

26 April 2019
SCOR General Assembly



Corporate Social Responsibility & Energy Transition

SCOR Specialty Insurance

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Accompanying Energy Transition & Sustainable Development is part of SBS' strategic objectives

SCOR Business Solutions (“SBS”) is at the forefront of economic agents' Corporate & Social Responsibility:

- As SCOR Global P&C's arm for large commercial lines and industrial risks' insurance and facultative reinsurance arm SCOR Business Solutions has a long-standing tradition of technical, and risk-managed approach to single (re)insurance risks' underwriting
- Managing “Energy Transition & Sustainable Development” has been identified as one of SBS' three strategic objectives, in the preparation of SCOR's new strategic plan
- **A project team closely monitors three workstreams:**

1

Business Production

2

Renewables' Technology Watch

3

Metrics & Underwriting monitoring

- ✓ Increase awareness of CSR matters
- ✓ Share acquired knowledge and methodology within SCOR and the (re)insurance industry

We have taken a number of concrete measures aimed at accompanying our clients in their energy transition

- ✓ **During the 2016-2019 Strategic Plan: Business development initiatives having a direct positive impact on the environment**
 - Environmental Impairment Liability
 - Offshore renewable energies
 - *These business initiatives will grow in importance and take a key role in the next strategic plan*

- ✓ **2018-2019: applying CSR and energy transition rating from 2 rating agencies to SBS book of business**
 - Measuring performance of our underwriting over time, by client and line of business
 - Increasing our clients' awareness to environmental risks and general risk management best practices
 - *What gets measured gets managed*

- ✓ **January 2019: Protecting World Heritage Sites**
 - Develop and implement processes that prevent or reduce the risk of knowingly reinsuring the construction and the expansion of extractive (mining, oil, gas) and major infrastructure projects that would damage World Heritage Sites
 - *Developing systems and technology allowing an effective monitoring*

Our approach to coal-related activities (1/3)

Concrete and proactive underwriting measures taken

Since 2017, SCOR Business Solutions' underwriters have been following strict processes

1. We exclude specific risks from our underwriting activities:
 - All lignite risks (mines, power plants: both construction and in operation)
 - Greenfield coal mines' construction
 - Except when part of an energy mix in which these plants are not predominant (to consider legacy and transition)

2. We apply underwriting grids on all mine and power risks submissions related to coal, rating the insured assets themselves, and the companies owning the assets

3. We refer risks when crossing specific thresholds
 - In the past 12 months, 20% of the risks were declined because of environmental risks-related features
 - Referrals drive a strong discipline, both from underwriters and insureds

Our approach to coal-related activities (2/3)

Detailed risks grids backing underwriting

Mining scoring grid

		Criteria	
Company level	CSR	Sustainability information	CSR agency rating
Insured assets level	Activity	% of revenue from thermal coal activities	Volume of thermal coal produced per annum (Million Tons)
	Quality	Metallurgical / thermal / Lignite	
Company level	Trend	Coal activity: Decreasing, Stable, Increasing	
Company level	Industry Standard	International Council on Mining & Metals Member	

Power Scoring Grid

		Criteria	
Insured level	Generation	Share of coal in energy production	Share of renewables in energy production
	Technology and coal	Types of technology used	Type of coal used
Company level	CSR	Sustainability information	Trend on renewables production
	Moral Responsibility	Country where plant(s) located (Developing vs. mature economies)	Resources available (local coal vs. imported coal)

Our approach to coal-related activities (3/3)

Our strategy is bearing fruit

We are seeing direct consequences of these pro-active and concrete measures on our interactions with brokers and insureds

- These actions led to the gradual reduction of new thermal coal plants' construction over the past few years
- It was decided that going forward, SCOR Business Solutions will stop underwriting new thermal coal plants' construction
- Growing our approach to CSR and Energy transition will be key for the next Strategic Plan