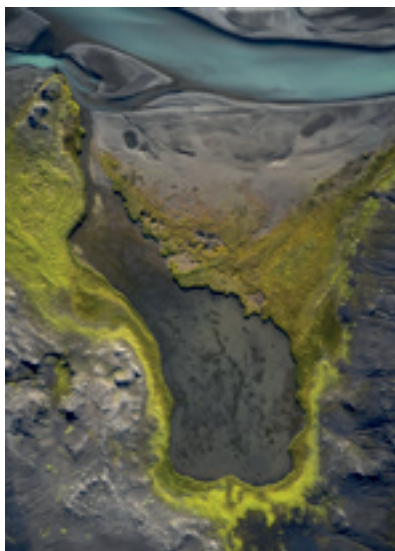


SUSTAINABLE INVESTMENT POLICY

**FINANCING  
THE SUSTAINABLE  
DEVELOPMENT  
OF SOCIETIES,  
TOGETHER**

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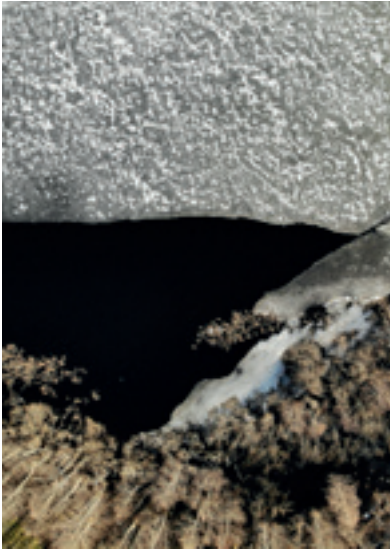
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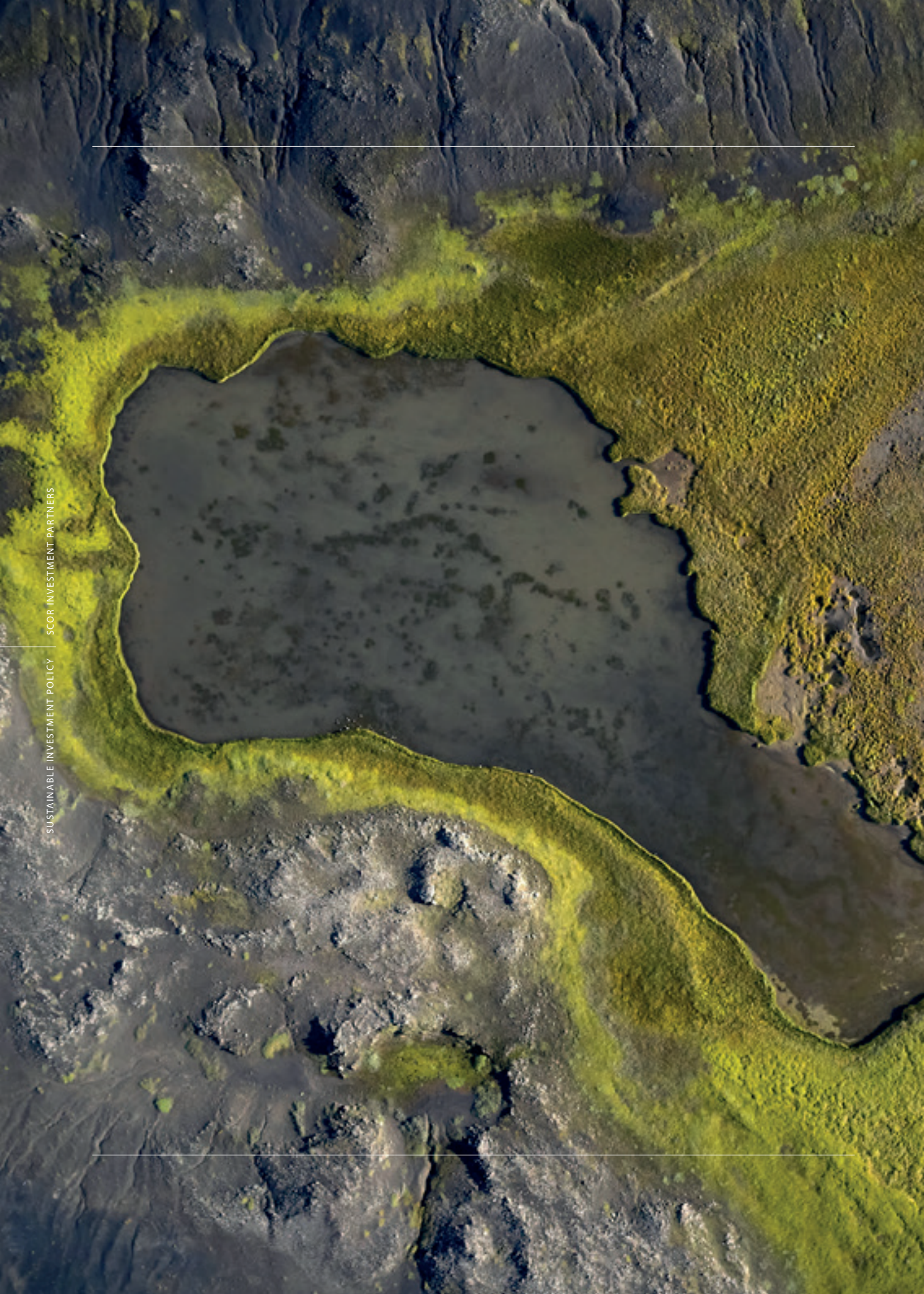


