees	42	136	178	44	138	182	35	137	172
<b>TOTAL</b>	<b>1,641</b>	<b>1,482</b>	<b>3,123</b>	<b>1,592</b>	<b>1,436</b>	<b>3,028</b>	<b>1,466</b>	<b>1,345</b>	<b>2,811</b>

## New hires (by contract type and by gender)

	2020			2019			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent contracts	176	145	321	210	183	393	127	128	255
Fixed-term contracts	9	12	21	15	8	23	12	7	19
Trainees	130	101	231	119	133	252	101	111	212

Methodology: the definitions of "fixed-term contract" and "trainee" may vary from one country to another. A "fixed-term contract" is a signed employment contract mentioning a termination date, a "trainee" is an employee paid by the company under a tripartite agreement between the company, the school and the student.



## Departures

	2020			2019			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Retirement	22	18	40	22	16	38	23	17	40
Resignation	85	71	156	127	110	237	107	87	194
Dismissal	16	18	34	22	19	41	12	11	23
End of fixed-term contract	6	6	12	8	5	13	3	4	7
Death	2	-	2	-	-	-	-	-	-
Company transfer	3	-	3	2	-	2	-	1	1
Trainees	98	89	187	104	120	224	100	105	205

Methodology: employees on fixed-term contracts are considered to have definitively left SCOR when their contracts expire. Therefore, the seven employees who signed a permanent contract in 2020 at the end of their fixed-term contract are not included in the indicator "End of fixed-term contract".

### 6.2.2.2. NOTE ON METHODOLOGY

The report covers the 12-month period from January 1, to December 31, of the year under review.

Headcount is calculated on the basis of employees registered at December 31, on fixed-term contracts (employment contract signed directly between SCOR and the individual with a defined end date) or permanent contracts (employment contract signed directly between SCOR and the individual for an unlimited period). Trainees are employees paid by the company under a tripartite agreement between the company, the school and the student.

Employees on fixed-term contracts are considered as definitively leaving SCOR when their contracts expire. Employees who signed a permanent contract in 2020 at the end of their fixed-term contract are not included in the fixed term contract endings.

For employees who signed several similar employment contracts during the year, only the initial hiring and the final departure are considered.

2020 Group staff turnover is calculated as follows: number of departures in 2020 (excluding dismissals, deaths, company transfers and trainees)/headcount as at December 31, 2019.

Average fixed compensation is calculated on the basis of the annual reference compensation paid to employees, prorated to actual hours worked. The average bonus includes the profit-sharing scheme for France and takes into account bonuses equal to zero for unsatisfactory performance. Average shares allocated takes into account persons who have not been allocated shares.

Theoretical working time is the annual period of time (calculated in days) that an employee spends at work. This definition is based on the legal (or conventional) approach and does not take into account absences for sick leave, maternity leave, sabbatical leave, etc.

The length of absence includes sick leave, injury leave, maternity/paternity leave, sabbatical leave and exceptional leave.

Number of training hours is the total number of hours of training received by all the employees during the year. These training hours are directly managed by SCOR or by an external training organization appointed by SCOR. For collective training, the number of hours of training is multiplied by the number of participants.

An employee is considered to have a disability when the disability is recognized as such by the relevant body. The disability may be physical or mental or a combination of both. A disability may be present from birth or develop during a person's lifetime.

Daily checks are performed by the local HR managers and the Group HR Department to ensure the reliability of the information in the Group database. An additional detailed check of the data is performed annually (in December) by the Group HR Department and the local HR managers.

The collective agreements are concluded for a positive impact, in particular for the working conditions of employees and for the economic performance of the company.

### Limitations of data collection and reliability

Definitions of social indicators may differ slightly from one country to another. Nevertheless, the SCOR indicators used in the tables below are consistent and meaningful at Group level. Unless otherwise indicated, no estimates are made in calculating these indicators.

## 6.3. BUSINESS CONDUCT AND COMPLIANCE

As a trusted partner SCOR places a strong focus on business ethics and compliance matters. In addition to the specific measures detailed in the various sections of this non-financial performance statement, the Group focuses on 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 those relating to tax evasion.

As stated in its Code of Conduct – and further detailed in its various compliance related policies – the Group emphasizes the importance of complying with all applicable laws and regulations. The Code of Conduct emphasizes integrity, ethics, compliance, professionalism and responsibility in all aspects of business conduct.

The programs implemented in these areas and the associated performance indicators (training) are described in the following sections.

### 6.3.1. CODE OF CONDUCT AND COMPLIANCE POLICY

The Group Code of Conduct establishes the key areas of compliance with legal and ethical obligations and the best practices in these areas. The Code addresses important compliance and business ethics issues, such as the rules applicable to business confidentiality, inside information and the acceptance of gifts and invitations. Additionally, it underlines the importance of knowing stakeholders ("Know Your Customer – KYC") to comply with anti-money laundering regulations and economic sanction programs.

The Code of Conduct is incorporated into the Group's human capital management cycles, for instance as part of the annual Appraisal and Development Interview, described in Section 6.2.1.3 of this statement, as well as through training provided to new employees and periodically to existing employees.

Failure to comply with the principles of SCOR's Code of Conduct may result in disciplinary action, which could lead to criminal or regulatory proceedings in compliance with the applicable laws. In addition, as per the Group Compensation Policy and as outlined in Section 6.1.3.5 of this statement, breaches of the Code of Conduct could prevent performance shares and stock options from vesting.

The Group Compliance Policy, inseparable from the Group Code of Conduct, defines several principles to support the compliance framework. One of the major principles is the respect of a risk-based approach to compliance in accordance with the SCOR Group Policy on Risk Management. This approach consists of identifying compliance risks existing in SCOR's business activities, prioritizing dedicated efforts and resources to manage those risks, taking into account both their severity and probability, and establishing ongoing procedures aimed at preventing, detecting and remedying these risks.

The Group Compliance Policy also defines the roles and responsibilities of key stakeholders, in particular the compliance teams. The compliance teams carry-out a risk assessment annually (developed in conjunction with Group Risk Management Department), and the results of that risk assessment are used to guide the annual Group Compliance Plan. This plan is approved by the Executive Committee of SCOR SE annually and is also submitted to the Audit Committee of the Board of Directors of SCOR SE.

The Group Compliance Policy, together with other compliance-related policies and guidelines, establishes minimum standards applicable throughout the Group. These standards are published in a central repository available to all employees and include, *inter alia*, the following policies and guidelines:

- Group data protection policy and its related guidelines on data breach response;
- Group policy on anti-bribery and its appendix on corruption risk mapping;
- Group guidelines on sanctions and embargoes and its related guidelines on sanctions screening;
- Group guidelines on anti-money laundering, combating the financing of terrorism and Know-Your-Customer;
- Group guidelines on the management of inside information and trading in SCOR's securities;
- Group policy on conflict of interest;
- Group fit & proper policy;
- Group policy on outsourcing;
- Group anti-trust policy.

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 the Group's guidelines on reporting concerns, which up until early 2019 provided two channels to securely raise concerns. In order to make it easier for SCOR employees and third parties to raise any relevant concerns, SCOR added in 2019 a third channel of communication, for raising alerts through the internet.

