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SCOR Real Estate Loans IV

Sustainable investment charter



CONTENTS

I.	SCOR INVESTMENT PARTNERS IS A COMMITTED ASSET MANAGER	4
a)	Presentation of SCOR Investment Partners	4
b)	SCOR Investment Partners' sustainable investment strategy	4
II.	SUSTAINABLE INVESTMENT APPROACH OF THE SCOR REAL ESTATE LOANS IV FUND	5
a)	SCOR Real Estate Loans IV is dedicated to sustainable, environmental transition.	5
b)	The fund's sustainable approach	6
III.	SUSTAINABLE DEVELOPMENT OBJECTIVES AND ASSET SELECTION PROCESS	6
a)	The fund's objective: achieve a strong commitment through a rigorous selection process	6
b)	Search for a standard: ties between ESG selection criteria and Sustainable Development Goals	7
IV.	ESG EVALUATION METHODOLOGY	10
a)	Presentation of the ESG evaluation methodology	10
b)	ESG evaluation criteria used to select the fund's real estate programs	10
c)	Reporting and monitoring of indicators	13
V.	CONCLUSION	14
VI.	GLOSSARY	15
VII.	APPENDIX 1	17
VIII.	APPENDIX 2	19

INTRODUCTION

Committed to renovating, repurposing and creating buildings since 2012, SCOR Investment Partners is launching a fourth real estate loans fund devoted to creating sustainable value. Following on from its previous loan funds, SCOR Investment Partners has chosen to intensify its environmental, social and governance (ESG) initiatives in its asset management activities, via more specific criteria, more ambitious objectives and improved monitoring.

SCOR Investment Partners is acting in line with the strategy of the SCOR group, a top-tier global reinsurer and a major player in combating climate change.

Over the past few years, SCOR has reaffirmed its commitment to climate risk management. It has played an active role in various climate-related sectoral and multi-sectoral initiatives, such as the French companies' commitment to combat global warming (*Engagement des entreprises françaises pour la lutte contre le réchauffement climatique*) signed soon after the Paris Agreement, the Geneva Association statement on climate resilience and adaptation to the effects of climate change, and more recently, the Decarbonize Europe Manifesto and the letter from investors worldwide asking G20 governments to support and implement the Paris Agreement. The SCOR group also finances scientific projects either directly or via the SCOR Corporate Foundation for Science. The Foundation is oriented around SCOR's core businesses, while contributing to the stability of our societies.

In 2019, SCOR extended its exclusion policy, both in insurance and facultative reinsurance, to the underwriting of new coal-fired power plants, independently of the technology and the quality of coal used. SCOR helps customers implement their energy transition strategy. SCOR's support is based on detailed underwriting criteria that evaluate risk factors, both qualitatively and quantitatively. SCOR encourages the companies it insures to adopt a virtuous approach to transitioning to a low-carbon economy.

As an institutional investor, SCOR has developed a Sustainable Investing Policy that describes the principles underlying its sustainable investment strategy. The SCOR group pays very close attention to what it can do to make its asset portfolio more resilient in the face of climate change and to better control the impact of its investment decisions on ecosystems. As a result, in 2020, SCOR joined the Net-Zero Asset Owner Alliance so as to set targets for reducing its carbon footprint in line with its goal of carbon neutrality in its investments by 2050. SCOR has already undertaken initiatives in recent years to finance the transition to a low-carbon economy and reduce investment in high greenhouse gas emitting activities.

When it announced Quantum Leap, its new strategic plan, SCOR confirmed its intention to go further in its efforts to make development fairer for all stakeholders. These include reducing the protection gap, supporting aspirations for energy transition and joining sectoral coalitions.

I. SCOR INVESTMENT PARTNERS IS A COMMITTED ASSET MANAGER

a) Presentation of SCOR Investment Partners

SCOR Investment Partners is an asset management company that serves exclusively institutional investors and first and foremost its parent company SCOR, most of whose assets it manages and advises.

SCOR Investment Partners aims to offer investment opportunities built around a three-part objective: financial performance, resilience and a sustainable investment strategy. Finance the real economy, build a society more respectful of people and the environment, and foster energy transition and resistance to extreme events are some of the topics to which SCOR Investment Partners applies its solutions.