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# INVESTMENT PURPOSE

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— Being the asset management company of the SCOR Group, SCOR Investment Partners framed its sustainable investment policy from SCOR's Raison d'être: *"As a global independent reinsurance company, SCOR contributes to the welfare, resilience, and sustainable development of society by bridging the protection gap, increasing insurance reach, helping to protect insureds against the risk they face, pushing back the frontier on insurability and acting as a responsible investor"*.

As a responsible asset manager, SCOR Investment Partners' goal is to create (long term) sustainable value to address the needs of its stakeholders, whether these are environmental or social.

As stated by the United Nations World Commission on Environment and Development in 1987, "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Combining the three dimensions of responsible investment - risk, return and impact - is critical to address this global challenge and SCOR Investment Partners intends to play its role when taking investment decisions. SCOR Investment Partners strongly believes that creating sustainable value is anchored in a long-term vision. It drives its responsible investment objectives to finance the sustainable development of societies.

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## INVESTMENT PHILOSOPHY

— SCOR Investment Partners intends to optimize risk adjusted returns while limiting negative externalities and promoting positive impacts of its investment decisions. Preserving natural assets is a key priority for investments and goes beyond fighting against climate change and reversing biodiversity loss. Nature must be thought in its entirety and SCOR Investment Partners intends to play its role in addressing this tremendous challenge.

### Sustainable Development Goals

— The Sustainable Development Goals (“SDG”) serve our investment proposals. Our priorities focus on different areas, mostly related to natural assets like sustainable cities and communities (SDG # 11), climate action (SDG # 13), life on land (SDG # 15). SCOR Investment Partners intends to align with international objectives to limit global warming and preserve biodiversity.

Providing its clients with investment solutions excluding controversial sectors, selecting best in class issuers and promoting engagement is the first ambition of SCOR Investment Partners to help preserve nature.

As sustainable knowledge evolves, SCOR Investment Partners will extend its investment solutions as sustainable development must be considered holistically.

### Double materiality principle

— Protecting the portfolios under its management from downside effects linked to non-financial risks, and particularly nature-related adverse impacts, is at the heart of SCOR Investment Partners risk management. Financing the sustainable development of societies encompasses another dimension requiring SCOR Investment Partners to consider impacts of its investment decisions on ecosystems with the aim to not compromise the ability of future generations to meet their own needs.

### Collaboration

— The complexity of the challenges deserves collaboration and partnership:

- collaborative initiatives are of utmost importance to foster common understanding of the challenges and coordinate answers through the development of robust frameworks, methodologies, and science-based targets.
- proposing dedicated co-investment solutions alongside SCOR to external clients leverages SCOR Investment Partners ability to help them preserve natural assets.

Measuring progress and publicly reporting on outcomes is part of SCOR Investment Partners’ philosophy. It demonstrates our commitment to deliver on our objectives and targets and contributes to spreading good practices and sharing innovation across the industry.

## SCOPE

— Responsible investment is applied to all asset classes in compliance with local regulation with consistent integration depending on the level of maturity of methodologies, data availability and reliability. With regard to funds opened to third parties, High Yield, Leveraged Loans, Infrastructure Loans and Real Estate Loans strategies integrate ESG criteria, whereas the lack of relevant data in the ILS segment does not yet allow quantifiable objectives to be set in this area for all the proposed solutions.