Through this new channel, the Group's internal and external stakeholders can raise an alert by simply clicking on a link on the SCOR Intranet portal or on the Group's website. This enables secure and confidential reporting of concerns at any time and from any location with Internet access. The reporting channel allows users to include attachments to the report and also allows for anonymous reporting. All reports filed 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.

In order to ensure proper dissemination of the compliance requirements among SCOR employees, and to keep them informed about the latest development on those issues, training sessions for the underwriting, claims handling and accounting departments are regularly held across Hubs. In addition to e-learning modules such as the one mentioned above, 2020 compliance training activities included 12 training sessions in the Asia-Pacific region, 10 training sessions in the Americas, 20 training sessions in the EMEA region and one training done *via* the release of a video recording.

### 6.3.2. DATA PRIVACY AND PROTECTION

The United Nations Global Compact, of which SCOR is a member, invites the Group to promote and respect the protection of international human rights law and to ensure that it is not a party to any human rights violations.

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

As well as the processing of personal data relating to its employees, SCOR's activities may involve the processing of other personal data, which requires it to comply with personal data protection and privacy regulations. The Code of Conduct defines the most important principles related to the respect of personal data and privacy that are mandatory for all employees.

In addition, the General Data Protection Regulation (GDPR) (EU 2016/679) 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. While the GDPR is general in nature and does not specifically relate to reinsurance, it nonetheless has a significant impact on SCOR's data processing activities.

In 2018, the Group completed a project designed to ensure compliance with the GDPR's requirements, which led to the implementation of several organizational and technical measures.

In accordance with the regulation, the Group appointed a Data Protection Officer who is in charge of building and maintaining a

comprehensive data protection framework. The Data Protection Officer works primarily with local compliance teams, legal counsels and IT security teams worldwide.

As part of the global training program for employees, data protection and the GDPR have been included in the training sessions conducted by the legal and compliance teams worldwide. During these sessions, employees are trained on data protection obligations, the GDPR and any local obligations that may be applicable to participants. The training sessions are hands on and include case studies to help participants identify the issues that may arise in the course of their work and the best practices to resolve them.

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

- the Group Data Protection Guidelines, which establish a common minimum standard to be applied by SCOR for processing personal data;
- the Group Data Breach Response Guidelines, which establish a response process to help staff identify and escalate a potential data breach, to ensure an appropriate and timely Company response;
- the Group Information Security Policy, which establishes SCOR's commitment to IT security and defines IT security governance.

These documents are owned by the Group Data Protection Officer, Group Chief Compliance Officer and Group Chief Information Officer, respectively.

### 6.3.3. ETHICS AND ARTIFICIAL INTELLIGENCE

SCOR's Code of conduct serves as a reference to enable employees to understand their legal and ethical obligations toward SCOR's different stakeholders. This reference is also used for artificial intelligence as SCOR is committed to formally integrating these

principles into its operations, based on the "ethical guidelines for trustworthy AI" published in April 2019, by the European Commission High-Level Expert Group on Artificial Intelligence.

### 6.3.4. ANTI-CORRUPTION

As mentioned in the Code of Conduct, SCOR has a zero-tolerance approach to corruption, including active and passive bribery and influence peddling. The Group Policy on Anti-Bribery clearly defines corrupt practices and provides guidance for employees in recognizing and preventing corrupt practices.

In accordance with the French Sapin II law <sup>(1)</sup>, the Group conducts a thorough risk assessment annually to identify the countries, sectors and activities that, within the context of SCOR's business, expose the Group to a particular risk of corruption, as well as indications of corruption that may be present in any country, sector or activity.

This corruption risk assessment also identified the employees that are most exposed to corruption or fraudulent activity as part of their duties or activities within the Group. As well as reminders sent to all Group employees concerning the need for constant vigilance with respect to compliance with anti-corruption regulations, employees most exposed to this risk receive periodic anti-corruption training.

In addition to training and reminders, SCOR has implemented pop-up reminders in the technical accounting systems that indicate the "red-flags" of possible corrupt activity whenever a transaction is processed relating to a country identified as at-risk in the aforementioned risk assessment.

(1) Law on transparency, the fight against corruption and the modernization of economic life.

### 6.3.5. SANCTIONS AND EMBARGOES

It is SCOR's policy to comply with all applicable laws and regulations regarding financial and trade sanctions. In that respect, the Group's compliance teams have developed and implemented a comprehensive framework to ensure the Group's compliance with all applicable laws and regulations in this area. This framework includes:

- a risk-based analysis, differentiated between the Life, P&C and investments business units. This analysis is updated regularly and guides employees as to (1) when the legal team must be consulted, (2) sectors subject to sanctions, such as military and nuclear goods, and (3) when screening is required;
- a risk-based Know-Your-Customer process for the evaluation of new business partners;
- a risk-based sanctions screening protocol;

- a clear definition of roles and responsibilities and a dedicated process for escalation, blocking and remediation if the screening procedure results in an alert.

The Group continues to work on a project to automate many of the screening processes in order to enhance them. SCOR already screens its main technical accounting system on a weekly basis and other databases on a monthly or quarterly basis depending on the nature of the database and the frequency of its updates.

In addition to the above, sanctions and embargoes, are mandatory topics in the legal and compliance training conducted every year. These in-person training sessions are supplemented by a periodic training via an e-learning module for employees who may be exposed to economic sanction and embargo issues in the course and scope of their work.

### 6.3.6. ANTI-MONEY LAUNDERING, FINANCING OF TERRORISM AND KYC

As a reinsurer, SCOR does not typically have any contractual relationship with the underlying insureds of its cedents, and most global anti-money laundering and counter-terrorism financing laws and regulations do not apply to reinsurance. However, as an international financial group, SCOR still has a proportionate process to assess and analyze the Group's exposure to money laundering and terrorism financing risks.

SCOR has put in place a risk-based approach, set out in the Group's Guidelines on Anti-Money Laundering, Combating the Financing of Terrorism and Know-Your-Customer. The procedures include the identification of business risk indicators by the compliance teams, which are subsequently applied in business risk assessments by each Hub.

### 6.3.7. INSIDER TRADING

Transparency, accountability and credibility in the eyes of our investors are key values for SCOR as a listed company. In this respect, the Group Guidelines on Managing Inside Information clearly prohibit trading in SCOR's securities while in possession of information which, if made public, would be likely to have a significant influence on the share price.

In addition, employees are prohibited from directly or indirectly carrying out any transactions in SCOR's securities during certain sensitive periods that the Group identifies and notifies affected persons about or during any period preceding a significant event affecting SCOR and likely to influence the share price ("blackout periods"). SCOR emphasizes to employees the need to observe the rules on insider trading through regular awareness campaigns and reminders in Group communications concerning blackout periods.

### 6.3.8. TAX

In the course of its activities, the Group does not engage in any artificial structure that lacks corporate purpose or economic substance. The use of tax havens to avoid paying taxes due for business activities that take place elsewhere is not a practice adopted by the Group. The Group ensures that the pricing of SCOR's intragroup transactions complies with the OECD Transfer Pricing Guidelines and local regulations. Accordingly, SCOR pays its income taxes in the country where the business activities are performed.

Compliance with tax regulations is an integral part of SCOR's operating principles. It is Group policy to comply with the applicable tax laws wherever it operates. The Group Tax Department ensures that the various Group entities comply with the applicable tax laws and regulations wherever they operate. All key entities have a designated tax manager who ensures that they comply with their tax obligations. Tax compliance is managed by the business process owners in accordance with the principles governing the Group's internal control system framework.