In accordance with these goals, SCOR Investment Partners offers investment strategies conceived around three requirements: preservation of capital, generation of recurrent yield and sustainable finance.

b) SCOR Investment Partners' sustainable investment strategy

As a signer of the United Nations' Principles for Responsible Investment (UN-PRI) in 2016, SCOR Investment Partners is determined to take part in building a better future and a more respectful world. Its commitment is reflected in its investment processes, which are regularly re-evaluated to take environmental, social and governance (ESG) risks into account. The company's employees believe deeply that as an asset manager, SCOR Investment Partners can actively contribute to meeting today's challenges and can participate in all initiatives it believes are in line with that mission.

In the analysis of non-financial risks, SCOR Investment Partners is gradually strengthening its ESG approach by including new non-financial criteria in the selection and management of its investments (see Appendix 1). SCOR Investment Partners pays particularly close attention to climate risks.

SCOR Investment Partners has chosen to play a role in adapting to and attenuating climate change by providing targeted, "impact" investment strategies to its clients in certain asset classes. The company helps reduce climate risk as an upstream participant in the energy transition of a building, by providing its clients with the opportunity to invest in strategies that:

- Finance or manage real estate assets aiming to achieve the highest ecological standards for the most part and, increasingly, "low carbon" certification on its buildings;
- Finance projects compatible with a low carbon economy (such as windfarms or solar panels).

In September 2019, SCOR Investment Partners joined Circolab and made a commitment in favor of the circular economy in the real estate and construction sector.

II. SUSTAINABLE INVESTMENT APPROACH OF THE SCOR REAL ESTATE LOANS IV FUND

a) SCOR Real Estate Loans IV is dedicated to sustainable, environmental transition.

SCOR Investment Partners believes that real estate is an asset class particularly well adapted to innovative and engaged sustainable development. In this regard, SCOR Investment Partners' real estate loan funds respond appropriately to the need to move forward on environmental transition.

Environment: With 43% of ultimate energy consumption in France deriving from buildings¹, the real estate and construction sector has a major role to play in improving energy performance and by extension in transitioning to a low-carbon economy.

Societal: The sector also contributes to improving the geographic areas in which it operates from the point of view of urban development and the quality of life it endeavors to provide.

Real estate loans provide the perfect opportunity to combine the sustainability of the underlying assets and the financial characteristics of the credit market.

SCOR Investment Partners is one of the few asset managers who have chosen a strategic "value-add" positioning for its real estate loan funds, thereby supporting its strong commitment to the real estate sector's environmental transition.

The value-add strategy is central to the transition

The principal objective of the real estate funds' value-add strategy is to finance the renovation, restructuring and repositioning of assets and portfolios of obsolescent real estate assets in order to bring them up to high non-financial standards.

This value-add positioning has been the trademark of SCOR Investment Partners' real estate strategy since the first fund was launched in 2013. It has contributed to SCOR Investment Partners' overall investment strategy that actively seeks to participate in long-term energy transition without abandoning the financial performance of its funds.

SCOR Investment Partners now proactively supports sustainable development via **the all-new sustainable investment approach embraced by the SCOR Real Estate Loans IV fund.**

Challenges:

SCOR Investment Partners, in particular via the **SCOR Real Estate Loans IV** fund, is committed to:

1. financing the real economy,
2. unlocking hidden value by developing existing real estate assets into sustainable assets in France and elsewhere in Europe; this is a key environmental challenge,
3. proposing concrete solutions to the urgent need to finance and accelerate the environmental transition of the real estate sector,
4. offering institutional investors a way to access sustainable value creation, by integrating ESG criteria into its investment strategy while maintaining an attractive risk / return profile.

¹Rapport Climat, Air et Energie (Climate, Air and Energy Report) – 2018 edition, ADEME <https://www.ademe.fr/climat-air-energie>

b) The fund's sustainable approach

The sustainable strategy of the SCOR Real Estate Loans IV fund is based on a combination of two sets of criteria evaluated before a project enters the loan portfolio:

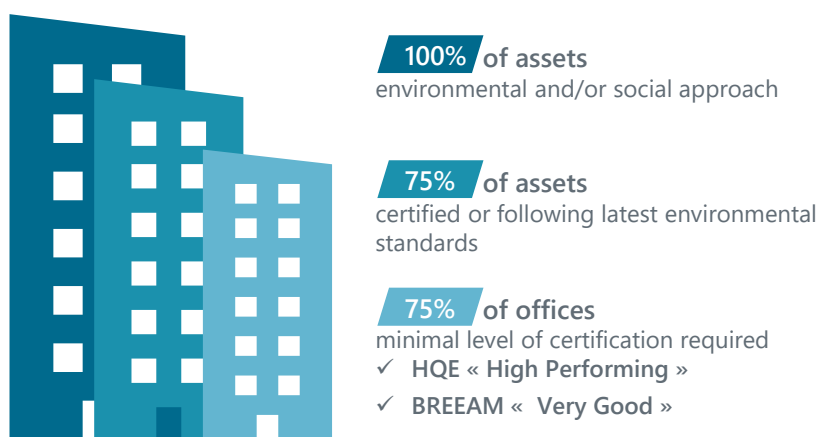
- **ambitious, sustainable, non-financial criteria** used to select real estate transactions that are oriented toward an improvement in societal and/or environmental performance;
- **sustainable objectives measured** through the societal and environmental performance of the programs financed by the fund.