## SHARING EXPERTISE

— SCOR Investment Partners intends to implement a consistent investment philosophy across its various activities. As sustainable finance is a fast-evolving area, information and expertise are constantly shared between SCOR and SCOR Investment Partners to promote common knowledge and align good practices and long-term objectives.









# APPROACH

## IDENTIFYING RISKS AND OPPORTUNITIES

### Detecting new trends

— Being the asset manager of the SCOR Group, SCOR Investment Partners has developed a strong risk culture. Risk management includes sustainability in terms of non-financial risks and opportunities, as well as potential impacts of its investments on ecosystems. Monitoring new trends is critical to maintain momentum and detect not only new risks but also new opportunities. Detecting opportunities is part of the SCOR Investment Partner's strategy to propose resilient investment solutions and create long-term sustainable value for its clients.

### Collaborating

— Collaborating, sharing expertise and knowledge, and leveraging on peers' experience is an accelerator of our understanding of new challenges. SCOR Investment Partners onboards new topics at early stage and benefits from the Group involvement in several initiatives at national, European, and international levels to stay connected with innovation around sustainable finance and non-financial corporate reporting:

- SCOR Investment Partners joined the Sustainability Accounting Standard Board (SASB) Alliance early 2021, in order to better assess and value environmental, social and governance (ESG) externalities in its portfolios.
- SCOR Investment Partners is a founding member of the "Investors for a Just transition" coalition launched by Finance for Tomorrow.
- SCOR and SCOR Investment Partners are members of the UN-backed Principles for Responsible Investments.
- SCOR has joined the Net-Zero Asset Owner Alliance to deliver on its commitment to Net-Zero by 2050.

- SCOR has signed the Finance for Biodiversity Pledge and joined the Finance for Biodiversity Foundation to deliver on its commitment to reverse Nature loss by 2030.

## SETTING THE AMBITION

— Once new risks, opportunities or impacts are assessed, SCOR Investment Partners includes them in its investment risk management framework. Setting limits to safeguard the resilience of the funds and ensuring to deliver positive impacts or limit the negative impacts of investment decisions are backbones to address sustainability risks and factors. Risk limits assigned to sustainability risks for investments are consistent with SCOR Investment Partners overarching risk management framework.

### Setting sustainable objectives

— SCOR Investment Partners offer funds with positive climate impact and/or best in class ESG criteria with quantitative objectives. To support Paris Agreement goals and the transition to a low-carbon economy, SCOR Investment Partners also aims to reduce its portfolio's exposure to carbon intensive sectors by excluding thermal coal and oil activities.

Beyond transition, SCOR Investment Partners believes in the need to better incorporate social considerations into ESG reflections and in the Environmental Transition. To this end, SCOR Investment Partners is a founding member of the "Investors for a Just Transition" coalition launched by Finance for Tomorrow. The coalition has three main objectives:

- encourage companies to integrate Just Transition concepts into environmental strategies through dialogue.
- promote best practices in the sectors who are the most vulnerable to the environmental transition.
- facilitate collaboration between investors and businesses.

## IMPLEMENTING THE AMBITION

— Various levers are available to achieve targets. Their combination is critical to ensure resilience of the funds and impact on the real economy. Indeed, SCOR Investment Partners chose to select few and targeted initiatives to deal with.

### Collaborative initiatives to accelerate the journey

— In October 2021, SCOR Investment Partners became a member of two expert groups from Finance for Tomorrow: biodiversity and the one on the just transition.

SCOR Investment Partners is convinced of the need to commit to research and the dissemination of knowledge. In this context, the management company promotes academic initiatives aimed at raising the profile of disciplines related to sustainable finance. Since 2020, the management company has been proud to be associated with two major university projects:

- the establishment of a scientific partnership with the Toulouse School of Economics (TSE), as part of the financing of the «Risk Markets and Value Creation» chair by the SCOR Foundation, and the more specific work on the decarbonisation of investment portfolios.
- an active participation in the research work of the Muséum National d'Histoire Naturelle (MNHN) on biodiversity, insurance, and investment as part of a project financed by the SCOR foundation.

These projects are long-term and are intended to continue over the next few years.

### ESG criteria in investment decisions

— SCOR Investment Partners incorporates sustainable risks and opportunities and monitors the sustainability impacts of its investment decisions. ESG criteria enable to identify and monitor most critical positions in terms of risks and impact.

ESG ratings can be complemented with controversies analyses and may lead to exclusions from the investment universe.

