



Shareholder engagement policy

2023

1. Introduction

Since its inception, SCOR Investment Partners has been committed to offering its clients strategies aimed at delivering consistent and long-term performance. Through its holistic understanding of risks, the company has progressively integrated environmental, social and governance (ESG) factors into the heart of the investment process. Reflecting this integration in its daily operations, SCOR Investment Partners defined its corporate purpose as “Financing the sustainable development of societies, together.” With its engagement policy, SCOR Investment Partners continues to align its commitments with its purpose.

Investor engagement is an active approach defined as the dialogue process between investors and investee companies to improve their practices regarding ESG capabilities. It gives more depth to investors' understanding of the investees practices and provides investees with recommendations on what is expected from them.

Concretely, SCOR Investment Partners can engage with the investee to indicate ESG objectives and possible improvement strategies, before and during the investment phase.

The shareholder engagement policy (“engagement policy”) of SCOR Investment Partners is made up of four different approaches:

- Engagement for transparency and improvement,
- Engagement for setting targets for SLLs (sustainability linked loans),
- Thematic engagement,
- Collaborative engagement.

SCOR Investment Partners' engagement policy applies to all of its assets, including listed and non-listed assets, such as corporate bonds (investment grade and high yield), corporate, real estate and infrastructure loans.

SCOR Investment Partners' engagement policy is reviewed annually to reflect the evolution of market and internal practices and is approved by the Management Board.

The Sustainable Investment team, under the responsibility of the Chief Investment Officer, is in charge of engagement process.

2. Engagement approaches

As the asset manager of the SCOR Group, SCOR Investment Partners' engagement philosophy is aligned with SCOR's sustainable investment policy.

a. Engagement for transparency and improvement

During our process of ESG evaluation, we assess practices of our issuers. In the case of those practices are not enough detailed and/or relevant, we can engage dialogue for transparency with them. Dialogue is especially important when investing in small and mid-size actors. Due to increasingly stringent regulations, large companies are bound to disclose information on their sustainable practices, while smaller and private companies are less regulated.

SCOR Investment Partners' ESG rating approach is twofold:

- When available, the ISS ESG rating of the issuer is used.
- If the issuer does not have an ESG rating from ISS ESG, the Sustainable Investment Office assigns an internal rating using a proprietary methodology. Internal sustainability ratings are traditionally used for corporate, infrastructure and real estate loans. These asset classes are challenging to properly assess, since companies tend to be smaller and/or private, making them less used to disclosure or with less resources to do so. Traditionally, the rating of companies that publish less information is more complex without dialogue. In that case, it is

essential to engage with companies to better understand their practices and assess them properly. It is also an opportunity to help them improve their practices and disclosure.

Currently, SCOR Investment Partners mainly engages with companies internally assessed. The depth of the engagement depends on the categories of the companies. In the case of worst performers, the Sustainable Investment team systematically sends a comprehensive questionnaire that addresses all the criteria assessed. Otherwise, the questions are more specific and can be limited to one or few criteria. If the team considers that all the topics of the assessment are covered by the information disclosed by the company, the team can choose not to send a questionnaire. The Sustainable Investment team systematically suggests to arrange a call with the issuer if they are willing in order to deep dive into their answers.

The Sustainable Investment team prepares the questionnaires as well as the documentation needed for meetings, and it is the main contact for any sustainable matter. Nonetheless, the investment teams are also committed to engage with the investee companies and support the Sustainable Investment team. For instance, specific ESG related questions can be raised during financial events and/or meetings with the companies.

The annual review of the internal sustainability rating is the occasion for SCOR Investment Partners to monitor the ESG performance of each issuer over time.

b. Engagement for setting targets for SLLs

In the corporate loans' asset class more issuers are keen to issue Sustainability Linked Loans (SLLs). While most of them have already defined a sustainability policy, it remains challenging to establish consistent targets for the issuance of the SLL. Thus, dialogue with issuers can start on the occasion, ensuring relevant and ambitious sustainable performance targets (SPTs) for the future SLLs.

c. Thematic engagement

Thematic engagement can be cross-cutting or related to specific funds.

A process for defining themes has been put in place in order to identify the most relevant topics. The selected themes must:

- be material,
- make sense for the companies considered (proven potential impacts),
- be applicable to our funds,
- be monitored.

For each theme identified, a preliminary study is carried out in order to fully understand the context of the theme, good practices and the main potential areas of engagement. In addition, companies falling within the scope of the thematic engagement are also identified.