III. SUSTAINABLE DEVELOPMENT OBJECTIVES AND ASSET SELECTION PROCESS

a) The fund's objective: achieve a strong commitment through a rigorous selection process

In the SCOR Real Estate Loans IV fund prospectus, SCOR Investment Partners defines the targeted selection criteria for all of the fund's asset types such that:

- 1) **100% of the assets** are sustainably oriented and make a societal or environmental contribution.
- 2) **75% of the assets** take part in **environmental transition**, attested by the presence of labels or certifications, or compliance with the most recent environmental standards;
- 3) **75% of office buildings** have at least BREEAM "Very Good" or HQE "High Performing" environmental certification or an equivalent level for regional certification;



Target profile²:

- 75% of the portfolio financing office buildings, of which 95% have or aspire to a level of certification higher than BREEAM "Very Good" or HQE "High Performing", or an equivalent level for regional certification,
- 20% of the portfolio financing assets contributing to environmental transition,
- 5% of the portfolio financing assets with a societal component.

These objectives demonstrate the **concrete commitment** of the SCOR Real Estate Loans IV fund to the financing of environmental transition and in particular, energy transition.

² Indicative profile, depending on how the market and the risk / return profile evolve.

The fund takes into account non-financial criteria related to:

- environmental certifications, labels, or if applicable, alignment with environmental standards,
- local economic development,
- proximity to public transportation,
- quality of life,
- governance.

All of these factors are integrated into the selection process.

The SCOR Real Estate Loans IV fund has set an ambitious target for itself: 75% of office buildings must reach a minimum level of energetic and/or environmental performance.



This strategy meets the fund's requirement that sustainable investment be reconciled with financial performance:

- by targeting high level environmental certification, the SCOR Real Estate Loans IV fund is contributing effectively to stepping up the environmental transition of office buildings;
- by financing projects that use environmental best practices, the fund improves the liquidity and long-term attractiveness of the underlying assets.

b) Search for a standard: ties between ESG selection criteria and Sustainable Development Goals

The Sustainable Development Goals are part of the United Nations' 2030 Agenda, adopted in 2015. Their objective is to orient efforts at the worldwide level to meet economic, social and environmental challenges.

(i) Relationship between environmental certification and Sustainable Development Goals

The HQE and BREEAM environmental certifications to which the office buildings in the SCOR Real Estate Loans IV fund aspire are based on environmental, societal and economic themes that contribute directly or indirectly to the various Sustainable Development Goals. SCOR Investment Partners has carried out a detailed analysis of the link between the HQE and BREEAM environmental certifications and the Sustainable Development Goals with the support of Green Soluce, a partner specialized in sustainable buildings. The analysis was based on studies published by certifying entities, including Building Research Establishment (BRE)³.

The analysis showed that environmental certifications contributed significantly to nine Sustainable Development Goals (see Appendix 2).

³ https://www.breeam.com/wp-content/uploads/sites/3/2018/11/BREEAM_SDGs_Nov18.pdf

Representation of the various HQE and/or BREEAM certification levels targeted by the fund

HQE - Overall level achieved	Number of stars acquired on technical commitments	
Performing	1-3 stars	
High Performing	4-6 stars	<i>HQE level required for 75% of the fund's office building assets</i>
Excellent	7-9 stars	
Exceptional	10-12 stars	

BREEAM - Overall level achieved	Minimum number of credits to be achieved	
Pass	≥ 30%	
Good	≥ 40%	
Very Good	≥ 55%	<i>BREEAM level required for 75% of the fund's office building assets</i>
Excellent	≥ 70%	
Outstanding	≥ 85%	

A significant portion of the SCOR Real Estate Loans IV fund is devoted to office buildings. This together with the fund's selection criteria (at least 75% of office building programs financed must achieve HQE "High Performing" or BREEAM "Very Good" or higher status) explains how the fund contributes significantly to the nine Sustainable Development Goals indicated above.