### Exclusion and best-in-class strategy

— SCOR Investment Partners applies restrictions in its investment universe. Normative considerations lead to exclusion of sectors that are not in line with SCOR Investment Partner's values. Sectorial approach intends to i) exclude sectors or sub-sectors that are too harmful and for which more sustainable alternatives exist and ii) select companies with clear commitments to align with SCOR Investment Partners sustainable objectives. With regards to climate change, SCOR Investment Partners relies on information and commitments supported by public initiatives such as Science-Based Targets and Climate Action 100+ Benchmark.

### Stewardship

— A member of the PRI, SCOR Investment Partners considers stewardship as the use of influence by asset managers to maximize overall long-term value including the value of common economic, social and environmental assets, on which returns and clients' and beneficiaries' interests depend.

### Thematic and impact investments

— SCOR Investment Partners considers sustainability under both lenses of risks and opportunities. Investing in themes that bolster sustainable development and allow for a balanced approach toward a just and resilient transition drive SCOR Investment Partners' responsible investment strategy. In order to finance the sustainable development of societies, SCOR investment Partners has developed a credible product offering in real assets financing the transition to a low carbon economy and in sustainable bonds compliant with international or European standards.





## MEASURING PROGRESS TOWARD TARGETS AND OBJECTIVES

— Measuring outcomes is critical to assess the success and the limitations of actions taken to reach the targets. SCOR Investment Partners defines a phased action plan complemented by qualitative objectives and quantitative targets. Interim targets and objectives enable to monitor the adequacy of decisions with longer-term sustainable investment strategy.

At top management level, a portion of the variable part of the compensation package is linked to the achievement of sustainable objectives.

## DISCLOSING

— SCOR Investment Partners believes that transparency fosters good practices. Sharing state of play is a good way to provide meaningful information to stakeholders and support the emergence of best practices. SCOR Investment Partners constantly enhances its external disclosures and communicates on innovations and preliminary studies to provide evidence of its effort to participate in solutions to current sustainability challenges.

For each fund, SCOR Investment Partners determines the relevant ESG characteristics and objectives to be followed.