These companies are either rated by ISS ESG or internally. A questionnaire is drawn up. It can be integrated into the questionnaires sent to companies during the rating process and be subject to specific follow-up, or it can be sent on an ad-hoc basis if companies are not rated internally. An engagement plan can then be proposed to the company and a monitoring will be conducted accordingly.

d. Collaborative Engagement

As a signatory of the Principles for Responsible Investment (PRI) since 2016, SCOR Investment Partners believes in encouraging its investees to improve their ESG risk management or develop more sustainable business practices. SCOR

Investment Partners is also an active member of initiatives and coalitions, that promote sustainable investing and unite their members around sustainable objectives:

- in January 2021, SCOR Investment Partners became a member of the Sustainable Accounting Standard Board (SASB), the leading global organization on ESG metrics and norms,
- in June 2021, SCOR Investment Partners joined the Investors for a Just Transition coalition, that gathers investors and fosters a socially acceptable transition,
- in October 2021, SCOR Investment Partners joined the Institut de la Finance Durable (formerly known as Finance for Tomorrow), the French initiative for sustainable investing.

Within the Investors for a Just Transition coalition, SCOR Investment Partners is a part of the Food and Agriculture working group. Together with other asset managers, the goal is to define key metrics and points of reporting linked with the Just Transition, to meet companies in order to find best practices and to encourage their implementation when it is not done.

3. Communication with Stakeholders

SCOR Investment Partners believes that stakeholder communication is essential to have a comprehensive view of all topics related to its activities.

In this context, SCOR Investment Partners pays attention to:

- Regulators: Regulation is steadily becoming more important in sustainable finance. The European disclosure regulation (SFDR) was a milestone for all actors of the market, putting more pressure on asset managers to develop more impactful sustainable investment disclosures. SCOR Investment Partners is expecting more regulation to come into effect in the coming years.
- Data providers: Data providers are essential to support sustainable investment processes, and in particular, the engagement processes by providing ESG data.
- Clients: On an annual basis, SCOR Investment Partners will communicate to its clients, the results and achievements of its engagement policy

4. Voting Policy (link)

a. Foreword

SCOR Investment Partners has established a voting policy presenting the conditions under which it intends to exercise the voting rights attached to shares held by the mutual funds that it manages. SCOR Investment Partners is sensitive to the implementation of heightened corporate governance criteria at the companies in which the manage funds invest. Indeed, the application of such criteria makes it possible to improve the protection of clients' interests, contribute to enhancing the integrity of the financial markets and contribute to shareholder value creation.

b. Organization of the exercise of voting rights

The exercise of the rights to vote in general meetings is under the responsibility of the managers, who analyze the resolutions of general meetings. The managers may rely on recommendations issued by the Association française de la gestion financière (AFG). The managers will always vote in the sense of the good functioning and proper governance of

the company, as well as in the interest of the shareholders. The optional exercise of voting rights is carried out by the Portfolio Administration team, which is responsible for sending the voting decisions made by the managers.

c. Exercise of voting rights

Voting rights are systematically exercised when the percentage stake in the company's capital owned by the mutual fund is greater than 1%. In the case where SCOR Investment Partners manage directly client portfolios, clients may require to exercise their own voting rights.

d. Voting policy principles

The principles of the SCOR Investment Partners voting policy are based on respect for the proper governance of the companies with respect for the interest of the shareholders. SCOR Investment Partners pays special attention to resolutions dealing with the following subjects:

- decisions involving a change to the Company's Articles of Association;
- approval of the financial statements and allocation of profit & loss;
- appointment and recall of corporate bodies;
- so-called regulated agreements;
- programs to issue and buy-back equity securities;
- appointment of statutory auditors; votes to appoint auditors and approve their compensation;
- social and environmental resolutions.

e. Preventing conflicts of interest

The SCOR Investment Partners voting policy is established in full independence. Voting rights are exercised strictly in the interest of shareholders, without taking into account the specific interests of SCOR Investment Partners, in compliance with the principles specified in this policy. Each potential conflict of interests is brought to the attention of the Head of Compliance and Internal Control and analyzed so as not to influence the free exercise of voting rights. If the exercise of the voting right would place SCOR Investment Partners in a proven conflict of interests, the Head of Compliance and Internal Control may request it abstain from the vote in question.

Moreover, SCOR Investment Partners has established an organization, procedures, and an oversight system making it possible to prevent any conflict of interests.

The main conflicts of interests in the exercise of voting rights are as follows:

- The owned company concerned by the vote is an important client for SCOR Investment Partners
- A member of the Board of Directors (or equivalent) of an owned company is an important client for SCOR Investment Partners
- A member of the Board of Directors (or equivalent) of an owned company is related in a way or another to SCOR Investment Partners Method of exercising voting rights

Voting rights are in principle exercised by mail. However, the managers may occasionally attend the general meetings.



SCOR Investment Partners
5 avenue Kléber
75975 Paris Cedex 16
France
+33 (0)1 58 44 70 00

scorip.sales@scor.com

www.scor-ip.com