Based on this analysis and so as to target the relevant objectives of each of these Sustainable Development Goals, the SCOR Real Estate Loans IV fund has selected seven of the nine identified goals as the fund's most strategic objectives, based on the most recent Novethic study.



(ii) The SCOR Real Estate Loans IV fund's general contribution to the Sustainable Development Goals

For the minority of programs that do not aspire to an environmental certification (in particular HQE or BREEAM) or a label, the contribution to the Sustainable Development Goals will be evaluated with respect to the appropriate ESG and sustainable finance evaluation criteria established for the SCOR Real Estate Loans IV fund:

- Criteria related to the promotion of environmental and societal development in the most sustainable cities, to which the fund contributes via its strategic "value add" positioning, investing for example in redevelopment and in ecodistricts;
- Real economy criteria: creation of new economic activities or urban revitalization, creation of new jobs, engagement of SMEs and the construction industry during the life of a project;
- Mobility criteria: connection to public transportation networks, making it easier for people to reduce their carbon footprint, in line with the changes in the way they consume and travel;
- Comfort and well-being criteria such as interior comfort, services and better and more attractive exterior and green spaces;
- Other types of social and societal impact taken into account include biodiversity, revitalization, better access for all to high-quality housing, sustainable leisure activities, etc.

In this way, the fund's operations contribute in whole or in part to the seven identified Sustainable Development Goals.

Following preliminary analysis of environmental certification and non-financial criteria, the selected Sustainable Development Goals were categorized based on how much the SCOR Real Estate Loans IV fund contributed to them, as presented in the table below.

Contribution of the SCOR Real Estate Loans IV fund to the seven targeted Sustainable Development Goals

MAJOR CONTRIBUTION				
SIGNIFICANT CONTRIBUTION				

These selection criteria enable the fund to achieve its sustainable finance management objectives. They target programs that espouse the future French environmental regulation (RE 2020) and the European taxonomy for green activities as applied to real estate. Each loan is evaluated on the basis of a methodology planned and developed with regard to the highest market standards.

The contribution of the programs the fund finances to the seven Sustainable Development Goals is evaluated at the time of selection and included in an annual detailed report.

IV.ESG EVALUATION METHODOLOGY

a) Presentation of the ESG evaluation methodology

SCOR Investment Partners has developed a specific ESG evaluation scorecard for the SCOR Real Estate Loans IV fund to characterize and track the environmental and societal contribution of the programs the fund finances.








SCOR Investment Partners created this scorecard in conjunction with Green Soluce, a partner specialized in sustainable buildings, so as to formalize a pragmatic ESG evaluation methodology for portfolio assets.

The scorecard was developed based on the principles of UNEP-FI for positive impact real estate development and on the analysis of certification standards and the ESG challenges of the real estate sector, with respect to the work of the Green Building Observatory (*Observatoire de l'Immobilier Durable*) and the GRESB benchmark.








b) ESG evaluation criteria used to select the fund's real estate programs

The evaluation scorecard includes three ESG axes composed of ESG themes and indicators tailor-made for the SCOR Real Estate Loans IV "value add" fund. It constitutes a decision support system enabling SCOR Investment Partners to evaluate programs at the time of selection to evaluate their actual contribution to the fund's ESG criteria and the targeted Sustainable Development Goals.

Detailed summary of the contribution of the SCOR Real Estate Loans IV fund to the seven targeted Sustainable Development Goals and the validation criteria.

