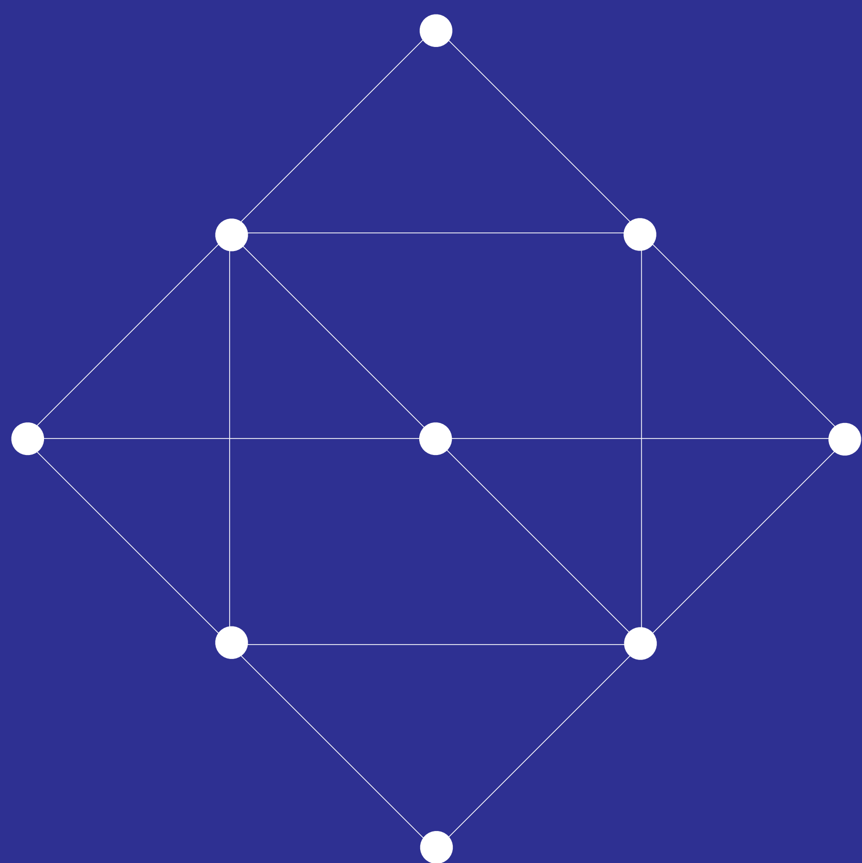
2019 CLIMATE REPORT

RESILIENT TOGETHER

SCOR
The Art & Science of Risk



RESILIENT TOGETHER

Resilience embodies and defines the reinsurance industry. Our mission is to minimize the impact of shocks whenever they occur – to make this world more livable.

Far too many people today remain underinsured or uninsured. Every time catastrophe strikes, this lack of coverage sets back the ability of societies to recover and move forward. SCOR is working to bridge this protection gap, widening the limits as far as possible by offering new products and improved services.

At the same time, the horizon of emerging risks is expanding and the potential impacts of things such as cyber attacks, pandemics and climate change are not yet fully understood. Building resilience in this rapidly evolving universe presents particular challenges – and opportunities – for reinsurance.

The insurance universe is marked by cycles and trends in which shocks are exceptional. For reinsurance, large risks and catastrophes are the raw material of our business. While the insurer's risk probability distribution is based on abundant and granular data about high-frequency and low-severity events, we focus on the tail end of the probability distribution spectrum – on low-frequency, high-severity events. At this end, the variance per risk is much higher and data is limited. This is why we use probabilistic rather than statistical tools. We don't foresee what is going to happen – we infer it. More and more, this means entering a world of scenarios.

For 50 years, our resilience has contributed to the protection and welfare of millions of people around the world. Our resilience means your resilience.

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To learn more about SCOR's strategy, goals, commitments and markets, please visit our website: **www.scor.com**

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FOREWORD

SCOR believes that (re)insurance can be used as an effective tool contributing to sustainability. Consequently, SCOR upholds Sustainable Development as one of its five core values. This belief is anchored in its Code of Conduct. It is also embodied in the international commitments and initiatives related to the environment that SCOR has embraced for many years. Being a signatory of the UN Global Compact and of the UNEP-FI PSI from the outset, SCOR acknowledges the high relevance to its business of the Sustainable Development Goals (SDGs) set in 2015 by the UN Agenda 2030. SCOR also supports international sectoral climate-related initiatives such as the French Business Climate Pledge signed in the wake of the Paris Climate Agreement, the Geneva Association's Climate Risk Statement on Climate Resilience and Adaptation, and more recently the Decarbonize Europe Manifesto and the Letter of global investors urging governments of the G20 nations to fully support and implement the Paris Agreement. In line with these commitments, SCOR has decided to publish its first Climate Report. This Climate Report provides an overview of SCOR's climate-related risks and opportunities as well as information on how its business model and strategy is resilient to climate risks.
The report is structured following the four recommendations made by the Task-force for Climate-related Financial Disclosures (TCFD): Governance, Strategy, Risk Management and Metric and Targets.
The information in this report was prepared based on data available as of December 31, 2019.

TACKLING CLIMATE CHANGE: A COLLECTIVE RESPONSIBILITY

Editorial by Denis Kessler
— *Chairman and Chief Executive Officer*

Climate variability, the increased frequency and severity of certain extreme events, and the growing vulnerability of modern societies to natural hazards have thrown down the gauntlet, challenging us to adapt to climate change. Tackling and addressing the associated risks is a global and shared responsibility.

Climate change is regarded in economics as a so-called «common good» problem. These situations give rise to moral hazard and free-rider issues: while all economic agents are likely to gain significant economic benefits in the long term from a reduction in greenhouse gas emissions, few of them want to take action individually and incur their fair share of the costs. Instead, they would rather let their peers shoulder the burden of the environmental transition. An integrated solution to the issue of climate change thus requires us to find ways to combat this free-riding behavior. This can be done through better designed economic policies incorporating incentive systems that align the individual interests of the various economic agents with the collective interest, as emphasized by Jean Tirole in his book Economics for the Common Good. That would help to ensure that businesses accommodate in their production process the social cost of the environmental externalities they cause, and thereby encourage them to implement sustainable development policies and strategies. In this way, the negative externalities of climate change would be "internalized" in the decisions made by all economic agents, and so would no longer only be the business of national governments and international institutions. It is therefore critically important to articulate the role that the private sector should assume in combating climate change, and the associated technology, regulatory and competition-related issues.

(Re)insurers are directly exposed to the risks associated with climate change on both sides of their balance sheets, as risk carriers on the liability side and as institutional investors on the asset side. On the liability side, a study published in early 2019 by the CRO Forum highlighted that the most severe scenarios of global warming could deeply transform our risk universe and raise insurability challenges for some risks. In addition to increasingly destructive weather events, climate change-related risks may include water risks, food insecurity, threats to biodiversity, forced migrations, social tensions, political crises, and so on. Climate change is likely to affect the well-being, health and mortality of populations and could possibly have an impact on the risk of global pandemics. On the asset side, (re)insurers must face the implications of climate change on their investments, considering both physical and transition risks.

The (re)insurance sector has a pivotal role to play in facilitating comprehension, mitigation and protection with regard to the risks arising from climate change, for two main reasons: first, it benefits from a deep expertise and knowledge in risk modeling, which is instrumental in understanding and quantifying the consequences of climate change. Second, the (re)insurance sector inherently contributes to the welfare and resilience of societies, through both its shock-absorbing capacity and its fundamental function of pooling risks to optimize diversification benefits. (Re)insurers' primary mission has always been to bridge the so-called "protection gap", because there are still too many people who are underinsured or uninsured, in both emerging and developed countries.

SCOR has been committed to fighting climate change for a very long time. The Group was one of the first to grasp the importance of managing extreme events and the risks associated with climate change. SCOR signed the UN Global Compact in 2003 and then supported the Kyoto Declaration in May 2009, under the aegis of the Geneva Association. Ahead of several international declarations, the Geneva Association clearly stated that climate change poses a major long-term threat to the global economy. It also stressed that the fight against the consequences of climate change needs to be a global commitment requiring the combined efforts of all (re) insurers, as their fiduciary responsibility. Accordingly, SCOR pursues a holistic and integrated approach to risk management for the challenges presented by climate change, by developing models to evaluate these risks, by pursuing strict underwriting and investment policies to promote the energy transition and contribute to the adoption of low carbon technologies, by strongly supporting research and science, and by actively contributing to public-private partnerships.

Over the past few years, SCOR has stepped up its commitment to climate risk management. The Group has notably pledged to make its investment portfolio carbon-neutral by 2050 in its strategic plan "Quantum Leap". By doing this, we have sent a strong signal that we intend to align our investment portfolio with a "1,5°C scenario" and hence contribute to achieving the ambitious and critical goals of the Paris Agreement. The Group has also extended its 30% exclusion threshold beyond coal, to oil sands and arctic oil. This limit will be progressively lowered to 10% by the end of the plan.

Furthermore, SCOR constantly invests in the understanding and modeling of risks to roll back the frontiers of knowledge and share insights into the main climate change-related risks threatening the world. Its Foundation for Science, established in 2011, bears witness to the Group's long-term and continued commitment to creating and disseminating risk awareness. As a top-tier Life reinsurer, SCOR has notably contributed to the wide-ranging debate over whether climate change is likely to affect the well-being, health and mortality of populations, and whether it is likely to have an impact on the risk of global pandemics. In 2017, the SCOR Foundation for Science and the Geneva Association co-organized an international conference on climate risk modeling. In 2018, the Foundation also held an international conference on emerging infections and pandemic risk, in conjunction with the Institut Pasteur. This event brought together some of the world's leading specialists in infectious diseases to report on models of how epidemics spread.

Lastly, SCOR has played and is playing an active role in various sector-specific and multi-sector climate-related initiatives. These have included, amongst others, the Pledge by French business to combat global warming, which was made in the wake of the Paris Agreement, the Geneva Association's Climate Risk Statement on Climate Resilience and Adaptation, the Decarbonize Europe Manifesto and the Letter from global investors calling on governments of the G20 nations to fully support and implement the Paris Agreement. More recently, as a member of the InsuResilience initiative – designed to bring (re)insurance solutions to the most economically vulnerable populations – and as part of the Insurance Development Forum public-private partnership, SCOR pledged to help bridge the protection gap in developing countries. The Group also joined the UN-backed Principles for Responsible Investment last year.

In an ever riskier and more uncertain world, the (re)insurance industry has a leading role to play in working towards sustainable and responsible development. We need to walk the talk and act collectively now.

“In an ever riskier and more uncertain world, the (re)insurance industry has a leading role to play in working towards sustainable and responsible development. We need to walk the talk and act collectively now.”

CHAPTER 1

GOVERNANCE OF CLIMATE ISSUES AND RISKS

At SCOR, 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. These include the risks resulting as a consequence of climate change, as well as broader corporate social responsibility (CSR) initiatives. This system is structured around five core pillars:

- a general framework, made up of the company's mission statement and adherence to global initiatives supported by United Nations programmes, supplemented, where appropriate, by theme-specific reference frameworks and transposed into standards (e.g. Climate Policy) and relevant activities;
- a structured governance framework, which the Board of Directors is responsible for overseeing, assisted as provided for in its internal regulations, by the preparatory work of its specialized committees, in particular with respect to climate issues and risks, the Risk Committee, the Corporate Social and Societal Responsibility and Environmental Sustainability Committee and the Nomination and Compensation Committee ;
- integrated strategic 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;
- a framework of performance conditions indexed to CSR criteria, of which climate issues and risks, applied in a manner appropriate to the responsibilities exercised within the Company.

These elements are presented in greater detail in the following sub-sections.

1.1 GENERAL FRAMEWORK

— The consideration of climate change consequences to the Group's activities and operations, and more generally the Group's CSR policy, is guided by:

- the adherence to UN-led global initiatives at cross-sector level as part of its longstanding participation in the United Nations Global Compact and at the level of the (re)insurance sector, as part of its reinsurance activities (Principles for Sustainable Insurance) and its investment activities (Principles for Responsible Investments). These initiatives provide a multi-stakeholder and partnership framework for the integration of risks and opportunities arising from climate change issues, including the development of expertise and solutions to address issues relevant to the business activities under consideration;
- the multi-stakeholder orientations set out in its mission statement: "SCOR's aim, as an independent global reinsurance company, is to develop its Life and P&C business lines, to provide its clients with a broad range of innovative reinsurance solutions and to pursue an underwriting policy founded on profitability, supported by effective risk management and a prudent investment policy, in order to offer its clients an optimum level of security, to create value for its shareholders, and to contribute to the welfare and resilience of Society by helping to protect insureds against the risks they face".

The principles contained in these initiatives are translated into standards and norms in the Group's main reference texts, including: (i) its Code of Conduct, a complete 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.