In line with the Group Code of Conduct, the business process owners concerned shall not engage in tax planning or tax schemes that do not reflect economic reality. Internal control processes ensure that a tax analysis is conducted and documented before entering into a transaction. The quarterly tax reporting process provides the Group with a complete analysis of the tax expense for the period as well as the tax account balance in the balance sheet of each Group entity.

Transfer pricing processes ensure a complete review and documentation of the most significant intragroup transactions each year (for which the principal Group entities are required to submit a compulsory transfer pricing report – the "local transfer pricing file" – with their local tax administration every year).

Lastly, other reporting obligations provide further transparency on the Group's operations. Country by Country Reporting provides an overall map of the profit, activities and taxes paid by the Group worldwide. Furthermore, the "DAC6" Directive makes the disclosure of potentially aggressive tax schemes compulsory, beginning with transactions which occurred after June 2018.



## 6.4. CONSIDERATIONS OF ENVIRONMENTAL AND SOCIAL ISSUES IN THE GROUP'S BUSINESS ACTIVITIES

As a result of its diversified and global business model, SCOR (re)insures and invests in the global economy, including industries with multiple ESG profiles and diverse stakeholders, and industries operating in countries that have cultural and normative environments of varying degrees of maturity in social and environmental fields. As such, the Group's reputation may be influenced by the perception of external stakeholders who expect companies to consider society's challenges, including the development of products and services to address such issues.

In this context, the Group continues to develop several initiatives in the field of ESG risk management, as well as opportunities arising from social and environmental issues. These initiatives focus on:

- institutional commitment, support for scientific research and cooperation with several of the Group's stakeholders, particularly with regard to the modeling of natural events and a framework for the development of sustainable finance;

- the development of guidelines to provide a framework for the Group's activities in business sectors where ESG stakes are high, particularly in carbon-intensive industries such as those involving the mining and use of thermal coal. In addition to these guidelines, the Group is developing tools to monitor the ESG quality of its investment and underwriting activities in the field of specialty insurance;
- the design of insurance, reinsurance and investment products that address the issues identified as most relevant to the Group's activities, such as issues relating to climate change mitigation and adaptation, health and, to ensure inclusion, access to insurance.

These initiatives are described separately for investment activities (Section 6.4.1) and for insurance and reinsurance activities (Section 6.4.2). They are supported by companion programs such as #WorkingWellTogether (diversity, well-being and engagement), support for a knowledge society (SCOR Foundation for Science, dissemination of risk knowledge, etc.), as described in the previous sections of this statement, and GreenSCOR (Section 6.4.3), which concerns the Group's internal environmental performance.

### 6.4.1. INVESTMENT ACTIVITIES <sup>(1)</sup>

As part of its Quantum Leap strategic plan, SCOR has further committed to ESG criteria integration by updating its sustainable investment policy in September 2020 alongside new commitments in relation to climate issues. In May 2020, the Group joined the Net-Zero Asset Owner Alliance to implement its decarbonation strategy.

Based on structured governance, as introduced in Section 6.1.3.2 of this statement, the Group's sustainable investment policy is built on five pillars:

- building a resilient investment portfolio with an integrated risk management approach;

- facilitating sustainable investment decisions through negative and positive screening;
- fostering sustainable behavior through engagement;
- financing a sustainable world through themed and/or impact investments;
- supporting climate awareness through public debate and collective initiatives.

The governance of the responsible investment policy and its pillars are described below.

#### 6.4.1.1. PHILOSOPHY AND GOVERNANCE OF THE INVESTMENT POLICY

As emphasized in its sustainable investment report <sup>(2)</sup>, SCOR's investment philosophy is driven by capital allocation in a regulated Solvency II environment, underpinned by the Group's internal model. The investment activity is developed to optimize the recurring financial contribution to the Group's profitability, while protecting the value of assets and creating long-term sustainable value. Accordingly, SCOR is prudent in the management of its investment portfolio, focusing on fairly liquid, high-quality fixed-income assets in order to ensure Group solvency in the event of major losses impacting its liabilities. Asset and liability management is a critical factor when selecting assets backing SCOR's technical liabilities. The Group focuses on asset allocation and asset concentration and applies a strict congruency principle.

The management of investment risks is holistic and covers various factors through a comprehensive approach. Over the past few years, SCOR has developed a transversal corporate culture of risk management by applying an ERM (Enterprise Risk Management) approach to all its activities. Environmental, social and governance risks fall naturally into this approach and are subject to robust governance at the various levels of the Group:

- SCOR's Board of Directors, assisted by its Corporate Social and Societal Responsibility and Environmental Sustainability Committee, is regularly informed of initiatives undertaken in the context of the action plan relating to the ESG strategy for investments, as well as regulatory changes and stakeholder demands. SCOR's Group Investment Risk and Sustainability (GIRS) Department reports directly to the Committee on actions taken to apply ESG factors in its investment decisions and on how the Group's asset management takes climate change risks into account. The Risk Committee assists the Board of Directors in approving risk appetite and risk tolerance limits;

(1) This section describes the Group's sustainable investment initiatives, in accordance with the disclosure requirements set forth in the decree implementing Article 173 VI of French Law No. 2015-992 of August 17, 2015 for the Energy Transition for Green Growth.

(2) 2019 Sustainable investment report "Focus on climate risk – Resilient together", available on the Group's website.

- the Group's Executive Committee, through its specialized committees (notably the Group CSR Committee) approves the ESG strategy for investments, and the Group Investment Committee approves normative and thematic exclusions, as well as major portfolio reallocations related to risk management, particularly for climate risks. During the meetings of the Group Investment Committee, SCOR Global Investments reports on the portfolio's exposure in relation to the risk limits laid down in the strategic plan and operating plans, including those relating to ESG criteria;
- on an operational management level, the internal CSR Committee coordinates the Group's actions in terms of social and societal responsibility and sustainable development, in order to foster a cross-functional approach to CSR, harmonize the initiatives taken by the Group, and ensure that the various action plans prepared by each business unit are consistent. In addition, the Mandate Investment Committee, which brings together the Group Investment Risk and Sustainability (GIRS) Department and representatives from the SCOR Investment Partners teams, SCOR's principal asset manager, regularly analyzes portfolio positions at a

more operational and granular level. This committee discusses strategic choices in light of the Group's sustainable investing strategy. In addition to its role of monitoring the compliance of all investment decisions with the various risk limits set by the Group (e.g. risk appetite and tolerance), the GIRS is also responsible for developing the ESG strategy for investments, which is submitted to the Group Executive Committee. In addition, the GIRS Department's risk management team factors in ESG ratings, exclusion lists and operational implementation of the CSR action plan when monitoring the portfolio.

More detailed information on the investment policy governance in general, and the Group's sustainable investment policy in particular, can be found in the aforementioned Sustainable Investment report.

Given its strong concerns about environmental factors, SCOR also encourages its investment managers to overweight issuers with good ESG ratings and decisive strategies, in order to align with the Paris Agreement. SCOR closely monitors the implementation of all its preferences and regularly reviews its positions.