Sustainable Development Goals targeted by the fund		Validation criteria (non-cumulative and non-exhaustive)	
MAJOR CONTRIBUTION	 <p>Take urgent action to combat climate change and its impacts.</p>	Certifications	✓ HQE "High Performing" or higher ✓ BREEAM "Very Good" or higher
		Labels	✓ E+C-, BBC Effinergie or BBCA label
		Other	✓ Proximity to public transportation
	 <p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	Certifications	✓ HQE "High Performing" or higher ✓ BREEAM "Very Good" or higher
		Labels	✓ E+C-, BBC Effinergie or BBCA label ✓ WELL label ✓ BiodiverCity or Effinature label ✓ R2S or WiredScore label
		Other	✓ Rehabilitation of existing buildings and combating urban sprawl ✓ Neighborhood revitalization ✓ Proximity to public transportation ✓ Services to improve user comfort ✓ Sponsor's CSR commitment ✓ Sponsor participates in the Green Building Observatory or the GRESB ✓ Supply chain management
	 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	Certifications	✓ HQE "High Performing" or higher
		Labels	
		Other	✓ Neighborhood revitalization ✓ Sustainable tourism promotion ✓ Supply chain management
		Target 8,3	✓ Specific charter (energy/water consumption) ✓ Capacity of office buildings (number of employees with access to decent employment conditions) ✓ Economic activity (construction sector & introduction of new activities or economic players)
	 <p>Ensure healthy lives and promote well-being for all at all ages.</p>	Certifications	✓ HQE "High Performing" or higher ✓ BREEAM "Very Good" or higher
		Labels	✓ WELL label
		Other	✓ Services to improve user comfort
SIGNIFICANT CONTRIBUTION	 <p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	Other	✓ HQE "High Performing" or higher ✓ BREEAM "Very Good" or higher
		Labels	✓ E+C-, BBC Effinergie or BBCA label
		Other	
	 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	Certifications	✓ HQE "High Performing" or higher ✓ BREEAM "Very Good" or higher
		Labels	✓ BiodiverCity or Effinature label
		Other	✓ Rehabilitation of existing buildings and combating urban sprawl
	 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	Certifications	✓ HQE "High Performing" or higher ✓ BREEAM "Very Good" or higher
		Labels	✓ E+C-, BBC Effinergie or BBCA label ✓ R2S or WiredScore label
		Other	✓ Development of new public transportation

Among these Goals, certain targets stand out:

	Sustainable Development Goals targeted by the fund	Specific targets	Potential and/ or sectorial targets
MAJOR CONTRIBUTION	 <p>Take urgent action to combat climate change and its impacts</p>	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.2 Integrate climate change measures into national policies, strategies and planning</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and reduction and early warning</p>	
	 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p> <p>11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p> <p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning</p>	
	 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead</p>	<p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products</p>
	 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate</p> <p>3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks</p>
SIGNIFICANT CONTRIBUTION	 <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p>	<p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p>
	 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</p> <p>15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts</p> <p>15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems</p> <p>15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation</p>	
	 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p>	<p>9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020</p>

c) Reporting and monitoring of indicators

For each asset or portfolio of assets, the SCOR Real Estate Loans IV fund tracks its contribution to sustainable investment according to the ESG evaluation scorecard.

This reporting includes:

- general monitoring of the contribution of each program the fund finances to the fund's objectives, in **qualitative terms** (and not quantitative: for example, level of certification or study of non-financial criteria),
- monitoring of ESG indicators at the level of the SCOR Real Estate Loans IV fund as a whole and of the sustainable finance approach at the asset level, according to the targeted ESG themes.

The principal indicators SCOR Investment Partners follows, as well as the Sustainable Development Goals to which they contribute and their ESG axes and themes, are presented below.

	Theme	Simplified indicator	Contribution to sustainable development goals
ENVIRONMENTAL TRANSITION	Rehabilitation of existing buildings and combating urban sprawl	Building restructuring	 
	Environmental certifications and labels targeted by the program	HQE (High performing, Excellent or Exceptional)	      
		BREEAM (Very Good, Excellent, Outstanding)	     
		Other labels and/or certifications*	     
	Energy and carbon	E+C-, BBCA Effinergie or Minergie labels	   
	Biodiversity	BiodiverCity or Effinature label	 
SOCIAL / SOCIETAL	Health and comfort of future occupants	WELL label	 
	Building's digital connectivity	R2S or WiredScore label	 
	Well-being / Connectivity	Services to improve user comfort	 
	Proximity to transportation networks	Proximity to public transportation	 
	Contribution to local development	Neighborhood revitalization	 
GOVERNANCE	Sponsor's ESG commitment	Sponsor's CSR commitment	
		Sponsor participates in the Green Building Observatory or the GRESB	
		Supply chain management	 

V.CONCLUSION

SCOR Investment Partners is one of the pioneers in the development of a sustainable investment approach to its real estate loan activity.

Sustainable investment is growing rapidly and future regulations will increase disclosure requirements. Access to better and more complete data helps make it easier to take sustainability criteria into account in the selection of investments and projects to finance. SCOR Investment Partners will not hesitate to raise the fund's level of ambition if market developments permit.

SCOR Investment Partners endeavors to pro-actively improve the indicators it monitors and to continually refine its sustainable investment activities. It intends to apply this strategy to the SCOR Real Estate Loans IV fund and more generally to all of its real estate loan activities.