As a Tier 1 reinsurer, SCOR is at the forefront of climate risk. The consequences of climate change will have different implications for (re)insurance depending on the time horizon and the risks considered. Therefore, understanding, modelling and managing climate risks is paramount to, and at the heart of SCOR's core business. In its sustainable approach, SCOR pays specific attention to climate risks and supports initiatives to better assess climate change risks. These policies emphasize the importance of an integrated and holistic approach to climate change, encompassing both the impact of climate change on the Group's core business and the potential impact of its business and operations on climate change. Particular attention is also given to the development of sustainable (re)insurance solutions and the contribution to the transition to a low carbon economy.

CLIMATE CHANGE INTEGRATION IN SCOR'S SYSTEM OF GOVERNANCE

General Framework

Roots: UN backed initiatives
Implementation: normative and operationnal translation in relevant areas of the Group's activities

Structured governance

Oversight: Board of Directors and its specialised committees
Management: Group COMEX and its specialised committees

Integrated strategy

Climate change embedded in the Group's strategic plan
Operations, underwriting, investments and research & developement

Proportionate risk management

Contributing factor of existing financial and non financial risks
Continuous development physical, transition and reputation risk management techniques

Remuneration performance criteria

Chairman and CEO variable remuneration tied to climate change actions Corporate social responsibility as a performance criteria and a clawback provisionof the medium and long term compensation schemes

From left to right : Zhen Wang, Claude Tendil, Fabrice Brégier, Vincent Foucart (employee-elected Director), Marguerite Bérard, Fiona Derhan (employee-elected Director), Thomas Saunier (representing Holding Malakoff Humanis), Denis Kessler, Fields Wicker-Miurin, Vanessa Marquette, Jean-Marc Raby, Bruno Pfister, Kory Sorenson, Augustin de Romanet.

1.2 SUPERVISORY, MANAGEMENT AND COORDINATION BODIES

— As a global and independent reinsurer, the SCOR group aims to embrace best governance practices. These play a crucial role in helping SCOR to achieve its strategic objectives and to appropriately manage the risks arising in its various business lines. Climate risk is studied and acted on at various levels of the Group. Led by its top governance bodies, SCOR has formulated an ambitious and holistic Climate Policy and a Sustainable Investing Policy encompassing its activities and its operations.

Environmental, Social and Governance (ESG) issues, including risks and opportunities related to climate change mitigation and adaptation, are subject to governance structured around (i) oversight, (ii) management, (iii) implementation and coordination bodies.

Only the activities relating to supervisory bodies in the areas of addressing and understanding of climate change impacts are described in the following sub-sections and shown in the following illustration.

1.2.1 SUPERVISORY BODY ROLE

SCOR's Board of Directors has several advisory committees responsible for preparing subjects for its consideration, assisting it in its oversight role, and making recommendations to it in specific areas, including environmental, social and governance issues. Three of the Board's specialised committees are more specifically involved in the supervision of initiatives undertaken in the context of the two aforementioned policies and according to the rules defined in the Board's internal regulations:

- 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, including emerging risks, as well as the Group's main technical and financial commitments, which consist of underwriting (life and non-life), reserving (life and non-life), market, concentration (assets and liabilities), counterparty, asset-liability management, liquidity and operating risks, as well as risks arising from changes in prudential regulations. As described in Chapter 3 - Risk Management of this report, climate change is likely to contribute to the evolution of several of these risks;
- the Corporate Social and Societal Responsibility and Environmental Sustainability Committee (C2SRES) ensures that the Group's CSR and ESG approaches are consistent with its long-term development, and that the direct and indirect effects of its activities on the environment and society are properly integrated into its strategy. As such, this committee oversees the execution of the CSR action plan, including its climate section, which puts the Group's approach in this area into practice on an annual basis. In addition, this committee is also responsible for making proposals to the Board of Directors on how to take social and environmental issues, including climate change issues, into account in the Group's activities and operations;
- the Compensation and Nomination Committee is charged of establishing the rules used to calculate variable remuneration payments to 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 Group's environmental and social performance, especially the implementation and the development of SCOR's policies with respect to climate change, is one of the performance conditions associated with these compensation instruments.

The missions, internal organisation and operation of these committees are detailed in the internal regulations of the Board of Directors of SCOR SE, a document accessible on the Group's website.

1.2.2 ACTIVITIES OF THE BOARD OF DIRECTORS AND ITS ADVISORY COMMITTEES IN THE AREA OF CLIMATE CHANGE

The Board of Directors convened nine times in 2019. Among its main tasks in the areas of corporate social, societal responsibility and environmental sustainability, the Board of Directors reviewed several aspects relating to the Group's contribution to society resilience in the frame of its Quantum Leap strategic plan. Depending on the risks considered, the consequences of climate change may impact the medium and long-term. Therefore, the Group's strategic plan includes many orientations addressing climate change effects in its activities and operations (e.g. supporting the energy transition, developing solutions for adapting to the physical risks related to climate change, financing a sustainable world and committing to zero-net carbon investing by 2050, reducing the carbon impact of the Group's operations and offsetting the remaining emissions).

In addition, the Board of Directors reviewed the Group's Universal Registration Document, including the section on risk factors, and the extra-financial performance statement in Section 6, which includes information on the Group's low carbon and climate change strategy.

Furthermore, as part of the training organised for directors in 2019, a theme-specific session was dedicated to natural catastrophes and modelling; this training included information with respect to the effects of climate change, in particular its physical impact in relation to certain perils such as cyclones and floods, and the underlying implications in terms of portfolio underwriting management.

The Board of Directors was informed of the Chairman's speeches and positions on extreme events and climate risks, especially for the Geneva Association, of which he chairs the Extreme Event and Climate Risks working group.

Finally, the Board of Directors was informed by the Chairs of the Advisory Committees of their respective work, some of which is directly related to the climate change issues described below.

RISK COMMITTEE

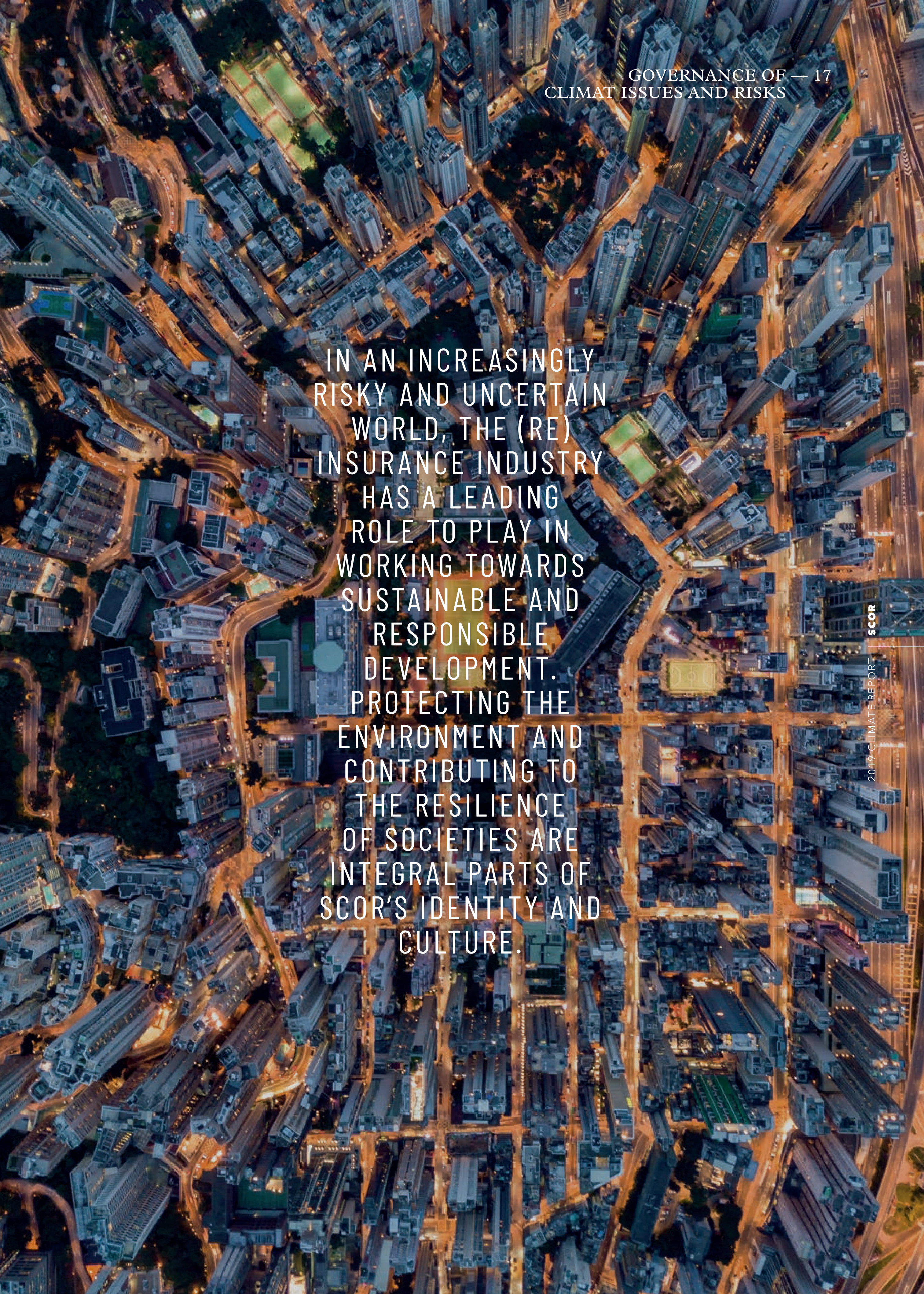
As part of its quarterly review, the Risk Committee, which met four times in 2019, is informed of the Group's main exposures and risks, including natural events, as well as the measures taken to manage a number of these events such as cyclones, storms and hurricanes as part of the Group's capital shield strategy. Furthermore, the Risk Committee reviewed a study on wildfires, which included a specific section on the contribution of climate change to the occurrence of this type of event. In addition to this study, the Risk Committee was informed of the Group's contribution to the publication of the CRO Forum on climate change and, on this occasion, of an internal analysis identifying risks and business opportunities related to climate change. Finally, as part of the follow-up to the review of changes in prudential regulations, the Risk Committee reviewed the development of several regulatory initiatives aimed at integrating sustainability issues, including climate change risks, into existing prudential frameworks.

CORPORATE SOCIAL AND SOCIETAL RESPONSIBILITY AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE

In 2019, the committee met four times, and was regularly informed by the members of the Executive Committee of the implementation of the CSR action plan that it is proposed to monitor at the beginning of the calendar year. Drawn up on the basis of the Group's climate policy and the sustainable investing policy, the strategic orientations, the voluntary commitments made with regard to social and environmental issues and the extra-financial performance declaration, this action plan included some fifty actions, of which 20 related to climate change issues such as monitoring the implementation of targeted exclusions both on the assets and liabilities of the Group's business, the deployment of a policy to reduce greenhouse gas emissions from the Group's operating sites, and the development of reinsurance solutions and investments that promote climate change mitigation and adaptation. In addition, drawing up a specific scenario up to 2025, the Committee reviewed the results of an exploratory study aimed at assessing the financial consequences of transition and physical risks on the Group's investments portfolio.

COMPENSATION AND NOMINATION COMMITTEE

The Compensation and Nominations Committee assessed the performance of the Chairman and Chief Executive Officer, particularly with regard to the implementation of the Group's climate policy. Further details on the result of this assessment are provided in section 1.3 – Performance conditions of this report, and with more details in section 2.2 of SCOR's 2019 Universal Registration Document.



IN AN INCREASINGLY RISKY AND UNCERTAIN WORLD, THE (RE) INSURANCE INDUSTRY HAS A LEADING ROLE TO PLAY IN WORKING TOWARDS SUSTAINABLE AND RESPONSIBLE DEVELOPMENT. PROTECTING THE ENVIRONMENT AND CONTRIBUTING TO THE RESILIENCE OF SOCIETIES ARE INTEGRAL PARTS OF SCOR'S IDENTITY AND CULTURE.

1.2.3 ROLE OF THE MANAGEMENT, COORDINATION AND IMPLEMENTATION BODIES

Three committees, the Group Risk Committee, the Group Investment Committee and the Corporate Social and Societal Responsibility and Environmental Sustainability Committee, advise the Group COMEX on climate change and the implementation of the Group's policies in this respect. They are supported by a coordination and implementation committee gathering representatives from each business unit and Group functions.

GROUP COMEX AND ITS SPECIALIZED COMMITTEES

The Group Risk Committee meets every quarter ahead of the Board Risk Committee. Apart from the preparation of the Board Risk Committee, The Group Risk Committee's general missions consist of (i) steering the Group's risk profile, (ii) maintaining, developing and monitoring effectiveness of the Enterprise Risk Management framework, (iii) spreading a risk culture and improving knowledge of risks, (iv) monitoring and ensuring compliance in relation to risk and capital management. As a reinsurer involved in P&C business activities, climate risks, extreme events and their direct impact on SCOR's risk profile, are regularly discussed in these meetings. These discussions notably help to inform SCOR's modelling and pricing areas of research and development.