### 6.4.1.2. BUILDING A RESILIENT PORTFOLIO FROM AN INTEGRATED RISK MANAGEMENT PERSPECTIVE

The understanding, modeling and management of climate risks are at the heart of SCOR's business. In its sustainable investment approach, SCOR pays particular attention to climate risks and supports initiatives to better assess climate change risks. The Group pursues a dynamic and progressive approach from a dual perspective, systematically adopting best practices, advances in terms of the knowledge of physical risks, regulatory transition risks and reputational risks, and testing new analytical methodologies. In addition to purely environmental aspects, ESG scores and controversial issues are also analyzed to detect potentially risky positions at an early stage.

#### Climate change risks

The Group naturally draws on its expertise in understanding climate change risks to better grasp their impact on its investment portfolio, while at the same time exploring various methods of assessing the impact of its portfolio's performance on the environment:

- firstly, the identification and assessment of climate change risks that could affect the value of the assets held in the portfolio is subject to various analyses, some of which are still in an experimental stage. SCOR therefore analyzes the "acute" physical risks that could affect its portfolio of real estate debt, infrastructure debt and direct real estate, and assesses transition risk through a mapping of the sectors most exposed to transition risk <sup>(1)</sup>. Carried out in 2018, this initial study <sup>(2)</sup> was extended with a new analysis in 2019, with the constant aim of better understanding the risks that could affect the investment portfolio. SCOR used the scenarios provided by the 2° Investing Initiative (2°ii) report <sup>(3)</sup> to measure the exposure of its assets to transition risk in 2025 and to physical risk in 2060. This analysis has been supplemented in 2020 with stress tests on transition risks following the specifications provided by the French insurance and reinsurance regulator (*Autorité de contrôle prudentiel et de résolution* – ACPR). While this type of analysis is useful for a more detailed understanding of the potential risk

factors, and for raising awareness of the Group's governance bodies, uncertainties surrounding the robustness of the results make it impossible at this stage to establish an investment strategy based on this type of analysis. Additional information on the results of this work is provided in the Group's climate report, to be published at a later date;

- secondly, the impact assessment of SCOR's investment portfolio on the climate is based on two main metrics: its carbon footprint and the alignment of the asset portfolio with the Paris agreement. However, the methodologies used by the service providers conducting these calculations are not yet standardized, which limits the significance of the results. Furthermore, the carbon footprint is backward-looking, only providing an indication at a given point in time, and little information is given on the approach or commitment of issuers with regard to climate risk, or on how SCOR can efficiently manage its assets with regard to risks related to greenhouse gas emissions. The ratio of total CO<sub>2</sub> emissions to the amount of investments made by SCOR (metric 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. The carbon intensity per EUR million invested was 280 metric tons at the end of 2020, down by 9% compared to the end of 2019. The calculation covers 84% of the Group's portfolio at the end of 2020. SCOR also analyzes the alignment of its investment portfolio with the Paris agreement.

#### Integration of ESG criteria

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

(1) On the basis of work of Moody's Investor Service, SCOR has identified the sectors most exposed to transition risk according to different investment horizons and quantified the risk according to the maturity of the securities held.

(2) The detailed results of this analysis were published in the 2019 ESG Report on Investments "Focus on climate risk – Resilient together" which is available on the Group's website.

(3) "Storm Ahead" report, published in first-half 2019.

Using data provided by ISS-ESG, SCOR is able to rate 77% of its asset portfolio based on non-financial criteria. A line-by-line analysis is regularly performed ex post. Issuers with the lowest ratings may be

placed under review. In addition to applying the ex ante screening mentioned in the following section, SCOR may make portfolio adjustments following these analyses, as was the case in 2019.

### 6.4.1.3. ENHANCING SUSTAINABLE INVESTMENT DECISIONS THROUGH NEGATIVE AND POSITIVE SCREENING

As a responsible investor, SCOR applies ESG screening to its investment universe. This may be negative screening as a mitigation action against potential risks (negative financial or non-financial impact), or to avoid the negative impact of investments. It may be also positive screening to support its sustainable investment strategy.

#### Negative screening: exclusions

Certain activities may not be aligned with SCOR sustainable investing policy, raise sensitive issues or entail a reputational risk for the Group. As such, the Group excludes certain activities or issuers from its investment universe. These exclusions apply to all asset classes falling within the definition of invested assets. The list of exclusions is communicated to all investment managers with immediate effect. New investments are prohibited, and the remaining positions are actively managed in order to accelerate their liquidation.

The Group applies exclusions to:

- companies involved in the production of cluster munitions, and countries that do not adhere to anti-money laundering and

counter-terrorism financing rules, as defined by the Financial Action Task Force (FATF) on money laundering;

- a number of carbon-intensive sectors, in line with its commitment to make its asset portfolio carbon neutral by 2050, while favoring a balanced approach between CO<sub>2</sub> reduction and economic development. In this respect, the Group excludes issuers for which thermal coal (mining and power generation) accounts for more than 10% of their turnover or more than 10% of the electricity generated, as well as coal plant developers on the Urgewald list. These exclusions also apply to companies involved in oil sands and oil development in the Arctic region, above a threshold expressed as a percentage of oil reserves that is set at 30%. Upstream oil & gas companies are also excluded from the investment universe, except for those taking commitments to materially reduce the carbon footprint of their activities;
- the tobacco industry, since the Group's signature of the Tobacco-Free Finance Pledge in May 2018.

### 6.4.1.4. FOSTERING SUSTAINABLE BEHAVIOR THROUGH ENGAGEMENT

Drawing on the voting recommendations of a proxy, SCOR exercises the voting rights on the shares held directly in its portfolio in accordance with the commitments undertaken under its action plan for investments. In 2020, as a result of the Covid-19 pandemic and its operational impact, SCOR could not exercise its voting rights for 9 issuers out of the 12 directly held in its portfolio. For those 9 issuers, all the proxy voting recommendations of the proxy were followed.

In addition, as part of its sustainable investment policy, the Group has defined the priority themes of its voting policy. They concern: (i) the independence of the Board of Directors, (ii) its diversity, (iii) compensation, (iv) lobbying transparency, and (v) the Company's general behavior in terms of sustainable development.

Through the Net-Zero Asset Owner Alliance, targets will be set in early 2021 on engagement to better support the transition to carbon neutrality by 2050.

### 6.4.1.5. FINANCING A SUSTAINABLE WORLD THROUGH THEMATIC AND/OR IMPACT INVESTMENTS

As highlighted in the previous sections, SCOR, through its reinsurance activities, pays particular attention to climate change issues. As such, the Group is investing in the transition to a resilient low-carbon economy.

With this in mind, 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 works 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. These assets, together with investments in green bonds, represented 7.3% of invested assets at the end of 2020, a percentage significantly higher than the recommendation of Christiana Figueres, one of the main contributors to COP 21, to devote at least 1% of investments to green finance.

In addition, the Group also participates in climate change resilience strategies through its asset management subsidiary, by developing, distributing and investing in financial products to cover natural disasters (cat bonds and insurance-linked securities).

Aside from climate change, SCOR actively participates in the expansion of the knowledge society by investing in high-quality, medium-sized companies working in the production and publication of certified knowledge. In a world abundant with information, this approach targets a modern-day risk: cognitive risk. SCOR defines this risk as the risk of biased judgment or misunderstanding, which is often the result of low-quality information or insufficient access to knowledge. This policy of "cognitive protection" has been demonstrated by the creation of Humensis, the result of the merger between PUF and Editions Belin and is in line with the many initiatives undertaken by the Group to develop the knowledge society (e.g. SCOR Corporate Foundation for Science).