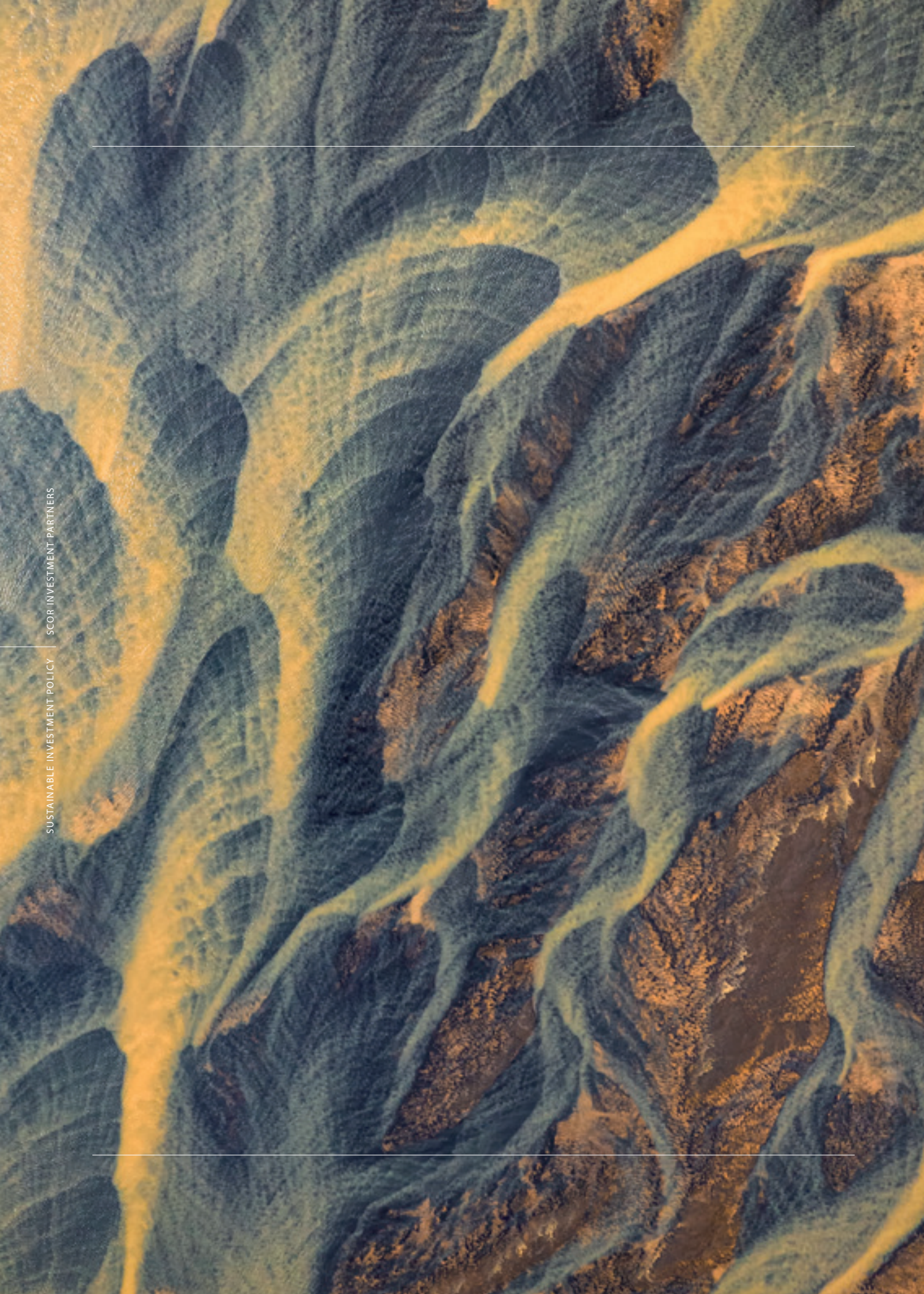


# TRAINING

— SCOR Investment Partners has put in place dedicated competences on sustainable finance within its investment office. SCOR Investment Partners' participation to external working groups and initiatives and its interactions in the public debate (notably through two working groups on the platform Finance for Tomorrow) constantly informs on latest developments and cutting-edge discussions. New standards and innovations in sustainable finance are shared within SCOR Investment

Partners through dedicated training sessions or more informal talks. This facilitates awareness and appropriation of best practices to better implement sustainability across the portfolios managed by SCOR Investment Partners.





# GOVERNANCE

—Within SCOR Investment Partners, sustainable investment is at the heart of the organization with clear segregated areas of responsibilities to ensure a robust and accurate decision-making process as well as transparent and relevant information to clients.

## Internal organisation

—The Management Board sets the ambitions, resources, and the roadmap for implementation of the sustainable investment policy. The Board then turns to the Chief Investment Officer who elaborates the investment processes, ensures their implementation, and coordinates the investing policies throughout the asset classes. The CIO works jointly with the Sustainable Investment Officer and with Fund Managers. The Sustainable Investment Officer defines, proposes the methodologies and KPIs for implementation to the CIO for validation. The Fund managers implement the sustainable strategies into their investment processes.

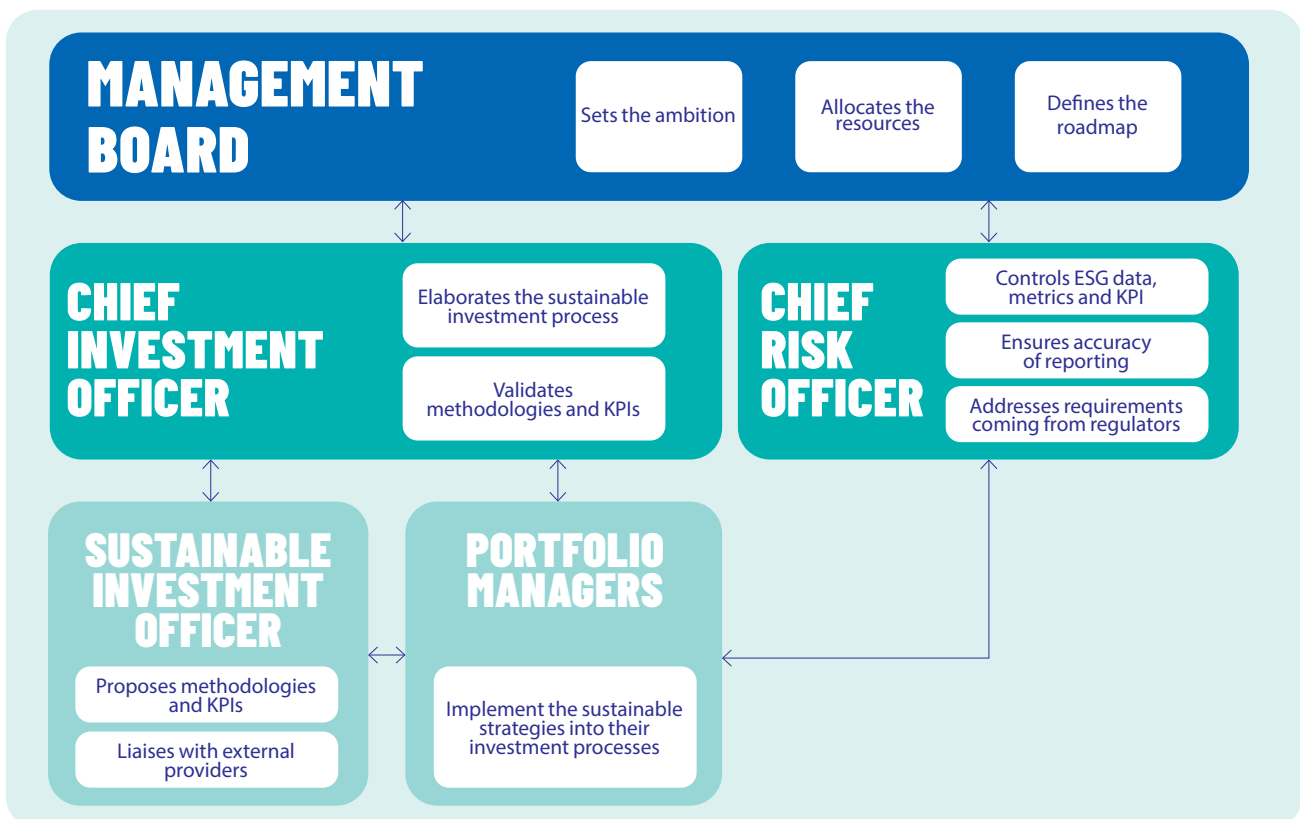
The risk department controls ESG data, metrics and KPIs