VI. GLOSSARY

Building Research Establishment Environmental Assessment Method (BREEAM): This method of evaluating, rating, and certifying the sustainability of buildings was developed by the Building Research Establishment (BRE) and is used in 84 countries. The method assesses the environmental, social and economic sustainability performance of a real estate asset. It is used to call attention to the projects that enhance the well-being of the people who live and work in them, help protect natural resources and make for more attractive property investments.

A building can be certified at one of five levels: Pass, Good, Very Good, Excellent, Outstanding.

Environmental transition: SCOR Investment Partners focuses the sustainability efforts of its fund on accompanying and accelerating the real estate sector's environmental transition. By choosing the term "environmental transition", SCOR Investment Partners has aligned itself with the technical report on European taxonomy for sustainable activities, in that the term includes the notions of both energy transition and ecological transition.

ESG: This international acronym designates the Environmental, Social and Governance criteria used in a non-financial analysis of a company or a project.

Green Building Observatory: The Green Building Observatory is an independent discussion space about sustainable development and innovation. The Observatory has 50 members and partners who are among the leaders in French commercial real estate along its entire office value chain. The Observatory is an association that actively contributes to the growing momentum around ESG topics in France and abroad through a program of initiatives on the ground and vis-à-vis the public authorities.

High Environmental Quality (*Haute Qualité Environnementale (HQE)*): NF HQE™ New or Renovation and HQE *Bâtiment Durable* (Sustainable building) certifications are distinctions given by the French agency Certivéa to buildings whose environmental and energy performance correspond to current best practices. This certification applies to the planning, design and construction phases for new and renovated buildings.

A building can be certified at one of four levels: Performing, High Performing, Excellent, Exceptional

Leadership in Energy and Environmental Design (LEED): LEED certification was initiated in 1998 by the US Green Building Council so as to provide a framework for creating ecological, healthy, high performing and profitable buildings. LEED certification is available in 165 countries and the evaluation criteria include, among other things, energy efficiency, water consumption efficiency, local sourcing of materials and re-use of surplus materials.

A building can be certified at one of four levels: Certified, Silver, Gold, Platinum.

Principles for Responsible Investment (PRI): Launched in 2006 by investors in partnership with the United Nations Environment Program Finance Initiative (UNEP-FI) and with the UN Global Compact, the PRI initiative covers a network of more than 2,700 entities that have committed to applying its six Principles.

The Principles are based on the notion that environmental, social and governance (ESG) questions affect the performance of investment portfolios and must therefore be considered alongside more traditional financial factors. The PRIs are intended to encourage all financial professionals to take non-financial criteria into account.

Sustainable Development Goals: The Sustainable Development Goals comprise 17 objectives established by the United Nations member countries, and they are included in the 2030 Agenda. They constitute an action plan for meeting three overall objectives: eradicate poverty in all its forms and throughout the world, reduce inequalities and combat climate change.

UNEP Finance Initiative: The Finance Initiative is a public-private partnership between the United Nations Environment Program and the financial sector. The initiative has more than 200 members, including the executives of banks, investment funds and insurance companies.

UNEP-FI encourages financial institutions to better apply the principles of sustainable development at all operational levels through the integration of environmental, social and governance (ESG) factors into their risk analyses.

VII. APPENDIX 1

Gradual integration of non-financial criteria into the investment management activities of SCOR Investment Partners

Preliminary non-financial risk management

Prior to an investment, SCOR Investment Partners incorporates ESG criteria in two steps:

1. Exclusion principle: initially, SCOR Investment Partners categorically excludes certain investments that are deemed to be contrary to its sustainable investment principles. These investments are included on the normative or thematic exclusion lists.
2. ESG integration: next, SCOR Investment Partners examines the ESG profile of the investment under consideration and calculates its carbon footprint, if applicable. Since 2017, SCOR Investment Partners has relied principally on an independent partner-expert, ISS-oekom, to carry out this analysis.

Exclusion policy:

SCOR Investment Partners applies:

- a normative exclusion filter to all its investments depending on:
 - the recommendations of the Financial Action Task Force (FATF);
 - the OFAC list and list of prohibited companies/countries published by the French Ministry of Finance;
 - compliance with the provisions of the Ottawa Convention (anti-personnel mines) and the Oslo Accords (cluster bombs);
 - the frozen assets list.
- a thematic exclusion list that eliminates from its investment universe:
 - coal extraction companies that derive more than 30% of their revenue from thermal coal;
 - energy companies that produce more than 30% of their electricity from coal;
 - companies that are among the 120 largest developers of coal projects;
 - oil companies whose bituminous sand reserves represent more than 30% of their total reserves;
 - oil companies whose Arctic reserves represent more than 30% of their total reserves;
 - tobacco producers.