## 6.4.1.6. SUPPORTING CLIMATE AWARENESS BY PARTICIPATING IN PUBLIC DEBATE AND COLLECTIVE INITIATIVES

The Group's institutional commitment to consider the impact of climate change naturally leads it to participate in collective initiatives, by involving its experts in the work undertaken by a number of institutions.

In the field of investments, the Group participates in several forums:

- the European Commission's Technical Expert Group on Sustainable Finance, in which SCOR's experts have participated. They have been involved in the revision of the non-binding guidelines on non-financial reporting and have contributed to the reflection on a taxonomy for sustainable activities;

- the Climate and Sustainable Finance Commission of the financial markets authority (*Autorité des marchés financiers* – AMF), which supports its regulatory and supervisory work on sustainable finance.

In addition to its adherence to the Principles for Responsible Investment, the Group is involved in numerous professional associations that are leading discussions on climate issues and investments, such as the French Insurance Federation, the French Association of Institutional Investors. As an asset owner, the Group participated in around fifteen public conferences and roundtables on sustainability and climate change in 2020.

## 6.4.2. INSURANCE AND REINSURANCE ACTIVITIES

Aware of the social and environmental added value of its Life and Non-Life reinsurance activities, of society's expectations in terms of protection, and of its ability to contribute to a more resilient society, SCOR has identified several social and environmental issues

that reinsurance can address at its own level. Issues relating to climate change mitigation and adaptation, health and, to ensure inclusion, access to insurance, have therefore been integrated into the Group's development plan.

### 6.4.2.1. CONTRIBUTING TO THE UNDERSTANDING OF CLIMATE RISKS

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 to them. In this respect, SCOR provides institutional and financial support to targeted institutions in the aforementioned areas, while 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 reinsurance industry. SCOR is also a member of the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions, an initiative more specifically designed to provide insurance solutions to the most economically vulnerable populations.

Furthermore, SCOR is one of the earliest supporters of OASIS, a not for profit company funded by private stakeholders developing an open source risk modeling platform designed to provide a better understanding of the impact of climate change on extreme events. The Group has also partnered with Climate-KIC, one of the largest public-private partnerships founded to combat climate change. The

Group has also joined the European Insurance and Occupational Pensions Authority's working group to discuss how the trends observed can be integrated into current natural disaster modeling techniques.

In addition, the natural catastrophe modeling teams within the Group's P&C business unit are trying to factor the latest usable scientific knowledge into the models they use. The natural catastrophe modeling tools used by the P&C business unit to assess insurance risks take account of climate risk both implicitly (e.g. claims activity being used as the basis for calibrating models) and explicitly (e.g. using current estimates of rising sea levels to assess the risk of coastal flooding rather than long-term averages). In this way, current changes in the frequency and severity of the natural risks that SCOR underwrites, whether or not they are related to climate change, are taken into account in the pricing of contracts.

The Group's ability to integrate the latest scientific knowledge into its models is illustrated, for example, by the implementation of an internal OASIS model for forest fires in California and the development of a new modeling mechanism for floods in China. The P&C business unit has notably conducted an extensive scenario-based study to quantify the impact of climate change on SCOR's risk profiles and those of its clients, whose results were shared internally with SCOR's Board of Directors.

### 6.4.2.2. INTEGRATING ESG INTO INSURANCE ACTIVITIES

Over the past few years, SCOR has undertaken several initiatives aimed at further integrating ESG issues into the insurance activities developed by SCOR Business Solutions (SBS).

The Group has made a commitment not to offer facultative insurance or reinsurance that would specifically encourage the development of new thermal coal or lignite mines or new 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 more rigorous selection process, this Group's P&C business unit has adopted an environmental, social and governance practices internal assessment procedure for operations closely linked 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, trends 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.



In addition to the implementation of sectoral guidelines for industries with high coal exposure, the Group integrates other ESG aspects into the Scor Business Solutions (SBS) underwriting policy. In 2018, the Group thus confirmed its commitment to exclude the tobacco industry from its business 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.

These exclusions were consolidated into an ESG underwriting guide in 2019. This guide also includes instructions to integrate ESG issues specific to certain activities that may present ethical issues in health (e.g. manufacture and distribution of opioids, animal

testing), the environment (e.g. palm oil production, dam construction) and human rights (e.g. textiles and forced labor). For the sectors identified, the underwriting teams are invited to integrate these issues into the "Know Your Customer" procedure. When in doubt about the ESG quality of the proposed case, teams are invited to forward the file to their managers and to the SBS underwriting manager for arbitration.

Finally, drawing on the methods developed in connection with its investments, the Group is testing various techniques designed to assess the overall ESG quality of the business portfolio underwritten as part of the business developed by SBS.

### 6.4.2.3. DEVELOPING PRODUCTS ADDRESSING SPECIFIC SOCIAL AND ENVIRONMENTAL ISSUES

As illustrated by the strategic orientations set out in the Quantum Leap plan, exclusion policies are not the only way that SCOR strives to take social and environmental issues into consideration in its core business, in both Non-Life and Life reinsurance.

#### P&C reinsurance activities

In the field of P&C reinsurance, the Group's strategic plan focuses on issues relating to climate change mitigation through support for the energy transition and adaptation to climate risks. These orientations capitalize on the Group's expertise accumulated in its analysis, modeling and risk transfer activities:

- supporting the energy transition: SCOR has strengthened its underwriting team in the field of renewable energy and has identified strategic markets in which it plans to develop as part of the plan. In addition, the P&C business unit has developed a strategic partnership with Energetic, a start-up that has developed credit insurance to protect developers of renewable energy projects against payment default;
- development of solutions contributing to climate risk adaptation: long involved in multiple government insurance pools covering climate catastrophes, the Group is developing partnerships with development finance institutions that have climate change adaptation objectives. In this respect, SCOR, alongside several other (re)insurers associated with the Insurance Development Forum, has committed to supporting the resilience of developing countries in partnership with the United Nations Development Program, and with the German and British governments. Collaborations with institutions including the World Bank, to provide parametric insurance against climate-related natural disasters in the Philippines, and the World Food Program in the development of livestock insurance for Ethiopian herders, are other recent examples of the Group's commitment to development finance institutions to provide solutions that contribute to resilience. Through these programs, the Group is helping to increase insurance penetration and to improve the adaptability of insurance beneficiaries. In developing countries, there may be a significant protection gap <sup>(1)</sup> and insufficient data to develop compensatory insurance schemes. Parametric insurance schemes, developed in partnership with development finance institutions, offer a solution in terms of providing financial protection for post-event reconstruction.

In addition to these two orientations, the Group has also developed strong expertise in the underwriting of Environmental Impairment Liability (EIL) insurance through its Lloyd's syndicate. SCOR Channel has developed a proprietary rating tool comprising 16 environmental indicators, which informs underwriters about the discipline of the company seeking EIL coverage. This direct insurance product not only incentivizes insureds to better manage risks by offering reduced premiums to companies with good ratings, it is also a source of capital that helps to restore the environment when it has been damaged by an insured's activities.