The Group Investment Committee meets every three months to define portfolio positioning within the limits set by the strategic plan. Normative and thematic exclusions, as well as major asset reallocations related to risk management – particularly climate risks - are approved during these meetings. At this committee meeting, the SCOR Global Investments business unit reports on the portfolio's exposure in relation to the risk limits laid down in the strategic plan and operational plans, including the risks arising from ESG criteria.

In 2018, the Group set up a Corporate Social and Societal Responsibility and Environmental Sustainability Committee (C2SRES) at Executive Committee level. This committee meets on a regular basis ahead of the Board of Directors' C2SRES meetings and is tasked with approving the decisions concerning SCOR's ESG and CSR approach and initiatives. More specifically, and relevant to the context of this report, it approves the ESG strategy for the Group's core business and makes sure the action plan is executed properly.


(1)

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(7)

(8)

(9)

Denis Kessler (1)
Chairman and Chief Executive Officer

Jean-Paul Conoscente (2)
CEO of SCOR Global P&C

Paolo De Martin (3)
CEO of SCOR Global Life

François de Varenne (4)
CEO of SCOR Global Investments

Laurent Rousseau (5)
Deputy CEO of SCOR Global P&C

Brona Magee (6)
Deputy CEO of SCOR Global Life

Mark Kociancic (7)
Group Chief Financial Officer

Frieder Knüpling (8)
Group Chief Risk Officer

Romain Launay (9)
Group Chief Operating Officer

COORDINATION, IMPLEMENTATION AND OPERATIONAL GOVERNANCE

The internal CSR Committee coordinates the Group's actions in terms of social and societal responsibility and sustainable development. It is made up of one representative from each Group business unit and from Human Resources, Investor Relations, Risk Management and Group Communications. Like the other committees referred to previously, it also meets on a regular basis. This internal committee is coordinated by the Group's Head of CSR under the authority of the General Secretariat. Its operational role is to foster an overarching approach to CSR, in order to merge the initiatives taken by the Group, business units and asset management. It is also tasked with making certain that the various action plans prepared by each business unit are consistent to the fullest extent possible.

Regarding investment activities, the Mandate Investment Committee, which brings together the Group Investment Risk and Sustainability Group (GIRS) and representatives from the teams of SCOR Investment Partners, the Group's principal asset manager, regularly analyses SCOR Investment Partners' portfolio positions at a more operational and granular level. This committee discusses strategic choices guided by the Group's ESG criteria. 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 risk management team integrates the ESG rating, exclusion lists and operational monitoring of the CSR action plan into the monitoring of the portfolio.

The processes and tools used by P&C underwriting management are one of the safeguards that protect SCOR's business from underwriting, reputational, and legal risks. For example, SCOR P&C monitors key identified topics, such as coal-related activities and endangered World Heritage Sites. Climate-related risks are monitored by dedicated teams working on natural catastrophe, which feeds into P&C underwriting and risk management processes.

Regarding the operational governance of climate change issues, the life business unit is represented in the CSR Committee, and relevant topics are covered during the regular life risk committee meetings. The life knowledge community and the risk management team provide input for any adaptations deemed necessary in the underwriting, pricing and valuation processes and tools.

1.3 PERFORMANCE CONDITIONS

— The variable compensation of the Group's Chairman and Chief Executive Officer includes performance conditions established on the basis of personal objectives in environmental and social areas. Since the introduction of performance conditions based on environmental issues, climate issues have been systematically integrated into them.

In 2019, the Board of Directors considered, on the recommendation of the Remuneration and Nomination Committee, that the objectives relating to the fight against climate change had been achieved to the extent of 95%.

In 2019, the Chairman and Chief Executive Officer pursued a very active policy in favour of the fight against climate change, marked in particular by his renewed support for the French Business Climate Pledge and his intervention during the General Assembly of the Geneva Association on the role of insurance with regard to climate alongside the leaders of the world's largest (re)insurers.

Under his leadership, SCOR has reached significant milestones in many areas of its business activities and operations. The Group deepened the integration of ESG considerations, notably with respect to climate issues, both in its investment and underwriting activities for which new measures supporting either climate change mitigation or adaptation were announced. Simultaneously, the Group achieved a reduction of its carbon intensity regarding its scope 1 and 2 emissions, (-34.7% per employee compared to 2014), and offset 100% of its emissions.

Further information on the performance achieved in 2019 are available in SCOR's Universal Registration Document.

CHAPTER 2

STRATEGY

ALLEVIATING THE DAMAGE FROM CLIMATE CHANGE IS A MAJOR CONCERN FOR SOCIETY. WITH A TEAM OF 100+ EXPERTS IN ACTUARIAL AND GEOPHYSICAL SCIENCES, SCOR IS WELL PLACED TO UNDERSTAND AND MANAGE THE IMPACTS OF CLIMATE CHANGE.

The reinsurance industry has a specific feature that it does not share with other economic sectors - which tend to be marked by cycles and trends – in that it is structurally exposed to shocks. Risk is the raw material of reinsurance and can create shocks with varying origins, sizes and consequences affecting economies and populations.

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

In this context, reinsurance creates diversified risk portfolios. This is achieved through the aggregation of large risks that, as a reinsurer, SCOR mutualizes by business line and by geographical area. The Group thus builds a portfolio with a more regular and predictable risk profile and limits its exposure by transferring part of these risks through retrocession and insurance-linked securities.

Reinsurance is therefore a business that involves deliberately taking calculated risks. It enables the Group's clients to cover their risks by transferring some 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 major events to which it is exposed.

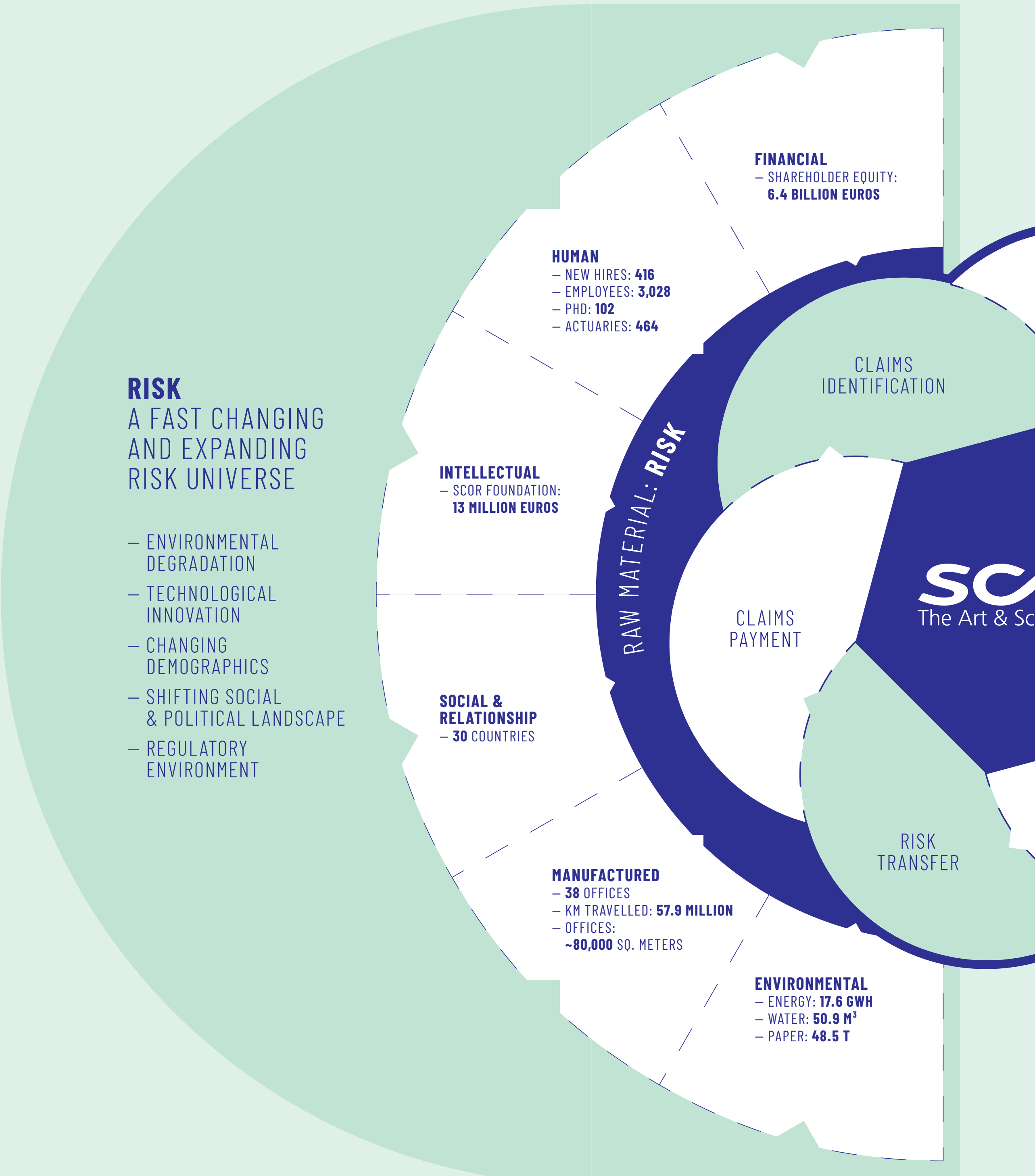
The Group is active in two reinsurance segments via its business units:

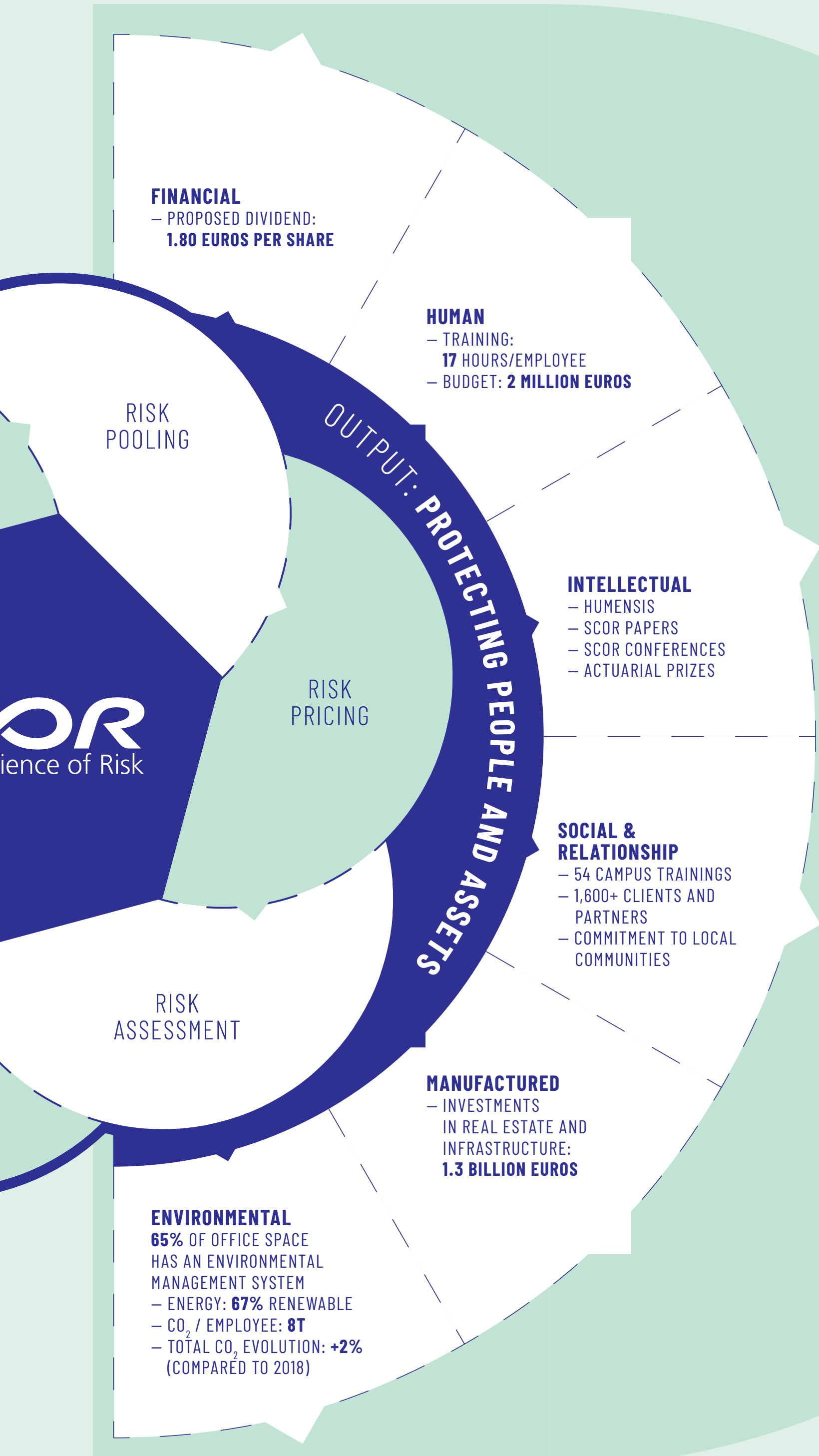
- SCOR Global P&C operates in three business areas: Specialty insurance (e.g. Business Solutions, Managing General Agencies, SCOR Channel), reinsurance (e.g. Property, Casualty, Credit and Surety, Decennial Insurance, Transport, Construction, Agriculture risks and Natural Catastrophes), and P&C Partners (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 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 is at the heart of the key social, economic and environmental challenges facing society, as its activities help to build the resilience of societies. These challenges are regularly analysed by the Group's teams, both from a risk angle and from the perspective of development opportunities, particularly in the context of its system for identifying and analysing trends and the associated emerging risks, as well as in the analysis of non-financial risks.