ESG Integration:

SCOR Investment Partners uses ISS-oekom's ratings to filter and analyze investments, within the limits of ISS-oekom's coverage. A low ISS-oekom rating triggers an in-depth analysis of the investment. SCOR Investment Partners sets a limit on amounts invested per fund in companies and projects not rated by ISS-oekom.

ESG analysis of each non-liquid investment (physical real estate, real estate or infrastructure debt), is based on the internal expertise of SCOR Investment Partners.

Finally, at the time of subscription to ILS products, SCOR Investment Partners verifies that the cedants it reinsures will actually contribute to compensation and reconstruction after severe events, and that the transaction is not simply a speculative one.

Post-investment, non-financial risk management
























SCOR Investment Partners continuously tracks changes in the ESG risk of the companies and countries included in the portfolios, by monitoring controversies that might affect the issuers (using ISS-oekom or its own expertise).













SCOR Investment Partners also conducts a periodic review of the portfolios' ESG risks by using ISS-oekom's ratings. This monitoring makes it possible to assess the overall non-financial quality of the portfolios and to identify the significant changes in both individual and aggregate ratings of the companies or countries. The individual projects with the lowest ISS-oekom ratings are more closely monitored.

Finally, SCOR Investment Partners annually reviews the climate risk of the larger portfolios, using information provided by ISS as well as other sources.

VIII. APPENDIX 2

Contribution of the BREEAM and HQE environmental certifications to the Sustainable Development Goals

	CONTRIBUTION OF ENVIRONMENTAL CERTIFICATIONS TO SUSTAINABLE DEVELOPMENT GOALS	BREEAM [®] delivered by bre	HQE [®] BÂTIMENT DURABLE
 Eradicate poverty in all its forms and throughout the world	 Encourage the delivery of resilient assets that use resources efficiently so as to reduce building operating costs (e.g. helping to reduce energy insecurity and maintenance costs, access to affordable transportation, etc.)	✓ Reduction of energy use ✓ Public transport accessibility ✓ Water monitoring	✓ Water ✓ Energy ✓ Transportation ✓ Costs
 Eradicate hunger, ensure food security, improve nutrition and promote sustainable agriculture	 Encourage the delivery of assets that use land and natural resources efficiently so as to maximize self-sufficiency and reduce pressure on land and agricultural resources	✓ Life cycle impacts ✓ Site selection ✓ Minimising impact on existing site ecology	✓ Biodiversity ✓ Environmental impact on the lifecycle
 Ensure healthy lives and promote well-being for all at all ages	 Encourage the production of comfortable, healthy and secure environments, both internal and external, so as to improve the health and well-being of their users	✓ Visual comfort ✓ Acoustic performance ✓ Indoor air quality ✓ Thermal comfort ✓ Water quality ✓ Accessibility	✓ Visual comfort ✓ Acoustic comfort ✓ Interior air quality ✓ Hygrothermal comfort ✓ Water quality ✓ Accessibility ✓ Electromagnetic waves ✓ Services
 Ensure access for all to high-quality, equality-based education and promote lifelong learning opportunities	 Encourage educational and training initiatives for local communities, as well as continuing education and training for merchants and professionals	✓ Responsible construction practices	✓ Contribution to the vitality and development of territories
 Achieve equality between the sexes and independence for women and girls	 Foster the implementation of responsible principles in construction material supply chains	✓ Life cycle impacts ✓ Responsible sourcing of materials	✓ Environmental impact on the lifecycle ✓ Contribution to the vitality and development of territories
 Guarantee access for all to clean, running water and sustainably managed wastewater treatment	 Encourage efficient and economical water management solutions, while maintaining a clean, reliable supply	✓ Water quality ✓ Water consumption ✓ Water monitoring ✓ Water leak detection ✓ Water efficient equipment	✓ Water quality ✓ Water
 Ensure access to affordable, reliable, sustainable and modern energy for all	 Encourage efficient and economical energy systems that minimize carbon dioxide emissions, while maintaining a reliable supply	✓ Reduction of energy use and carbon emissions ✓ Energy monitoring ✓ External lighting ✓ Low carbon design ✓ Energy efficient systems & equipment	✓ Energy ✓ Climate change ✓ Costs
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	 Support the local economy and create employment by creating sustainable buildings and infrastructure	✓ Responsible sourcing of materials	✓ Costs ✓ Contribution to the vitality and development of territories
 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	 Promote the construction of sustainable and resilient buildings and infrastructure, and encourage and recognize innovations that improve asset performance in terms of sustainability	✓ Life cycle impacts ✓ Responsible sourcing of materials ✓ Designing for durability and resilience ✓ Material efficiency ✓ Innovation	✓ Environmental impact on the lifecycle ✓ Contribution to the vitality and development of territories
 Reduce inequalities in the country and from one country to another	 Encourage measures that have a positive social impact and foster inclusion, as well as responsible principles in construction material supply chains	✓ Responsible construction practices ✓ Responsible sourcing of materials	✓ Environmental impact on the lifecycle ✓ Contribution to the vitality and development of territories
 Make cities and human settlements inclusive, safe, resilient and sustainable	 Promote the development of sustainable communities by delivering assets with access to sustainable transportation, providing safe, affordable housing, implementing measures to resist flooding, reducing atmospheric pollution, granting access to public green spaces, etc.	✓ Management ✓ Health and wellbeing ✓ Energy & Water ✓ Transport ✓ Materials ✓ Waste ✓ Land Use & Ecology ✓ Pollution ✓ Innovation	✓ QAI, water quality ✓ Accessibility, Adaptability ✓ Visual, acoustic and hygrothermal comfort ✓ Transportation, Services ✓ Energy, water, waste, climate change ✓ Biodiversity ✓ Costs