#### Life reinsurance activities

The Group's Life business unit has defined three key areas of focus as part of the "Quantum Leap" strategic plan: (i) offering more insurance solutions to reduce the protection gap, (ii) helping people live longer and healthier lives, and (iii) sharing knowledge. To achieve these goals, the Group is leveraging its multiple partnerships with academics and innovative companies as well as the expertise developed by its Life R&D and medical underwriting teams worldwide. SCOR also draws on the expertise of its data scientists and on the expansion of its data pool with the integration of additional external and internal data sources into its infrastructure. All these R&D efforts are then translated into new products and solutions, developed in partnerships with its clients:

The Life business unit is bringing more protection to more people through:

- The development of solutions for under-insured populations: among other examples, SCOR co-developed a mortality cover for cancer survivors in Hong Kong last year, followed by the launch of the first artificial intelligence-based cancer product in Korea in 2020, offering personalized cover and prevention. SCOR offers digital solutions for people with type-II diabetes (first launched in Hong Kong, then in Germany). A new pricing tool was also made available to SCOR's clients to insure women who have been affected by breast cancer. The tool was developed using machine learning on large public databases, and was widely supported by the academic world. In November 2020, SCOR also launched VITAE, a new biometric risks calculator which uses machine learning and new sources of data to better serve people in poor health, fueling the development of a more inclusive offering. Finally, SCOR partnered with Wamberg Genomic Advisors in the US to build personalized cancer programs for policyholders;

(1) Difference between economic losses in a catastrophe-hit country and what is actually covered by insurance.

- The development of solutions to expand insurability: an innovative family solution was developed in Spain, offering coverage for newborns with congenital conditions such as Down's syndrome, which was developed in close collaboration with a Spanish insurer and required specific research on congenital diseases.
- SCOR accelerated the development of digital solutions for a faster and easier purchasing experience with better value for the end consumer. As such, in 2020 SCOR launched a new health insurance platform in Korea, providing a comprehensive offering thanks to a wide network of health and technology providers. Insurance companies that are SCOR's direct clients can use this platform to offer additional services to their end-consumers. With its subsidiary ReMark, SCOR is also pushing to make life insurance easier to purchase through a faster, straightforward digital distribution process.

The Life business unit is also helping people live longer and healthier lives through:

- A focus on the promotion of healthy lifestyles with, as an example, the Biological Age Model (BAM), which encourages people to stay active, thereby reducing some risks related to contemporary lifestyles. The app was launched for SCOR's employees in the US and Canada over the summer 2020 and in Paris at the end of September 2020. The algorithm is now being

deployed in Asia with four clients, following the signature of the agreement with Manulife China in November 2020;

- The development of diagnosis and patient monitoring solutions. For example, SCOR has invested in BioSerenity, a French medical solutions company that aims to optimize the pathways of patients with certain chronic diseases;
- The prevention of mental illness: through the "FEEL" initiative in Germany, SCOR developed a solution offering intervention/prevention for mental disorders in disability portfolios with its German partner Sentio. In November 2020, SCOR received the "Digital Lighthouse" innovation award for this solution.

SCOR Global Life is also sharing its knowledge with society:

- Contribution to research is key to SCOR's CSR strategy: with its knowledge team, the Life business unit is contributing to various research papers and publications in collaboration with universities and scientific research institutes. SCOR also holds regular conferences to share knowledge with society, in particular on progress in breast cancer research.
- When the Covid-19 pandemic broke out, the Life business unit shared its latest research on Covid-19. SCOR's Data Analytics Solutions (DAS) team developed an SEIR model to forecast the development of the pandemic, and an easy-to-use app that provides key figures and trends relating to the virus.

### 6.4.3. THE GROUP'S OPERATIONS

Although reinsurance is not an industrial activity with a significant impact on the environment, SCOR strives to control the environmental impacts stemming from the management of its operational processes, which include the operation of the buildings it occupies, business travel and, to a far lesser extent, office equipment supply.

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

- environmental quality and certification of offices;
- energy consumption management, and renewable energy use;
- greenhouse gas emissions and voluntary offsetting.

The focus is placed on greenhouse gas emissions, for which the indicative reduction target in terms of intensity has been raised to 30% <sup>(1)</sup> by the end of the Quantum Leap strategic plan. After

expanding it in 2018 from the previous year, the Group has decided to extend its CO<sub>2</sub> emission offsetting program to all the residual emissions measured in this subsection.

As part of the French Business Climate Pledge signed in November 2017, SCOR maintained its objective of reducing the carbon intensity <sup>(1)</sup> of management operational processes on the first two perimeters of the GHG protocol by 15% per employee by 2020. At the end of 2020, the reduction in the Group's carbon intensity reached 35% compared to 2019.

In addition, the Group has initiated a program to stop using single-use plastics in several of its offices, particularly the largest ones in terms of staff and size, such as Paris, London, Cologne, Zurich and Singapore.

#### 6.4.3.1. ENVIRONMENTAL QUALITY AND CERTIFICATION OF OFFICES

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

The Group factors environmental considerations into its extension or relocation projects for the offices it owns. It opts for sustainable and eco-responsible construction, and is therefore 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 criteria 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 operations by rolling out environmental management systems where possible. In 2020, the management and maintenance of the Paris offices were certified ISO 14001. At the end of 2020, 53.8% of the Group's employees falling within the scope of the environmental reporting process were covered by an environmental management system (53% in 2019).

(1) Baseline: 2014.

### 6.4.3.2. MANAGEMENT OF ENERGY CONSUMPTION SOURCES AND RENEWABLE ENERGY USE

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

The Group consumed close to 14.3 GWh in 2020 to operate the premises occupied by its staff (lighting, heating, cooling – including

data centers – and power for operating various equipment). Most of the energy consumed by the Group's sites participating in the environmental survey comes from electricity (65%). The proportion of renewable energies now accounts for 68% of electricity purchases compared with 67% in 2019.

### 6.4.3.3. GREENHOUSE GAS EMISSIONS AND VOLUNTARY OFFSETTING

As part of its Quantum Leap strategic plan, SCOR has raised its reduction objective in terms of carbon intensity per employee under the first two scopes of the GHG protocol to 30% by the end of the plan (compared to the previous objective of 15% by 2020). At the end of 2020, the Group's carbon intensity reduction was 35%. In addition, the Group, which is committed to offsetting all its emissions measured under this subsection, submitted three

portfolios of offset projects to a staff vote in 2019. The Group's employees voted to support two projects for conserving forest in Brazil and Ethiopia. The Group will have offset all its 2019 and 2020 emissions upon delivery of the carbon credits generated by these two projects. These carbon credits are not deducted from the greenhouse gas emissions reported below.

Indicator	Unit	2020 Data	Coverage <sup>(1)</sup>	2019 Data	Coverage <sup>(1)</sup>
Energy <sup>(2)</sup>	kWh	14,308,818	85%	17,572,844	84%
Sorted and recycled paper waste	Kg	66,333	81%	149,205	80%
Air transportation	Km	16,907,855	91%	55,568,877	92%
Rail transportation	Km	882,516	85%	2,349,757	84%
Related greenhouse gas emissions	TeqCO <sub>2</sub>	8,765	-	25,223	-

(1) The coverage rates are calculated on the basis of the Hubs' response rates. The number of employees working in the locations surveyed divided by the number of employees working in the entities fully consolidated in the financial statements. Additional information on the scope of reporting can be found in Section 6.6.3 of this statement.