BUSINESS MODEL AND FINANCIAL & NON-FINANCIAL VALUE*

MANAGING RISK





STAKEHOLDERS
FEDERATING OUR STAKEHOLDERS TO ADDRESS CURRENT AND FUTURE CHALLENGES

– SHAREHOLDERS
– CLIENTS
– EMPLOYEES
– SUPERVISORS
– ACADEMICS

*As of December 31, 2019

JUNE 3, 2003
SCOR joins the Global Compact initiative

FEBRUARY 21, 2007
SCOR is leading the debate on the financial protection of developing countries from natural catastrophe risks

JULY 2, 2009
SCOR SE signs the Kyoto Statement, a major insurance and reinsurance initiative to combat climate change

JUNE 25, 2012
SCOR is a founding signatory of the Principles for Sustainable Insurance (PSI)

MAY 1, 2015
Denis Kessler co-chairs the Extreme Events and Climate Risk program of the Geneva Association

JUNE 9, 2015
SCOR Foundation hosts a seminar on Climate Risks

NOVEMBER 26, 2015
SCOR commits into the first French climate pledge

NOVEMBER 19, 2015
SCOR reaffirms its commitment to the management of climate risk, announces its divestment from all of its exposure to coal and invests EUR 930 million in low carbon projects

2003 2007 2009 2012 2015

SCOR identified climate change as a trend a number of years ago. Climate change creates risks for society and economic activities, including those of the financial sector. As risk carriers, (re) insurers in particular need to understand and plan for the risks created by climate change. Climate change risks can be divided into two main categories [(1)]:

- Physical risks: physical risks from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets or indirect impacts from supply-chain disruption. Examples of acute physical risks include the increased severity of extreme weather events such as cyclones, hurricanes and floods. An example of chronic physical risk would be sustained higher global temperatures that may cause sea-level rise and chronic heat waves.
- Transition risks: transitioning to a lower carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying degrees of financial and reputation risks to organizations.

As a reinsurer, SCOR believes that climate change constitutes a major long-term threat, principally because it will change the frequency of extreme weather events, the severity of some natural catastrophes such as droughts, floods, devastating hurricanes, etc., and as a result, the magnitude of losses. The risks created by climate change are global and systemic in nature; they may include water risks, food insecurity, threats to biodiversity and global health, forced migrations, social tensions and political crises, etc. SCOR analyses and monitors all of these risks, especially

(1) The definition of climate change risks follows that of the financial industry-led Task force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board in December 2015.

DECEMBER 13, 2016
SCOR IP signs the United Nations Principles for Responsible Investment (PRI)

FEBRUARY 1, 2018
SCOR IP is awarded the EETC label for its fund SCOR Infrastructure Loans III

APRIL 30, 2018
SCOR releases its 2017 ESG Report on investments, in compliance with Article 173 of the French law

APRIL 26, 2018
SCOR expands its coal divestment strategy based on the Global Coal Exit List (GCEL)

JULY, 2019
SCOR publishes the Sustainable Investing Policy

SEPTEMBER 11, 2019
SCOR signs the United Nations Principles for Responsible Investment (PRI)

2016 2017 2018 2019

MARCH 9, 2017
SCOR Foundation hosts a seminar on Climate Risks with the Geneva Association

MARCH 21, 2017
SCOR signs the shift project's «Decarbonize Europe Manifesto»

JUNE 29, 2017
SCOR releases its 2016 ESG Report on investments, in compliance with Article 173 of the French law

SEPTEMBER 6, 2017
SCOR announces further environmental sustainability initiatives

DECEMBER 11, 2017
SCOR reaffirms its commitment to the environment at the One Planet Summit and signs the second French Climate pledge

since one of the company's core missions is to protect people and property from disasters while encouraging environmental sustainability.

The SCOR Group believes that (re)insurance, when paired with strong liability laws and regulations, is a highly effective mechanism to promote sustainability. Consequently, SCOR upholds Sustainable Development as one of its five core values. This belief is also embedded in SCOR's Code of Conduct. It is also embodied in the international commitments and initiatives related to the environment, that SCOR has embraced for many years.

In September 2019, SCOR launched its new strategic plan, "Quantum Leap". This plan covers the period from mid-2019 to the end of 2021. The orientations formulated under this new plan emphasize the Group's ability to contribute to the resilience of societies. Several of the incremental focal points of the plan address longer-term environmental issues and the related risks and opportunities. In particular, the strategic plan includes orientations designed to support the energy transition, to develop adaptation solutions to the physical risks associated with climate change (through the activities of the Group's P&C business unit), to finance a sustainable world and to reduce and offset the carbon footprint of the Group's operations.

SCOR is committed to playing its part in addressing the global challenge of climate change. The Group has issued a Climate Policy that sets out the main orientations of its climate strategy. This policy reflects a longstanding and ongoing commitment towards achieving climate resilience and aims to provide a dynamic framework for the management of SCOR's own environmental impact - both direct and indirect - as well as an active strategy based on the Group's expertise for addressing the many risks and opportunities posed by climate change to its various businesses.

2.1 POTENTIAL IMPACTS OF CLIMATE CHANGE ON SCOR AND THE (RE)INSURANCE INDUSTRY

— For SCOR and the (re)insurance industry in general, climate change presents both risks and opportunities. A high-level overview is presented below.

	Property & Casualty	Life	Investments
Business potentially impacted	**Property:** e.g., resulting from a change in frequency and/or severity of floods, storm surge, landslides, drought, wildfires, social unrest **Casualty,** e.g., in lines such as EIL [(1)], E&O [(2)] and D&O [(3)] resulting from climate litigations **Agricultural,** Credit and Surety, Marine and Aviation resulting from the transition to a low carbon economy	**Life:** mortality experience could deteriorate through various outcomes resulting from climate change **Health:** morbidity deterioration linked to climate change could negatively impact various health-related products **Longevity:** reduced life expectancy driven by climate change would reflect favorably under longevity products	**Potential stranded assets in the following industry sectors:** • Oil & Gas (exploration, production, drilling, services, transportation) • Coal • Auto manufacturers • Auto parts & equipment • Airlines • Transportations **Initiatives to support transition to a low carbon economy:** • Investments in renewable energy companies • Infrastructure financing • Real Estate investments in energy efficient buildings • Green bonds
Insurability	Pooling mechanisms and/or public/private ventures Rising inequalities/closing the protection gap		
Affordability	Premiums (insurance, reinsurance and retrocession) may rise as to be uneconomic or unaffordable for the customer		
Risk of accumulation	As a result of increased severity and/or frequency of events in exposed areas		Transition to low carbon economy will have a cumulative impact on all investments linked directly or indirectly to fossil energy

(1) EIL: Environment Impairment Liability.
(2) E&O: Errors and Omissions.
(3) D&O: Directors and Officers

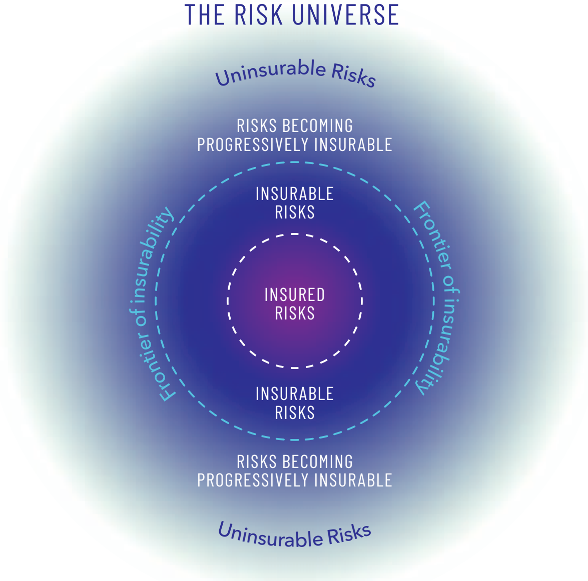
2.2 UNDERWRITING ACTIVITIES

— As a Global Reinsurer, SCOR's expertise is in protecting businesses and individuals and in helping them manage the risks they face. SCOR has expert knowledge of climate catastrophes that it has developed through the fulfillment of its core underwriting activities. SCOR, and (re)insurers in general, have a pivotal role to play in addressing the risks arising from climate change for three main reasons:

- their deep expertise in data analysis, risk modelling and risk-transfer solutions
- their shock absorbing capability and fundamental function of pooling risks to optimize diversification benefits
- their natural long-term view related to underwriting engagements that can last several decades

In the long run, reinsurers' relevance to address climate change and the expansion of the risk universe it will create, depends on their ability to shift the frontiers of insurability:

THE RISK UNIVERSE



SCOR is constantly adjusting its expertise and adapting its modelling capabilities to capture evolving risks, and, in turn, provide adequate solutions at an affordable price. However, creating an adequate risk-sharing value chain for climate risks also depends on clients' behavior and willingness to protect against climate risks. SCOR actively fosters climate risk awareness through various initiatives in collaboration with public authorities and the (re)insurance industry, as the group is conscious that, historically, such collaborations have successfully helped overcome barriers to insurance penetration – e.g. through mandatory insurance coverage.

COMMITMENT TO KNOWLEDGE SHARING AND IMPROVEMENT OF CLIMATE RISK MODELLING

As a reinsurer, SCOR's underwriting activities are aligned with societies' interest in alleviating the damage that could be inflicted by climate change. SCOR thus dedicates significant resources in order to assess the vulnerability of businesses and communities to natural disasters. SCOR's collaborative approach regarding the improvement of risk assessment, including through modelling techniques, is illustrated by its very early support for OASIS, a British non-profit organization developing an open source platform for the modelling of climate events. The Group has also joined Climate-KIC, the largest public-private partnership in the field of innovation designed to address climate change.

SCOR seeks the enhancement of its own climate risk modelling and management capabilities and has a holistic approach to climate risk which includes:

- Contributing to the understanding of climate-related risks, e.g. by developing and improving its own catastrophe modelling tools and through partnerships with scientific organizations researching the modelling of climate events
- Ensuring that the latest scientific insights are disseminated and used within the company
- Supporting the transition to a low carbon economy
- Developing solutions for climate risk adaptation, that offer protection against natural disasters by helping to fund post-event reconstruction

2.3 INVESTMENTS ACTIVITIES

2.3.1 INVESTMENT PHILOSOPHY

SCOR's approach to asset management is underpinned by an internal model developed by the Group. This approach was in place long before the advent of Solvency II. For years, the Group has considered risk to be an integral part of its strategy. As for reinsurance underwriting, SCOR has defined its appetite for market risk, interest rate risk and credit risk. The risk appetite and associated risk tolerance limits are approved by the SCOR SE Board of Directors.

The investment strategy is developed in line with this risk appetite framework. Asset exposures are monitored closely to ensure that they remain within the risk tolerance limits.

The objective of asset management is to optimize the recurrent financial contribution to Group results, while protecting asset values. Accordingly, SCOR is prudent in the management of its investment portfolio. Technical reserves for Life and P&C reinsurance comprise the bulk of liabilities which are covered mainly by relatively liquid, high-quality fixed-income assets in order to ensure a strong level of Group solvency in the event of large claims. ALM (Asset and Liability Management – see glossary) is an important factor in the selection of assets used to cover SCOR's technical liabilities. In addition, the Group manages assets under the congruence principle, which ensures that investments are always made in the same currency as underwriting commitments.

The Group places great importance on asset allocation, not only in terms of the major asset classes but also in terms of concentration. Precise limits for asset classes and asset quality are stated in the Group's Investment Guidelines and are reviewed and approved regularly by the SCOR SE Board of Directors.

SCOR has developed a transversal and holistic Enterprise Risk Management culture. Environmental, social and governance risks fall naturally into this approach.

2.3.2 SUSTAINABLE INVESTING STRATEGY

As part of its 2019–2021 strategic plan "Quantum Leap", SCOR has committed to accelerate its sustainability journey. Its ambition is detailed in its Sustainable Investing Policy released alongside Quantum Leap

SCOR's sustainable investing approach is structured around five main areas, over-arching a consistent and robust strategy. In order to fully assume its fiduciary responsibilities, the Group addresses both resilience of its investments in relation to ESG risks as well as positive and negative environmental and social impacts of its portfolio. Sustainability initiatives are evolving very fast, advocating for flexibility and constant improvement in approach, methodologies and tools.