through various guidelines and ensures the accuracy of the reporting to clients; the team is also involved in collaborative discussions with the CIO team to address requirements coming from regulators.

## External organisation

— SCOR Investment Partners listens to external stakeholders and considers their valuable input when reviewing its sustainable investment policy.

Sustainable finance regulation is steadily becoming more stringent, advocating for the development of robust sustainable investment processes by financial actors. SCOR Investment Partners constantly improves its sustainable investment methodologies and processes to account for the latest developments. SCOR Investment Partners considers data as a key element of the robustness of its methodologies and processes. To this extent, external agencies are used to complement internal ESG data and to provide CO2 metrics, methodologies, and certifications. Their selection follows a robust process.







# INVESTMENT UNIVERSE

— As a responsible asset manager, SCOR Investment Partners applies exclusions in its investment universe that it judges contrary to its core values and ESG principles. Normative considerations lead to the exclusion of sectors whose activity is not aligned with SCOR Group’s charters. Indeed, SCOR Investment Partners applies standard exclusions to companies involved in the production of cluster munitions, and to countries who do not adhere to anti-money-laundering and anti-terrorism-financing rules, as defined by the financial Action Task Force.

Sectorial considerations aim to exclude sectors or sub-sectors pursuing activities which are too harmful and for which more sustainable alternatives exist. These sectors and activities are defined in SCOR Investments Partners’ exclusion policy. This is most prominently visible in industrial activities counteracting the global energy transition or economic sectors putting health and populations at risk. However, SCOR Investment Partners does not believe in the sole power of exclusion, it is a necessary act for certain sectors but cannot represent the whole of the ESG strategy.

SCOR Investment Partners is driven by an acute awareness of the urgency to act against global warming. Thus, SCOR Investment Partners bans any investment in companies or projects directly involved in fossil energy (upstream, midstream, downstream), unless duly authorised by clients in dedicated mandates.

Similarly to the SCOR Group holistic approach to sustainability, and in regard to the desire to consider negative impacts of activities on society, SCOR Investment Partners does not invest in tobacco manufacturers, as the Group has signed the Tobacco Free Finance Pledge.

## Engaging

— SCOR Investment Partners considers corporate dialogue as a key driver of behavioral change. Supporting companies with best-in-class approaches to sustainability challenges forms part of SCOR Investment Partners’ responsible investment approach.

In 2021, SCOR Investment Partners has started to empower investees that are not fully aligned with sustainable practices and pays special attention to the following themes, when engaging with investees:

- improving the overall ESG performance of investees, whether through a higher degree of disclosure or through an improvement of KPIs.
- preserving biodiversity and the natural capital, when the sector is directly involved in this regard.
- favoring the Just transition.

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To learn more about  
SCOR Investment Partner's  
strategy, goals, commitments  
and markets, visit our  
website.

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