(2) Of which electricity (66%), fuel and gas (9%), other heating sources (6%) and other cooling sources (19%).

The notable difference in related greenhouse gas emissions between 2019 and 2020 can be notably explained in particular by the significant decrease in business travel by air due to the Covid-19 pandemic.

## 6.5. ADAPTATION TO THE DIGITAL ECONOMY

The Group's strategic plan aims to create the reinsurance company of tomorrow. To this end, the Group's transformation is based on the use of new technologies – such as artificial intelligence, robots, blockchain, big data, multi-cloud and satellite imagery – to innovate, expand its product and services offering and increase its efficiency, for the benefit of its clients throughout the world.

The digitalization of the economy is a source of opportunities for the Group, given the accompanying need for protection and the contribution of new technologies in terms of access to insurance and reduction of the protection gap.

Aware of the expectations of its stakeholders in terms of IT security and internal expertise, the Group has developed a security program against cyber risks and strives to offer its employees the means to develop their digital skills.

### 6.5.1. SUPPORTING THE DIGITALIZATION OF THE ECONOMY AND REDUCING THE PROTECTION GAP

In addition to the new risks that come with the digitalization of the economy, including cyber risk, for which SCOR has developed its own expertise and an underwriting policy proportionate to its risk appetite, new technologies and the data processing they enable, offer new possibilities for reducing the protection gap.

The use of new technologies for this purpose is a dimension developed as part of the Group's new strategic plan. The use of these technologies supports a number of initiatives described in Section 6.4.2.3 of this statement, including the development of parametric reinsurance solutions as an alternative to indemnity mechanisms, in order to contribute to climate change adaptation strategies, or to develop inclusive insurance products to cover vulnerable populations.

### 6.5.2. CYBER SECURITY, A PRIORITY IN THE DIGITAL AGE

Aware of the expectations of its clients and other partners in terms of protection against cyber risks and their consequences, SCOR has developed an IT security policy, supplemented by guidelines and procedures which are implemented across various levels of its organization. This security program against cyber incidents was developed by the IT security team, under the responsibility of the Group's Chief Information Security Officer, with the assistance of the rest of the IT Department.

Aligned with the Group's business strategy, SCOR's IT strategy focuses on the security of information systems and data protection, and is focused on:

- strengthened security and data protection governance across all levels of the organization;
- the implementation of "security and privacy by design" principles;
- the development of a proactive cyber approach to enhance preventive security means.

The SCOR Group Information Security Policy sets minimum requirements that may be adjusted if further and/or more stringent requirements must be observed due to local applicable laws or regulations. This policy is based on three key principles:

- support the Group and its development;
- defend the Group;
- promote responsible information security behavior.

In this regard, the Group regularly raises awareness among its staff through security alerts and cybersecurity training sessions. In addition, the legal and compliance training programs referred to in Section 6.3.2 of this statement include data protection aspects.

The Group security framework defines the Group's IT system security governance and the related security services and solutions implemented by SCOR.

Developed by combining best-in class international standards such as NIST, Cobit 5, and the IEC's critical security controls to assess cyber risk mitigation measures, the framework specifies procedures for controlling the security of information systems.

The SCOR security framework details how to detect, log, contain, recover, eradicate and prevent recurrence of IT related incidents. It covers 20 or so areas related to the prevention of cyber risks and their impacts, including malware protection, access management, incident response and management, data protection and data recovery.

In addition, to ensure the continuity and security of IT services, SCOR hosts its applications on heavily secured data centers, certified as SOC2 Type 2 for the most sensitive applications. Dual-site architecture with real time data replication ensures the recovery of applications in the event of a major incident. The Group also carries out intrusion tests in order to assess the security of its systems.

Among the other measures implemented by the Group to protect itself against cyber risks, and in response to the widespread practice of phishing, SCOR has installed a feature that enables employees to report any suspicious messages to the teams in charge of information system security. When the message is deemed a phishing attempt, the teams take the appropriate steps to block the source of these attempts. In addition, in order to make Group employees aware of this type of threat, the security teams conduct tests by carrying out fake phishing campaigns to help employees become familiar with signs of such activity. The Group has conducted eight campaigns of this kind since they were first introduced at the end of 2018. Due to the increase in phishing attempts during the pandemic, SCOR decided to supplement these exercises with a specific e-learning module that has to be completed by employees that fail the test.

The monitoring of cyber risks is integrated into a dashboard that compares the level of identified threats, the level of protection of the systems concerned, and the resulting residual risk. This dashboard is shared with the Risk Committee of the Board of Directors, as well as with the Boards of Directors of several local entities.



### 6.5.3. SUPPORTING THE DIGITAL TRANSFORMATION AMONGST EMPLOYEES

SCOR 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 focuses on developing employees' knowledge on digital topics, with three objectives: (i) leverage the capabilities provided by collaborative and mobility tools in terms of increasing productivity, (ii) develop the digital culture linked to emerging trends, new methodologies and their impact on wider society and the insurance industry, and (iii) acquire digital expertise and new skills.

This support is particularly focused on the use of collaborative tools, through a set of face-to-face and virtual training courses led by internal experts, and by digitizing the training offering with the launch of the My Learning Platform.

My Learning Platform has become SCOR's one-stop shop for all learning and development programs, and includes:

- LinkedIn Learning which provides unlimited access to 16,000 online courses and video tutorials given by experts and covering technical subjects, business expertise, and professional efficiency;
- a digital language training solution offered by Speexx, available in five languages;
- SCOR-specific content produced by our SCOR experts.

The platform is accessible anytime, anywhere and from any device, and is designed to promote a skills-based and self-driven learning culture.

## 6.6. NOTE ON METHODOLOGY

### 6.6.1. SCOPE AND CORRESPONDENCE TABLE

This consolidated non-financial performance statement was prepared in accordance with the provisions set out in Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code enacting Directive 2014/95/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Unless stated otherwise, this consolidated statement covers SCOR SE and all its fully consolidated subsidiaries, hereinafter "SCOR" or "the

Group", with the exception of the ReMark group (149 employees), MRM (5 employees), ESSOR (84 employees), Château Mondot SAS (21 employees), Les Belles Perdrix de Troplong Mondot (11 employees), Coriolis (7 employees), Telemed (45 employees) and AgroBrasil (34 employees). These companies are excluded because of the specific nature of their activities, or their organization, or the recent integration into the scope of consolidation. Associates and affiliates are excluded from the scope (see Section 4.6.2.2 – Notes to the consolidated financial statements and Note 23 – Related party transactions).