2.3.2.1 BUILDING A RESILIENT PORTFOLIO

In its sustainable investing approach, SCOR pays specific attention to and supports initiatives to better assess the risks resulting from climate change. For example, SCOR Global Investments performs regular analyses of climate risk related to its invested assets, leveraging on methodologies currently available.

2.3.2.2 ENHANCING SUSTAINABLE INVESTMENT DECISIONS | SCREENING

As a responsible investor, SCOR applies ESG filters to its investment universe. These can be negative filters as a mitigation action against potential risks (e.g. negative financial or non-financial impact) or positive filters to support its sustainable strategy.

Negative screening | Exclusions

Some activities may not be in line with SCOR's values and corporate governance objectives. They may raise sensitive concerns or lead to reputational risks. As a result, some activities or individual issuers may be excluded from the investment universe. The exclusion applies to all types of assets falling under the definition of invested assets. New investments are banned, and remaining positions are actively managed to accelerate the run-off.

Given its positioning in the reinsurance industry, SCOR is aware of the urgent nature of measures required to combat climate change and the Group has taken strong commitments in its Climate Policy. As a consequence, ambitious measures are also adopted in SCOR's policy on sustainable investing, e.g.:

- SCOR commits to carbon neutrality of its invested assets portfolio by 2050.
- The Group excludes investments in businesses that generate over 30% of their revenues from coal. SCOR has also disinvested from the world's top 120 developers of coal-fired power plants, known as the Global Coal Exit List.
- SCOR does not invest in companies for which oil sands and/or artic oil represent more than 30% of their total reserves.

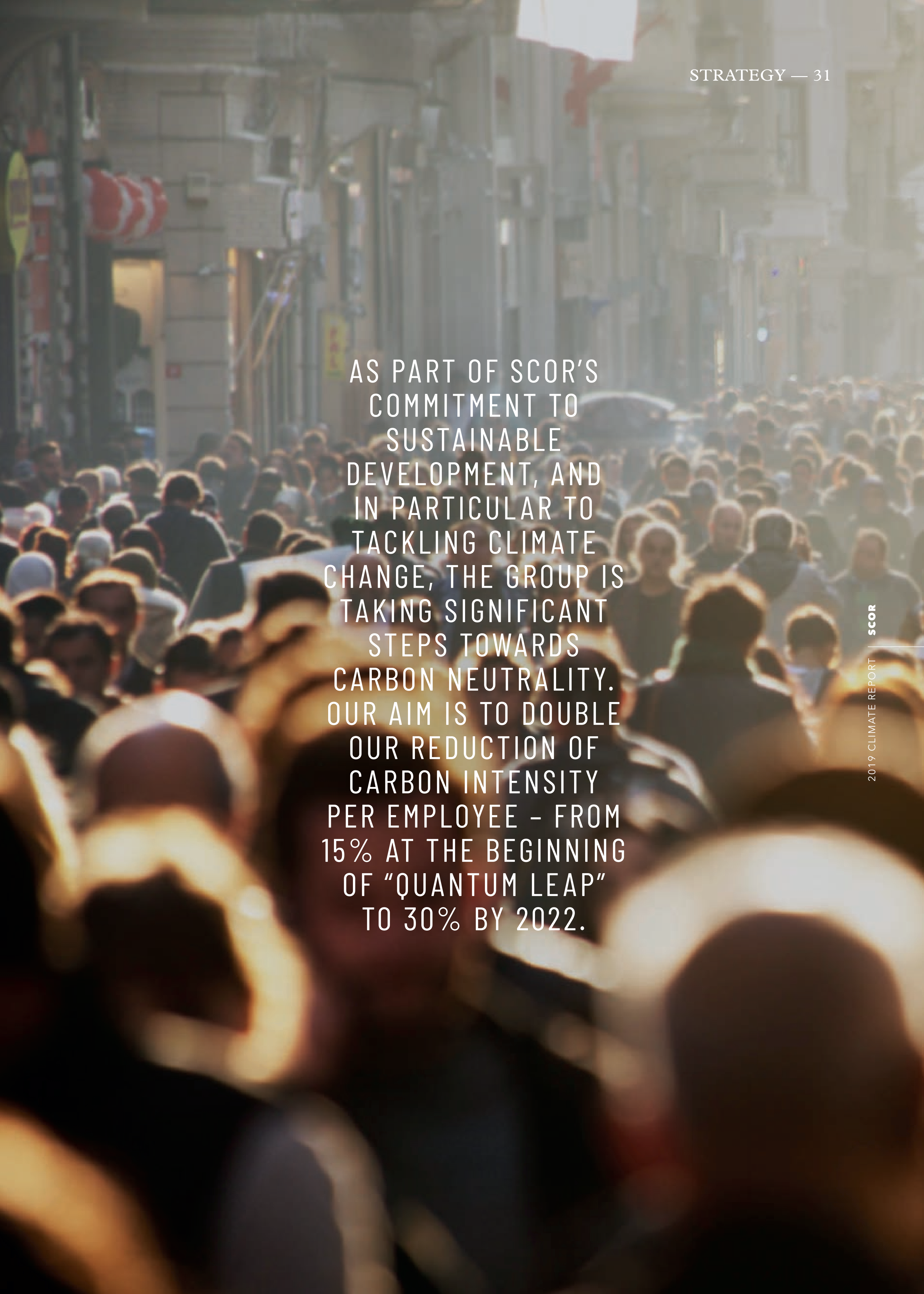
Positive screening | Best in class

Through its invested assets, SCOR intends to finance a sustainable world fostering good practices and robust governance. Given its strong concerns related to environmental factors, SCOR also encourages its investment managers to overweight issuers with good ESG ratings and decisive strategies to align with the Paris agreement. SCOR closely oversees the implementation of all its preferences and monitors its positions on a regular basis.

2.3.3 FINANCING A MORE SUSTAINABLE WORLD | THEMATIC/IMPACT INVESTMENTS

As a Tier 1 reinsurer, SCOR is strongly concerned by climate risks and dedicates a large portion of its assets to finance the transition to a low carbon economy. However, SCOR applies a balanced approach and intends to finance a resilient transition.

An internal taxonomy based on type of assets and individual screening is used to stamp investments as "green". Asset classes included in the "green bucket" are direct real estate as well as infrastructure and real estate debts and green bonds. To be eligible, real estate buildings must be certified and infrastructure debt must finance the transition to a low carbon economy. An individual additional due diligence is performed on a line by line basis to assess the internal "green



AS PART OF SCOR'S COMMITMENT TO SUSTAINABLE DEVELOPMENT, AND IN PARTICULAR TO TACKLING CLIMATE CHANGE, THE GROUP IS TAKING SIGNIFICANT STEPS TOWARDS CARBON NEUTRALITY. OUR AIM IS TO DOUBLE OUR REDUCTION OF CARBON INTENSITY PER EMPLOYEE – FROM 15% AT THE BEGINNING OF "QUANTUM LEAP" TO 30% BY 2022.

stamp". SCOR will adjust its definitions once the European taxonomy is finalized depending on the availability of data needed to assess the green eligibility at activity level.

SCOR applies an invest-divest approach that tends to increase the portion of green assets versus the most environmentally-harming assets in its portfolio.

2.3.4 SUPPORTING CLIMATE AWARENESS | INITIATIVES AND PUBLIC DEBATE

The Group engages in dialogue with regulators and institutions to provide support relying on its internal expertise in addition to promoting responsible investment.

SCOR has built-up dedicated competencies around sustainability within its investment teams. Staff are regularly trained and share information to constantly onboard new standards and innovations. The Group's involvement in public debate facilitates awareness and appropriation of best practices, in order to better implement them in the sustainable investing strategy.

SCOR promotes transparency to demonstrate its commitment to a more sustainable world. The Group releases information on its sustainable investing approach each year and constantly improves the quality of its disclosures.

The SCOR Global Investments business unit updates its action plan and reports on key achievements on a regular basis to the various governance bodies. Over recent years, several discussions have resulted in the definition of a map of the main climate risks and opportunities for the Group's investments.

2.4 IDENTIFICATION OF CLIMATE-RELATED OPPORTUNITIES

2.4.1 CLIMATE-RELATED BUSINESS OPPORTUNITIES

(Re)insurers need to promote insurability and bridge the "protection gap". Addressing this global issue requires the combined efforts of governments and the private (re)insurance industry in the form of strong and innovative public-private partnerships. Pooling mechanisms will likely develop globally to share peak risks across a wide pool of participants. SCOR is actively engaging in industry-wide initiatives aiming at developing climate-related insurance schemes and enhancing existing ones. It is also willing to develop its client-centric approach towards public authorities such as development finance institutions as part of its efforts to bridge the protection gap.

2.4.1.1 BRIDGING THE PROTECTION GAP

A key action linked to climate change lies in bridging the insurance protection gap which is the difference between the economic losses in a country hit by disaster and what is effectively covered by insurance. In vulnerable countries, this gap can be significant and over the past 20 years, it has tended to grow. Insurance penetration varies by economic sector as well as by country. Regulatory and behavioral patterns, as well as the frequency of natural catastrophes, are also important drivers. Yet even in developed countries like the US and Japan, the largest economic losses stemming from natural catastrophes are unevenly covered.

Given its leading market position in public-private pooling schemes addressing climate risks in its core markets, SCOR is in a unique position to help protect societies and the economy against climate change. SCOR can facilitate comprehension, mitigation and protection thanks to:

- extensive expertise in data analysis, risk modelling and risk transfer solutions based on longstanding data collection on climate risks
- ability to pool risks to optimize diversification benefits based upon SCOR's global presence
- healthy balance sheet with regards to industry standards [(AA- with S&P)]

2.4.1.2 DEVELOPING NEW TYPES OF PARTNERSHIP

Public authorities are the driving force underlying the world's efforts to address climate change, as shown by the Paris agreement in 2015. In this respect, State-backed financial institutions have been given a mandate and financial capacities to unlock private financial capacity to mitigate climate change and adapt to its consequences.

Reinsurers can cooperate with public authorities on multiple fronts, for example through climate and infrastructure finance. When it comes to insuring climate risks, unlocking private capacity takes the form of risk-transfer solutions and pooling schemes. As a result, governments can front climate risks which can ultimately be shared with (re)insurers making coverage more affordable than if a government was the sole risk-carrier.

SCOR has long been part of multiple government-led insurance pools covering climate catastrophes in its core markets. Such schemes are designed to increase insurance penetration when risks are too severe / scarce or poorly modelled – perils such as flood for example. Reinsurers' participation is crucial to relieve the public sector from the brunt of the cost and to make the overall solution financially sustainable.

Developing countries can suffer from large protection gaps, creating macroeconomic issues that are addressed by reinsurers and public authorities. As data may be insufficient to model losses and provide indemnity-based insurance, parametric-based insurance can help create new markets. Parametric insurance offers an efficient means of servicing markets under-served by indemnity-based (re)insurance. From a modelling perspective, parametric triggers are easier to understand and allow to enlarge investor base and potential capacity available. They also provide quicker disbursement, addressing the liquidity issue, which strengthen the financial system's resilience.

Given the global nature of climate change, reinsurance solutions may be developed beyond domestic markets. For example, SCOR has joined the Insurance Development Forum and has pledged capacity to support resilience in developing countries in partnership with the United Nations Development Program, as well as the German and UK Governments. It has also collaborated with the World Bank to provide parametric insurance against climate-related natural catastrophes in the Philippines and wishes to engage further with development finance institutions.

2.4.2 CLIMATE-RELATED INVESTMENT OPPORTUNITIES

The energy transition offers investment opportunities in the short term in green bonds, solar, wind and energy efficiency projects. Other opportunities that may develop over the medium to long-term are investments in new technologies that are being/ will be employed to combat climate change (e.g. Carbon Capture Storage). As of end 2019, 6.9% of SCOR's asset portfolio is currently invested in "green investments".

Embracing investment opportunities – key achievements in SCOR's sustainable investing strategy

For several years, SCOR has pursued an ambitious policy of financing the energy transition to a low- carbon economy. The Group began making direct investments in highly energy-efficient real estate a long time ago, and it has extended its strategy to investments in infrastructure debt funds that finance "green" or social projects and in real estate debt for environmentally accredited buildings. This approach has been supplemented through selective investments in Green bonds. The Group has taken a proactive approach to the environmental certification of its real estate investment portfolio for many years and incorporates environmental labelling into the management of its real estate holdings.

In addition to office buildings acquired for SCOR's own use, the real estate portfolio also contains assets purchased solely for investment purposes. These acquisitions are refurbished and then undergo certification based on one or more standards. Consequently, the bulk of SCOR's real estate portfolio has, or is in the process of gaining the BREEAM (BRE Environmental Assessment Method) and HQE (High Quality Environmental Standard) certifications.