 <p>Create sustainable modes of consumption and production</p>		<p>Avoid wasting resources and promote circular economy principles recognizing the efficiency of recycled or re-used materials, their low environmental impact, their sustainability and their resilience</p>	<ul style="list-style-type: none"> ✓ Life cycle impacts ✓ Responsible sourcing of materials ✓ Designing for durability and resilience ✓ Material efficiency ✓ Construction waste management ✓ Recycled aggregates ✓ Operational waste ✓ Speculative floor and ceiling finishes ✓ Functional adaptability 	<ul style="list-style-type: none"> ✓ Adaptability ✓ Waste ✓ Environmental impact on the lifecycle ✓ Costs ✓ Contribution to the vitality and development of territories
 <p>Take urgent action to combat climate change and its impacts</p>		<p>Encourage one of the most greenhouse-gas-emitting sectors to adapt by promoting energy sustainability, reduced greenhouse gas emissions and measures to adapt to climate change</p>	<ul style="list-style-type: none"> ✓ Responsible construction practices ✓ Aftercare ✓ Reduction of energy use and carbon emissions ✓ Energy monitoring ✓ Energy efficient equipment ✓ Alternative modes of transport ✓ Maximum car parking capacity ✓ Life cycle impacts, etc. 	<ul style="list-style-type: none"> ✓ Transportation ✓ Energy ✓ Climate change ✓ Environmental impact on the lifecycle ✓ Contribution to the vitality and development of territories
 <p>Preserve and use the world's seas and oceans and their marine resources in a sustainable manner</p>		<p>Encourage the prevention and control of pollution and the runoff of surface water associated with the location and use of real estate assets</p>	<ul style="list-style-type: none"> ✓ Site selection ✓ Ecological value of site and protection of ecological features ✓ Surface water run-off 	<ul style="list-style-type: none"> ✓ Biodiversity ✓ Water
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>		<p>Encourage sustainable use of land, better long-term biodiversity, the protection of forests and water resources for asset sites and surrounding land</p>	<ul style="list-style-type: none"> ✓ Site selection ✓ Ecological value of site and protection of ecological features ✓ Minimising impact and enhancing existing site ecology ✓ Enhancing site ecology ✓ Long term impact on biodiversity ✓ Reduction of night time light pollution and noise pollution 	<ul style="list-style-type: none"> ✓ Biodiversity
 <p>Promote the development of peaceful and inclusive societies for the purpose of sustainable development, ensure access for all to justice, and implement effective and responsible institutions at all levels, open to all</p>		<p>Encourage responsible principles in construction material supply chains</p>	<ul style="list-style-type: none"> ✓ Life cycle impacts ✓ Responsible sourcing of materials ✓ Responsible construction practices 	<ul style="list-style-type: none"> ✓ Environmental impact on the lifecycle ✓ Contribution to the vitality and development of territories
 <p>Strengthen the means to implement the global partnership for development</p>		<p>Encourage the creation of sound, international relationships and partnerships with regard to regulations, assets, infrastructure and the supply chain, with a view to delivering and operating sustainable assets</p>	<ul style="list-style-type: none"> ✓ Project brief and design ✓ Innovation 	<ul style="list-style-type: none"> ✓ Contribution to the vitality and development of territories



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