#### Correspondence table with the provisions laid down in Articles L. 225-102-1 and L. 22-10-36 of the French Commercial Code

Business model description	Articles L. 225-102-1 et R. 225-105, I of the French Commercial Code	Section 6.1.1 Brief description of the Group's business activities
Risk description	Articles L. 225-102-1 et R. 225-105, I. 1° of the French Commercial Code	Section 6.1.3.4 Management of non-financial risk, presentation of risks and analysis
Policy	Articles L. 225-102-1, R. 225-104 et R. 225-105 of the French Commercial Code	Section 6.2.1 Human capital as a key success factor for the Group Section 6.3.1 Compliance policy Section 6.1.3.1 and 6.4.1.1 Climate policy and sustainable investment policy Section 6.5.2 IT security policy
Impact of SCOR's activities relating to the respect of human rights, anti-corruption and tax evasion	Articles L.22-10-36 et L. 225-102-1, III, R. 225-104 et R. 225-105 of the French Commercial Code	Sections 6.1.3.1, 6.2.1.1, et 6.3.2 Respect of human rights Section 6.3.4 Anti -corruption Section 6.3.8 Tax evasion
Performance, resources and results indicators	Articles L. 225-102-1 et R. 225-105, I. 3° of the French Commercial Code	Section 6.2.1.1 Turn-over rate Section 6.2.1.3 Employee trainings Section 6.3.1 Compliance system – existence of compliance plan Section 6.4.3.3 CO2 emissions/employee Section 6.5.2 Number of fake phishing attempt campaigns
Independent third party statement on the information presented in the non-financial performance statement	Articles L. 225-102-1, III et R. 225-105-2 of the French Commercial Code	6.7 Report by the independent third party on the consolidated non-financial performance statement, included in the management report

The following categories of information, referred to in Article L. 225-102-1 III of the French Commercial Code, have been excluded because of their lack of relevance to the Group's activities:

- circular economy;
- eliminating food waste;
- combating food insecurity;
- animal welfare;
- responsible, fair trade and sustainable food.

### 6.6.2. SOCIAL DATA: METHODOLOGY

See Section 6.2.2 – social indicators and note on methodology.

### 6.6.3. ENVIRONMENTAL DATA: METHODOLOGY

The environmental data presented in Section 6.4.3 – The Group's operations covers the Group as defined in Section 6.6.1 – Scope and correspondence table. These companies account for 90.9% of employees of fully consolidated subsidiaries.

#### 6.6.3.1. SCOPE OF DATA COLLECTION

Data was collected on a target scope including all active Group sites with more than 30 employees for all the reporting indicators. This target scope accounts for 84.7% of employees (as of December 31, 2020) of legal entities fully consolidated in the financial statements.

The threshold of 30 employees is not applicable for the calculation of the environmental impact due to air travel. Data relating to the use of air travel covers 90.9% of globally consolidated employees due to

the exceptions stipulated in Section 6 – Scope and correspondence table, and 99.9% of them were able to report on this indicator.

A summary table has been included in Section 6.4.3.3 – Greenhouse gas emissions and voluntary offsetting, providing an overview of the rate of coverage for a selection of indicators.

Consolidated data covers a 12-month period, generally from November 1, 2019 to October 31, 2020.

#### 6.6.3.2. LIMITATIONS

Due to the unavailability of data for the full year for some of the sites, an extrapolation has been carried out to estimate missing consumption data. Moreover, depending on the surface area occupied, the information collected encompasses different parameters, in particular with regards to the consolidation or non-consolidation of the energy consumption derived from the use of services located in shared areas of the building. Where SCOR is the sole or main tenant (i.e. more than 50% of the surface area

occupied by the Group's staff), the data includes SCOR's share of the energy consumption for the shared area. Below this threshold, this share is not included in the data collected.

Lastly, sites surveyed include other tenants' energy and water consumption and to a lesser extent waste production. Therefore, the environmental impact of the Group is overestimated. Other tenants' employees occupying these sites account for 8.6% of the employees of entities fully consolidated in the financial statements.

#### 6.6.3.3. METHODOLOGY

Energy consumption is expressed in kWh/m<sup>2</sup>, water consumption in m<sup>3</sup>/employee, and paper consumption in kg/employee. For some indicators, service providers and other tenants located in the premises occupied by the staff managed by the Group are taken into account.

In addition, the Group consolidates all its forms of energy consumption and presents them as an indicator, expressed in tons of CO<sub>2</sub> equivalent. The conversion of the different energy sources into greenhouse gas emissions is performed centrally on the basis of the conversion factors taken from the "Base Carbone®" database provided by the French "Environment and Energy Management Agency" (ADEME), the Department for Environment, Food and Rural Affairs (DEFRA) database regarding air transportation emissions, and data effectively collected in each Hub. More specifically, the emissions calculated by the Group cover, with varying degrees, the following scopes of the "Greenhouse Gas Protocol":

- "Scope 1": direct emissions from the combustion of fossil fuel. Depending on the SCOR Group site, these emissions are generated by the consumption of fuel (for heating and backup generators) and gas (for heating and the use of vehicle fleets);
- "Scope 2": indirect emissions produced by electricity consumption, steam and cooling systems. For SCOR, most of these emissions result from the generation of purchased electricity and, for some sites, from cooling (for air conditioning). For the calculation of the greenhouse emissions SCOR does not use a reduced emission factor for renewable energy if a certificate with the conversion factor to be applied is not provided for the site in question. Indeed, as the sources of renewable energy purchased are not always known, SCOR adopts a precautionary approach, using the energy mix of a given country. This approach therefore tends to slightly overestimate the Group's carbon footprint;
- "Scope 3": other indirect emissions. This scope usually includes emissions from the use of offices (so-called depreciation), commuting, business air travel, waste and so on. In this scope, SCOR focuses on air travel (the largest source of emissions) as well as rail travel and paper purchases.

With regards to the source of emissions (to be distinguished from the volume of emissions) within each Scope, the rate of coverage is estimated at around 100% for Scope 1 (within this scope refrigerant fluid may be a significant source of greenhouse gas emissions; volumes are not estimated) and at 100% for Scope 2. The rate of coverage for Scope 3 is limited to approximately 10% of emitting sources linked to the management of operational processes since the Group has adopted a pragmatic approach with a focus on business travel, which provides a more immediate lever and has a significant environmental footprint. Within this scope, the main sources linked to the management of operational processes that are excluded from Group environmental reporting are commuting as well as the so-called depreciation of equipment, property and some services used by the Group, such as outsourced data centers.

The change in the intensity ratio presented in Section 6.4.3.3 covers Scopes 1 and 2 described above and concerns the management of the Group's operational processes.

The main sources of greenhouse gas emissions of the Group may also include emissions stemming from investment activities. In this regard, SCOR measures the carbon footprint of its invested assets. For each investment, the data provider, ISS, collects emissions data from several different sources (e.g. CDP, the World Bank). When the data are not available, ISS provides an estimate of the carbon footprint based on a proprietary methodology. The data used cover Scopes 1 and 2, excluding sovereign bonds for which Scopes 1, 2 and 3 are covered. Then ISS calculates the financed emissions of the portfolio by taking into account SCOR's share in the value of the company, sovereign debt, or a real estate project or an infrastructure. After computing the amount of financed emissions, this value is divided by the market value of the considered assets in order to calculate the carbon intensity in millions of euros invested.

## 6.7. REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT

*This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

### For the year ended December 31, 2020

To the Shareholders,

In our capacity as independent third party, accredited by COFRAC under number 3-1058 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31st 2020 (hereinafter the "Statement"), included in the Group management report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

### The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (and on request from the entity's head office).

### Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

### Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and with ISAE 3000 <sup>(1)</sup>:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III in HR and environmental matters, as well as information provided for in the second paragraph of Article L.22-10-36 in respect for human rights and the fight against corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and

(1) ISA 3000 - Assurance engagements other than audits or reviews of historical financial information.