As part of its approach to financing the transition to a low carbon economy, SCOR's subsidiary, "SCOR Investment Partners", also invests in real-estate debt funds and infrastructure debt funds. The investment strategy of these funds is in line with the Group's objectives.

SCOR uses its expertise in the insurance coverage of natural catastrophes, both to optimise asset portfolio profitability through diversification, and to finance reconstruction after natural catastrophes. Thus, SCOR participates actively in strategies for adapting to climate change, by developing, distributing and investing in financial products that cover natural catastrophes (insurance-linked securities). At the end of 2018, SCOR's subsidiary "SCOR Investment Partners" held EUR 100 million in funds of this type.

Sustainable bonds

In its previous strategic plan, "Vision in Action", SCOR fulfilled its objective of reinforcing the impact of its sustainable investing strategy through investment in sustainable bonds. This strategy will be continued during SCOR's new strategic plan "Quantum Leap". At the end of 2019, investments in sustainable bonds totaled EUR 234 million, compared to EUR 80 million at the start of the previous plan. Most of the sustainable bonds selected for investment are green bonds, financing projects oriented to a low carbon economy in areas such as renewable energy, green buildings, clean transportation and energy efficiency, while the rest of the bucket is composed of social bonds supporting projects such as affordable housing and education, or by bonds that are both "green" and "social".

CHAPTER 3

RISK MANAGEMENT

3.1 IDENTIFICATION AND ASSESSMENT OF CLIMATE-RELATED RISKS

— Climate change creates a systemic threat for the (re) insurance industry and therefore for SCOR, with potential consequences on all areas of the business, investments and operations. The consequences of climate change for (re)insurers are likely to manifest principally through impacts on physical risk factors (both acute and chronic physical risks) and through transition risks due to the shift towards a low carbon economy, including the potential for increasing liability risks.

3.1.1 PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE RELATED RISKS

3.1.1.1 PROCESSES TO IDENTIFY CLIMATE RISK DURING THE UNDERWRITING PHASE

SCOR addresses the exposure to climate risk in its core business activity (i.e. reinsurance and specialty insurance underwriting) via a series of underwriting guidelines that have been implemented over a number of years. For example, the Specialty Insurance branch of SCOR Global P&C has developed a robust scoring framework to assess and control exposure to coal underwriting. In addition, guidelines incorporating restrictions concerning coal-related activities are constantly updated and improved.

3.1.1.2 SCOR'S EMERGING RISKS PROCESS

A formal part of SCOR's ERM framework, the Emerging Risk Process identifies new and rapidly changing risks and assesses their impacts on SCOR's business (P&C and Life underwriting) and investments. Assessments are also made in relation to the impact of identified risks on the Group's operations and reputation.

As part of this process, SCOR has identified "Global Climate Change" as one of eight "Trends" and a number of risks associated with this trend have been identified and assessed to date, listed below:

- Climate change litigation
- Failure to adapt to climate change
- Stranded assets
- Biodiversity loss
- Permafrost thawing
- Insect invasions
- Declining land availability
- Extreme social unrest

It should be stressed that the Emerging Risks Process does not offer an exhaustive analysis of the various risks that climate change may pose to SCOR. Some, but not all climate-related risks have been assessed at this point.

Reporting on Emerging Risks Assessments to SCOR's Executive Management and Board

The findings of impact assessments of the most topical/potentially impactful emerging risks are reported to the quarterly local, business unit, Group and Board Risk committees via SCOR's local, business unit and Group Risk Dashboards and in more detail in SCOR's Emerging Risks Report.

3.1.1.3 SCOR'S MATERIALITY ANALYSIS OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

As part of its non-financial performance declaration, SCOR is refining a materiality analysis of Environmental, Social and Governance risks, both in relation to the impacts of SCOR's activities on risks identified and in terms of how the risks identified in each category could affect SCOR's business and operations. The risks to SCOR's activities posed by climate change are identified as part of this analysis.

3.1.1.4 PARTICIPATION IN INDUSTRY WORKING GROUPS, RESEARCH ACTIVITIES AND INSTITUTIONAL COMMITMENTS

SCOR participates in a number of industry forums to discuss current risks to the (re)insurance industry. For example, SCOR is an active member of the CRO Forum and as such, participates in a diverse array of working groups that address many different risk topics, including those relating to climate change. Groups that address these issues include the Emerging Risk Initiative and the working group to determine a methodology to calculate Carbon footprints attached to a (re)insurer's underwriting portfolios. In 2018, the Emerging Risks Initiative of the CRO Forum released a paper specifically addressing the impacts of climate change on the (re)insurance industry, to which SCOR contributed.

SCOR is also actively involved in a number of European initiatives relating to climate change, including:

- the Technical Expert Group on Sustainable Finance of the European Commission, in which SCOR's experts 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 Project Task Force on Climate-Related Reporting at the European Financial Reporting Advisory Group (EFRAG), which is chaired by SCOR;
- the Climate and Sustainable Finance Commission of

the "Autorité des Marchés Financiers" in France, which supports its regulatory and oversight work regarding sustainable finance;

- the EIOPA working group to discuss the extent to which current climate trends are reflected in changes of the occurrence of natural perils and how such trends can be incorporated into current catastrophe modelling techniques.

Participation in these groups enables SCOR to refine its understanding of climate risks and opportunities, by providing the opportunity to share and exchange ideas and knowledge with peers on this rapidly developing subject. The insights gained from participation in such groups, additionally helps to develop SCOR's internal expertise, which in turn, can be used to support executive management to develop a strategy in relation to climate change considerations.

SCOR's membership of institutions, whose mission is to address and raise awareness of the risks posed by climate change, provides another channel through which SCOR monitors both industry and wider trends in climate-related risks. To date, SCOR's membership of/involvement in such institutions is as follows:

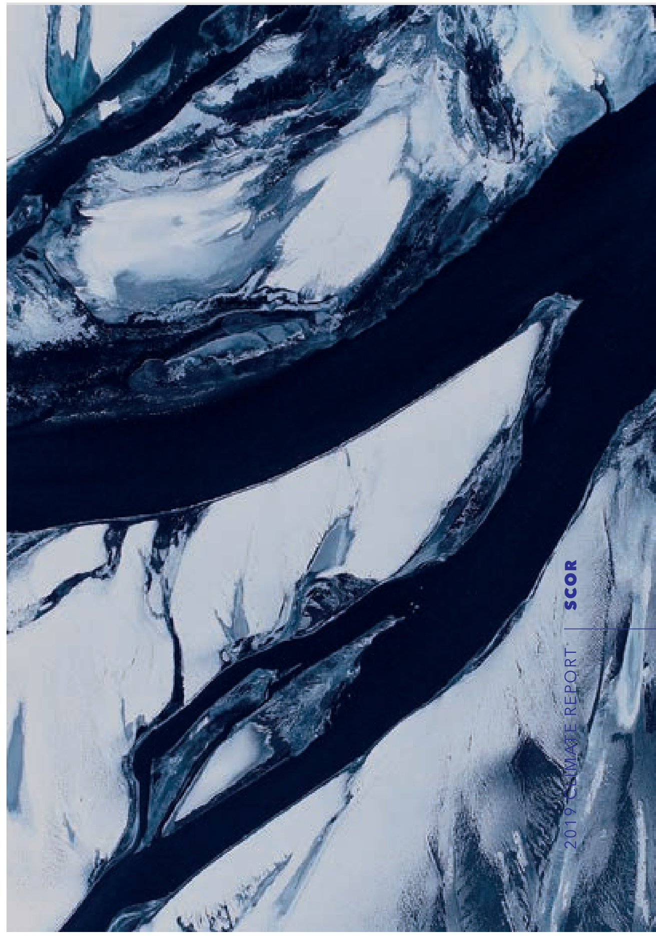
- chair of the Geneva Association's Extreme Events and Climate Risks working group;
- member of the steering committee of the Insurance Development Forum, an institution that brings the United Nations, the World Bank and several other international bodies together with the (re)insurance industry;
- member of InsuResilience (the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions), an initiative more specifically designed to bring insurance solutions to the most economically vulnerable populations.

3.1.2 EXPOSURE TO CLIMATE RELATED RISKS

As stated previously, risks to SCOR from climate change can be divided into those stemming principally from physical risks and from transition risks. Transition risks include liability risks that could result either directly from SCOR's own activities, or indirectly as related to its underwriting portfolio. The potential exposure of SCOR's activities to climate risks are discussed in the following sections.

3.1.2.1 CLIMATE RISKS AND IMPACTS ON UNDERWRITING ACTIVITIES

SCOR's underwriting business could potentially be exposed to physical, transition and liability risks resulting from the impacts of climate change.



SCOR SEEKS TO CONTINUOUSLY IMPROVE AND EXTEND ITS RANGE OF RISK MANAGEMENT MECHANISMS TO TAKE ACCOUNT OF KNOWN RISKS, ANTICIPATE EMERGING RISKS AND FACE THE CHALLENGE OF CLIMATE CHANGE.

Physical Risks

Underwriting activities of Property & Casualty and Life reinsurance business could be exposed to changes in the frequency and/or severity of certain natural catastrophe events that are predicted in climate warming scenarios. Although scientific understanding of the causal mechanisms between climate warming and the occurrence of particular natural phenomena (attribution science) is still being established, catastrophe events that are potentially impacted include floods (both from river flooding and pluvial flooding), hurricanes (including storm surge and pluvial flooding components), heatwaves, wildfires and droughts. In the event that climate change causes an increase in the occurrence and/or severity of natural catastrophes, claims frequency and/or severity for several lines of business, including property, business interruption/contingent business interruption, mortality, morbidity and agriculture could increase. This, in turn has potential impacts on long-term profitability and ongoing insurability.

In terms of SCOR's exposure to natural catastrophe events that are likely to be impacted by climate change, P&C reinsurance business has the most material exposure to North Atlantic Hurricane.

For the Life reinsurance business, climate change impacts could manifest both in adverse events as well as in long-term trends. For instance, increases in the frequency and severity of extreme heat events have the potential to negatively influence mortality and morbidity via the aggravation of cardiovascular and respiratory illnesses. However, there may be some attenuation between population mortality from heatwaves and reinsured mortality, due to the different age profile and socioeconomic status of reinsured portfolios. Similarly, pandemics are shock events that could have an impact on mortality of the insured population. While other extreme events, such as cold episodes, droughts, wildfires, floods and tropical cyclones might claim more lives over the longer term, they are not expected to become material for the insured population. Over a longer time horizon, rising temperatures could change patterns of disease distribution, for example, through expansion in the geographic range of certain disease vectors such as mosquitos. Overall, life expectancy and health could be trending downwards as the result of a general deterioration of the environment caused by climate change-related effects, including worsening air quality and a decline in the availability and quality of food and water.

Transition Risks

Transition risks could impact SCOR's underwriting activities over a longer time horizon, through new legislation and regulation in relation to carbon-intensive sectors and/or reputation factors. It is also possible that demand for (re)insurance in carbon-intensive sectors declines over time, as companies move towards more sustainable business models. Additionally, there could be unforeseen risks and costs associated with trying to develop new business in low carbon sectors, such as renewable energy, especially if this involves the on-boarding of new technological knowledge and skills.

Depending on the nature and the overall impact on the economy of the transition, disruption in economic growth could reduce business opportunities for life reinsurance. The quality of public healthcare and spending might also be negatively impacted for stressed economies, with potential impacts on biometric risks.

Liability Risks

Climate-related liability risks could impact SCOR's P&C business, principally via Director's & Officer's (D&O) claims from liability coverages. D&O claims could arise if the board and/or management of an underwritten company fail to adequately identify and plan for the risks posed by climate change to their business and which may cause a drop in the company's value, leading to shareholder lawsuits. D&O liability claims could also arise by failure of companies to adequately disclose relevant information related to climate-related impacts on their activities. Furthermore, D&O claims could result from failures in operational management of a company causing, for example, the outbreak of a wildfire. A long-term consequence for companies who contribute to carbon emissions could be the filing of community liability claims for compensation for damages to property, or to cover the expenditure required to adequately protect property (e.g. recovering funds to construct coastal flood defenses). This could impact SCOR through its general liability lines of business.

Given the evolving regulatory and legal environment and absence of court rulings that establish principles for climate change related liability, there is a high degree of uncertainty on how (re)insurance contracts might react and on SCOR's exposure to such liability claims. However, SCOR's potential exposure to climate-related liability from its D&O

portfolio is currently estimated to be low, with program shares spread across a number of insureds and jurisdictions. Potential exposures from its General Liability portfolio are seen as remote, due to various policy defenses in place. Primary market reactions, e.g. following the California wildfires, such as the introduction of exclusions and sub-limits, have also significantly reduced the exposure going forward.

3.1.2.2 CLIMATE RISKS AND IMPACTS ON INVESTMENTS

Climate change risk reflects the risk that the value of assets could be impacted by climate change. This covers the potential negative aspects of acute physical risk on the value of assets and risks linked to the transition to a low carbon economy, including the potential for risks to SCOR's reputation linked to investment choices.

Physical Risk

SCOR's investment portfolio is exposed to physical climate risks through the assets held directly in the portfolio and through those that are financed indirectly through investments in companies. To date, SCOR has analysed its physical assets, e.g. the exposure of its portfolio of real-estate debt, infrastructure debt and direct real estate investments to European windstorm risk, given that 82% of these portions of the investment portfolio are located in France. Exposure as at year-end 2019 was very modest in comparison to the size of the investments. SCOR may also be indirectly exposed to physical climate risks through its corporate exposures; the companies in which SCOR invests may also suffer from climate-related extreme events (e.g. hurricane, typhoon) in the short-term, or chronic trends in the medium/long-term (e.g. coastal flooding due to sea level rise), depending on their geographical locations.

Transition Risk

For SCOR's investments, the transition to a low carbon economy could result in certain assets in the investment portfolio losing value and becoming "stranded" or being impacted by regulations designed to speed the energy transition (e.g. those investments in fossil fuel energies).

The amount of assets potentially exposed to transition risks is assessed by mapping the invested assets portfolio to carbon-intensive sectors. Assets are mainly invested in fixed income. As such, maturity of each holding should be considered; short dated bonds may be less vulnerable depending on the time horizon of the risk.

The type carbon-intensive sectors impacted by the energy transition may evolve over time, as shown in the table below:

	Short-term	Medium-term	Long-term
Carbon intensive sector impacted	Coal and coal power	Oil, steel, cement, gas and gas power	Automotive and aviation

Analysing the resilience of SCOR's investment portfolio to physical and transition risks

SCOR believes that it is too early to build an investment strategy based on scenario analysis, given the low level of maturity of assumptions underpinning the translation of climate scenarios into macroeconomic assumptions and then into plausible financial market metrics over different time horizons. However, SCOR Global Investments performs regular top down and bottom up analyses to test the resilience of SCOR's invested assets portfolio to climate risk. Simulations are also performed to test various portfolio positionings in terms of environmental impact and ESG rating.

In 2018, SCOR Global Investments used a study provided by Moody's Investors Service to build a heat map and position its exposures across sectors, depending on their level of transition risk. Results were disclosed in SCOR's 2018 ESG report on investments. Building on this work and in a constant attempt to better understand the risks to its investment portfolio, SCOR has used the scenarios provided by the report from the 2° Investing Initiative (2°ii) entitled "Storm Ahead", issued in the first half of 2019 (1). Split into two sections, "transition risk in 2025" and "physical risk in 2060", the scenarios provide estimations of potential stresses on rating, spreads and prices of corporate bonds depending on sectors and maturity.

The scenarios selected by 2°ii are consistent with stress testing the resilience of portfolio positioning for transition risk (IEA 4.6 or 2°C increase in temperature by the end of the 21st century) and physical risk (IPCC 8.5, which is a "business as usual" scenario). Transition risk increases with a stringent political response to climate change, enabling the limitation of global warming to 2°C or below. This can be considered as a best-case scenario for physical risks, that should be contained under such a scenario. In contrast, the lower the political response, the more extreme physical risks are likely to be, whereas transition risks will be more limited. For these reasons, physical and transition risks should be considered separately.

For SCOR's investments, preliminary results show that a 2°C or below scenario may not be the most damaging, as physical risks appear to have the most impact. The analysis is being performed to build-up experience and a better understanding of potential drivers of climate risks. Such exercises increase awareness and understanding at executive management level of climate-related factors at operational levels. This exercise is work in progress and will be further developed in the future.

3.1.2.3 CLIMATE RISKS AND IMPACTS ON OPERATIONS

Physical Risk

SCOR's offices and infrastructure (e.g. IT datacenters) could be potentially exposed to acute and chronic physical climate risks with impacts on the continuity of SCOR's operations, depending on geographical location. For example, some office locations are exposed to river flood, sea-level rise or hurricanes.

Liability Risk

Liability risks could be generated via the contribution of SCOR's own operations to climate change, if these are deemed to be unacceptable in a lower-carbon economy. Potential exposure would be measured through the company's carbon footprint, notable components of which include the emissions produced from business travel, the environmental impacts of office buildings via resource consumption and electricity consumption of data centers. In addition, some of SCOR's activities could become negatively perceived by stakeholders due to their environmental impacts (e.g. underwriting the non-renewable energy industry). Any negative impacts on SCOR's reputation as a result of either direct negative environmental consequences of SCOR's own operations, or via association with industries having a negative environmental impact, could additionally result in the reduction of SCOR's ongoing ability to attract or retain key personnel.

3.1.2.4 OTHER IMPACTS OF CLIMATE RISKS

Climate risks may additionally interact with SCOR's competition risk and regulatory risk:

Competition risk

Due to possible future pressures on certain carbon-intensive sectors to either reduce or suspend their operations, because of their impact on global carbon emissions linked to climate change, the demand for (re)insurance of these sectors may decline in the future. If SCOR has not sufficiently developed business (either client relations or expertise) in other sectors to replace this loss of revenue (e.g. in renewable energy sectors), SCOR may lose its competitive advantage in relation to its market peers.

Other factors that could affect SCOR's competitive position in the marketplace, would be damage to SCOR's reputation and brand by being associated with the support of business sectors that are becoming increasingly stigmatized (e.g. coal extraction), both through government steering and public opinion.

(1) "Storm Ahead – a proposal for a climate stress test scenario". 2°investing initiative discussion paper; April 2019.

Regulatory risk

Tighter regulatory controls and/or government legislation to dramatically curb carbon emissions may place restrictions on a) the business that SCOR can underwrite (e.g. carbon intensive industries such as the coal industry in the first instance, but possibly extending to other non-renewable energy sectors in time) and b) its operations, through for example, restrictions on business air travel. Any future regulatory controls that enforce the cessation of underwriting certain climate-sensitive sectors, could lead to either a loss of business revenue or fines and associated negative impacts on SCOR's reputation if the business is continued. Other measures could also be envisaged by regulators in the future to encourage the industry to move away from supporting carbon-intensive sectors, such as negative prudential measures for companies who are reluctant to adopt a more sustainable business model.

3.2 MANAGEMENT OF CLIMATE RELATED RISKS

3.2.1 UNDERWRITING ACTIVITIES

3.2.1.1 MANAGEMENT OF PHYSICAL RISKS

SCOR already has a number of risk management mechanisms in place to manage Group's exposure to its main risks, including peak natural catastrophe risks that could be impacted by climate change. For example:

- SCOR carefully monitors and manages the accumulated gross exposures to ensure that the company is not overly concentrated in certain locations;
- SCOR's system of limits facilitates the management of SCOR's net exposure to its main risks, which include natural catastrophes such as North Atlantic Hurricane and European Windstorm. It includes a risk driver system, that monitors and manages SCOR's aggregate net exposure to its main risks and exposure to the occurrence of a range of extreme events (probability of occurrence of 1/200 years);
- to ensure that SCOR's net exposure remains within these agreed limits, SCOR has put in place a Capital Shield Strategy, which is designed to provide a range of protection measures against extreme events including the use of traditional retrocession, capital market solutions, a solvency buffer and a contingent capital facility;
- footprint scenario assessments – SCOR has developed a number of specific extreme events (both imagined and historic) that are run regularly on the current in-force business portfolio to stress-test the ability of the company as a whole to withstand such events.

Catastrophe modelling and pricing

For the P&C business, results from catastrophe models that are used to price natural catastrophe business (both new and renewing) are calibrated using recent claims data. In this way, current changes in the frequency and severity of the natural perils that SCOR underwrites, whether related to climate change signals or not, are taken into account in the pricing of contracts. In addition, the P&C natural catastrophe Research & Development team is also working to understand how climate change could impact the perils that are most material to SCOR. For example, the team has reviewed the current scientific literature relating to climate change impacts on US Hurricane and found likely potential impacts on hurricane-induced pluvial and storm-surge flooding. Such information can be used to adjust the characteristics and frequencies of the extreme events found in the event sets of the hurricane models that SCOR currently uses to assess its exposure and to therefore price these risks.

SCOR is committed to improving the quality of the catastrophe models and techniques that are used to assess and price the perils that are likely to become more frequent in a warming world. For example, the recent destructive wildfire activity witnessed in the US led to the development of an explicit wildfire pricing approach in 2018, which was updated in 2019. At the same time, SCOR has started the development of a new wildfire model, planned for release during 2020.

Research on climate impacts on Life business

For the Life reinsurance business, medical and actuarial specialists at SCOR are investigating the links that can be currently established between climate change and certain medical conditions and diseases through regular reviews of the scientific medical literature. Where appropriate, this information is fed into decisions related to current and future underwriting, pricing and valuation of reserves. For example, air pollution, which is exacerbated during heatwave events, is reflected in selected products as a factor for pricing and best estimate assumptions.

3.2.1.2 MANAGEMENT OF TRANSITION RISKS

In order to manage exposure to climate transition risks, SCOR is developing a number of initiatives in the area of P&C underwriting. These include the introduction of specific restrictions with respect to the underwriting of insurance and facultative reinsurance of certain coal and lignite mines and power plants, and introducing referral procedures and Environmental, Social and Governance (ESG) scoring components for the underwriting of insurance and facultative reinsurance within the mining and energy sectors. A specific initiative on renewable energy underwriting was launched in 2018, in order to identify (re)insurance needs for each market and define SCOR's underwriting policy in this area.

3.2.2 INVESTMENTS

To improve the resilience of its invested assets portfolios to climate risk and better monitor the impacts of its investments on environment and society, SCOR has developed a sustainable investing strategy, framed by a Sustainable Investing Policy. As part of this investment strategy, SCOR will continue to monitor the exposure of its investment portfolio to physical climate risks. SCOR also monitors the carbon footprint of its invested assets portfolio and measures the alignment of its portfolio to the 2°C scenario provided by the International Energy Agency.

Through the sustainable investing strategy, SCOR also mitigates climate risk through investment in renewable energy sources and energy efficient buildings. In addition, SCOR's own real estate portfolio includes a majority which are either environmentally certified or are undergoing renovation with the aim of becoming so.

To limit the impact of future potential transition risks, SCOR is limiting its exposure to most carbon-intensive sectors (e.g. coal mining, tar sands and arctic oil) to address the double materiality principle.

3.2.3 OPERATIONS

The exposure of SCOR's operations to acute and chronic physical climate risk is principally managed through the Business Continuity Plan.

Beyond the management of physical risks, SCOR has taken further steps to better manage its environmental footprint and notably the carbon footprint generated by its direct operations by focusing on three main areas:

- environmental certification of office buildings;
- energy consumption management – using renewable energy sources where possible;
- voluntary offsetting of greenhouse gas emissions via initiatives such as afforestation projects.

SCOR also endeavors to encourage reductions in emissions of CO_2 due to business travel through its investment in worldwide video-conferencing facilities and by encouraging the use of trains over planes.

3.2.4 STRATEGIC RISKS

3.2.4.1 COMPETITION RISK

SCOR is developing expertise and strategies that will ensure that the company remains relevant throughout the transition towards a low carbon economy. For example, in 2018, SCOR launched a specific initiative on renewable energy underwriting, in order to identify (re)insurance needs for each market and define SCOR's underwriting policy in this area.

As part of SCOR's new strategic plan, "Quantum Leap", the group is committed to building its reputation as a sustainable reinsurer. Priorities in this area are bridging the protection gap through development of Public-Private Partnerships, ensuring biodiversity and inclusive insurance solutions, working towards incorporating the effects of climate change into the company's catastrophe models and in supporting SCOR's clients in their energy transition projects through underwriting.

3.2.4.2 REGULATORY RISK

SCOR monitors all regulatory requirements that it needs to fulfill in order to conduct its business legally, fairly and ethically. Adhering to any future restrictions in terms of future business development would be no exception. In addition, the introduction of any major changes in regulations around underwriting in environmentally sensitive sectors could reasonably be expected to occur gradually and in consultation with the insurance industry as a whole. Furthermore, being strongly engaged in the public debate through various working groups dedicated to climate change, enables SCOR to better anticipate such potential evolution in regulation and thus adapt its activities accordingly.

CHAPTER 4

METRICS AND TARGETS

The Group consolidates indicators and presents them expressed in tons of CO_2 equivalent. This 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®" produced by the French Environment and Energy Management Agency (Ademe), the Department for Environment, Food and Rural Affairs (DEFRA) database regarding air transportation emissions and extrapolated from the data effectively collected in each Hub [(1)]. The emissions calculated by the Group, for investment activities and Group's operations, cover the following scopes of the "Greenhouse Gas Protocol":

- **"Scope 1":** direct emissions from the combustion of fossil fuel.
- **"Scope 2":** indirect emissions induced by electricity consumption, steam and cooling systems.
- **"Scope 3":** other indirect emissions.

4.1 INVESTMENT ACTIVITIES

Carbon footprint

SCOR has selected ISS [(2)] to measure the carbon footprint of its portfolio. The carbon footprint is only a point in time backward-looking indicator. It provides little information on the approach or commitment of issuers with regard to climate risk, or on how SCOR can efficiently manage its assets with regard to risks related to greenhouse gas emissions. However, the data does enable a company to track performance in relation to the commitments they have made and to better understand performance regarding alignment with the targets of the Paris 2015 Agreement. However, the methodologies currently available to assess the carbon footprint of invested assets are far from consistent. This is especially true for bond portfolios, with different ways of measuring the three scopes of the "Greenhouse Gas Protocol" and even inconsistency in the coverage ratio in the disclosures.

ISS provides the three scopes for government bonds but only scope 1 and scope 2 for other asset classes. The results are not fully consistent.

Carbon intensity is defined as the ratio of total CO_2 emissions to GDP for countries and to turnover for companies. This data reflects the impact of a country or a company on the environment. For a portfolio, the carbon intensity per EUR million invested, when measuring the impact of a portfolio on the environment, can also be referred to. For SCOR, the carbon intensity per million euros invested amounts to 308 tons at the end of 2019, up 8% compared to the end of 2018. The calculation covers 86% of the Group's portfolio as at the end of 2019.

Another measure is the ratio of total greenhouse gas emissions to the amount of investments made by SCOR (tons of CO_2 equivalent per EUR million invested). The analysis can then be broadened to include real estate debt and infrastructure debt, thereby covering EUR 17.6 billion of portfolio assets. This measure provides information on the Group's investment strategy as it is mainly driven by investment managers' selection of securities. The results are volatile from one year to the next, due to both the quality and coverage of the information provided by companies and to adjustments to the calculation models. SCOR considers that it is still too early to set quantified "decarbonisation" targets for its asset portfolio. The Group has decided to join the Net Zero Asset Owner Alliance to mutualize resources and allow for a common understanding of decarbonisation paths and methodologies. With this initiative, SCOR stays at the forefront of climate innovation and intends to deliver its commitment to carbon neutrality on investments by 2050.

Taking the temperature of SCOR's investment portfolio

Carbone 4 [(3)] has been selected to provide a methodology to assess the alignment of SCOR's investment portfolio with the 2°C scenario advocated by the Paris Agreement. The analysis covers government bonds, corporate bonds and equities, representing roughly 77% of SCOR's total portfolio. Current results show the limited robustness of the metric for use in taking investment decisions. However, SCOR is actively pursuing its analysis of the factors driving the portfolio temperature, to identify the best ways to set a realistic path within an appropriate time frame. Being part of the Net Zero Asset Owner Alliance will also enable the definition of a robust decarbonisation path to align investment portfolios with the Paris Agreement.

(1) The Group is organised in three regional management platforms (the "Hubs"): the EMEA Hub, the Americas Hub and the Asia-Pacific Hub.
(2) ISS: is a provider of corporate governance and responsible investment solutions, market intelligence and fund services, and events and editorial content for institutional investors and corporations, globally.

(3) Carbone 4 is an independent consulting firm specialised in low carbon strategy and climate change adaptation.

4.2 GROUP'S OPERATIONS

— Although reinsurance is not an industrial activity with a significant impact on the environment, SCOR strives to manage the environmental impact stemming from its operational processes, which include office management, business travel and to a far lesser extent, office equipment. 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% (1) by the end of the "Quantum Leap" strategic plan. After expanding it in 2018 compared to 2017, the Group has decided to extend its CO_2 offsetting program to all the residual emissions measured in this section.

4.2.1 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.

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

While SCOR takes environmental considerations into account in its extension or relocation projects, the Group also promotes eco-responsible operation by rolling out environmental management systems where possible. In 2019, the management and maintenance of the Paris offices were certified ISO 14001, this international standard being preferred over the High Environmental Quality certification previously used. At the end of 2019, 53% of the Group's employees falling within the scope of the environmental reporting process were covered by an environmental management system (50% in 2017).

(1) Baseline: 2014

4.2.2 MANAGEMENT OF ENERGY CONSUMPTION SOURCES AND RENEWABLE ENERGY USE

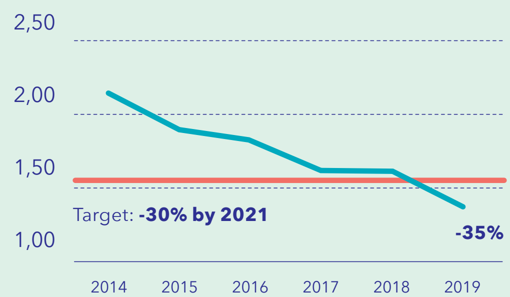
The Group focuses on the management of its energy consumption sources and the purchase of energy produced from renewable sources.

The Group consumed close to 17.6 GWhs in 2019 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 that were encompassed in the scope of the environmental survey comes from electricity (65%). The share of renewable now accounts for 67% of electricity purchases compared with 31% in 2015.

4.2.3 GREENHOUSEGAS EMISSIONS AND 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 2019, the Group's carbon intensity reduction reached 34.7%.

CO_2 per employee on Scope 1 & 2
(in Teq CO_2)



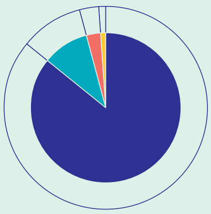
In addition, the Group, which is committed to offsetting all of its emissions measured under this section, submitted three portfolios of offset projects to a staff vote. The Group's employees voted to support two projects designed to preserve forest environments in Brazil and Ethiopia. The Group will have offset all of its 2019 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.

SCOR UNDERTAKES TO MANAGE CLIMATE RISKS IN A HOLISTIC MANNER, ENCOMPASSING BOTH THE COMPANY'S ASSETS AND UNDERWRITING LIABILITIES. FURTHERMORE, THE GROUP INVESTS IN PROJECTS THAT CONTRIBUTE TO THE TRANSITION TOWARDS A RENEWABLE ENERGY FUTURE.

Indicator	Unit	Data 2019	Coverage [1]	Data 2018	Coverage
Energy [2]	kWh	17,572,844	84%	18,033,960	83%
Sorted and recycled paper waste	Kg	149,205	80%	147,496	69%
Air transportation	Km	55,568,877	92%	48,862,380	92%
Rail transportation	Km	2,349,757	84%	2,292,664	83%
Greenhouse Gas Emissions	$TeqCO_2$	25,223		24,716	

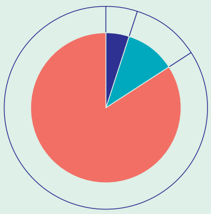
(1) The coverage rates correspond to the number of employees working in the locations surveyed divided by the number of employees working in the entities which are fully integrated in the financial statements.
(2) Of which electricity (65%), fuel and gas (13%), other heating sources (5%) and other cooling sources (17%).

Greenhouse Gas emissions: breakdown by source



86% Travel
10% Electricity
3% Heating
1% Other

Greenhouse Gas emissions: breakdown by scope
(in Teq CO_2)



5% Scope 1
11% Scope 2
84% Scope 3

See section 6.6.3 – Environmental data: methodology in the 2019 Universal Registration Document for further details on the methodology used.

GLOSSARY

ALM

(Asset and Liability Management)
The practice of managing risks that arise due to mismatches between assets and liabilities, based on risk appetite and profitability targets.

BREEAM CERTIFICATION

(Building Research Establishment Environmental Assessment Method)
British certification, a method for measuring the environmental performance of buildings. BREEAM was first developed by the BRE (Building Research Establishment), whose mission is to improve construction through research.

CSR (CORPORATE SOCIAL RESPONSIBILITY)

Recognition of the need for each company to include social and environmental criteria in its strategy, and to improve its practices with regard to these criteria. CSR covers both corporate responsibility and reporting obligations.

ERM

(Enterprise Risk Management)
Approach which includes risk as an integral part of a company's strategy. ERM combines all methodologies in order to identify, manage and account for risks which may have an impact on the definition of the company's strategy and the achievement of its objectives.

ESG

(Environmental, Social and Governance)
Criteria for measuring environmental risks, the management of human capital, and corporate organization. The development of these criteria aims to promote best practices for the respect of the planet and of people.

HQE CERTIFICATION

(High Environmental Quality)
French certification awarded to buildings which meet 14 criteria for construction, water management, energy use, comfort, and the capacity to provide a healthful environment through high-quality water and air.

ILS

(Insurance-Linked Securities)
Insurance products covering natural catastrophe risks.

PSI

(Principles For Sustainable Insurance)
These principles for sustainable insurance were drawn up by UNEP FI, the United Nations Environment Programme Finance Initiative. They provide a framework for the insurance industry to integrate environmental, social and governance (ESG) criteria into its decision- making.

RI

(Responsible Investment)
Responsible investment or socially responsible investment (SRI) consists in incorporating Environmental, Social and Governance (ESG) criteria into asset management.

SDGs

(Sustainable Development Goals)
The SDGs comprise the 17 goals that the United Nations have set for 2030, including eradicating poverty, protecting the planet and ensuring prosperity for all. These objectives supersede the Millennium Development Goals set for the 2000-2016 period.

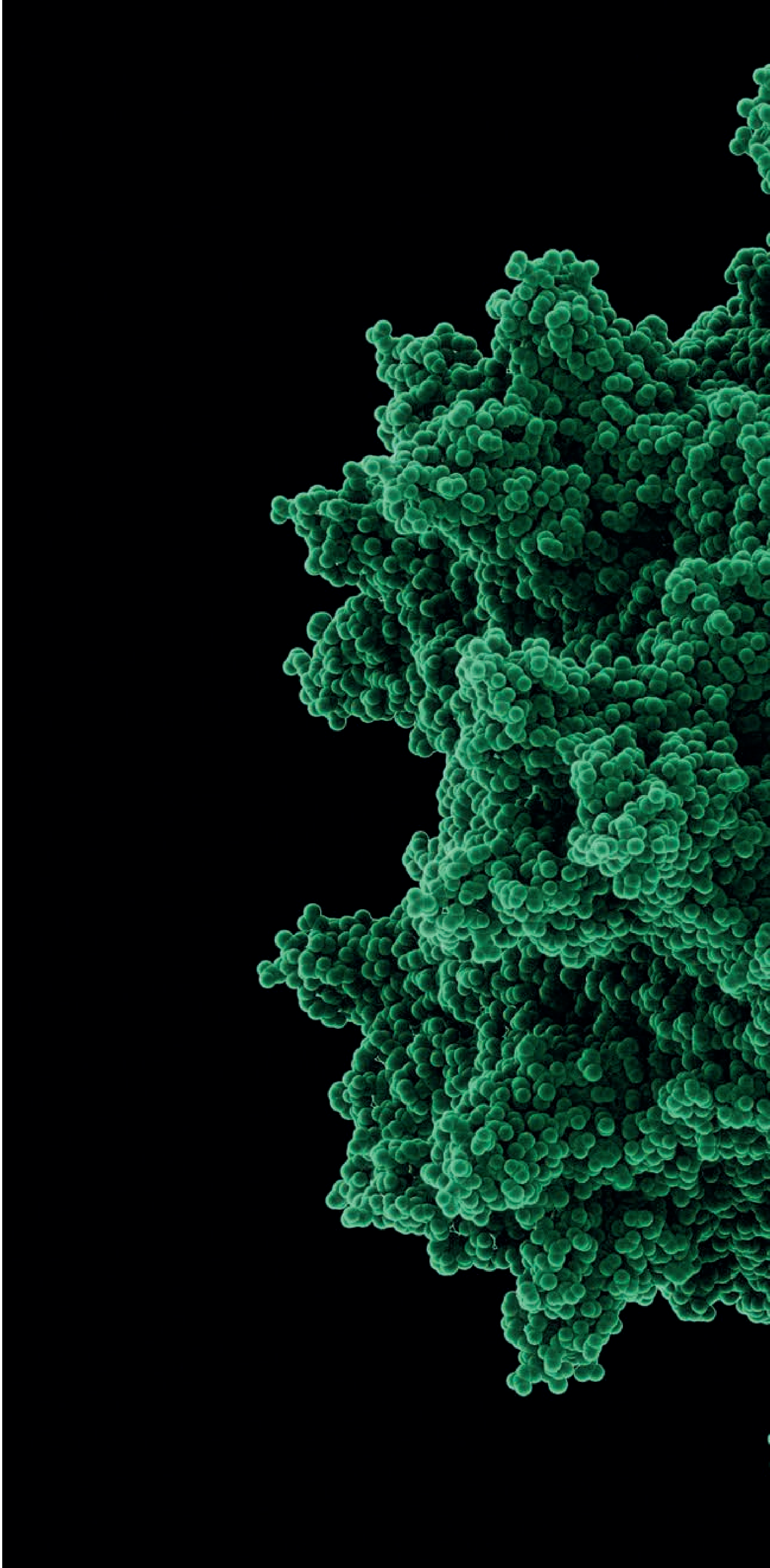
SCOR AROUND THE WORLD

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

AMERICAS:
Argentina,
Barbados,
Brazil,
Canada,
Chile,
Colombia,
Mexico,
United States.

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

*Europe, Middle East, Africa



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