HANDBOOK ON SUSTAINABLE INVESTMENT

Published on 12.06.2025
Data as of 01.06.2025, unless otherwise indicated.

2025

SUMMARY

LEGAL INFORMATION

This document is issued by SCOR Investment Partners SE, Societas Europaea, an asset management company with a capital of EUR 15,500,000 Head office: 5, avenue Kléber 75016 Paris – France. SCOR Investment Partners SE is registered with the trade and companies register of Paris (France) under number 510 235 815 and is regulated by the "Autorité des marchés financiers" (AMF) under number GP-09000006.

This document is provided for information purposes only. The information contained herein is subject to change without notice. This document contains information, opinions, assumptions and estimates as well as figures that SCOR Investment Partners SE considers to be well-founded or accurate on the day of publication, given the economic, financial or market context at the time. SCOR Investment Partners SE does not guarantee the accuracy or completeness of such information, opinions and statistical data.

This document should not be construed as an offer, solicit ation to buy or sell, or as investment advice. It is not the basis of a contract or commitment of any nature. SCOR Investment Partners SE accepts no liability, direct or indirect, that may result from the use of any information contained herein.

Information in this document is communicated in confidence and must not be copied or reproduced, modified or translated, or distributed without the prior written consent of SCOR Investment Partners SE.

GLOSSARY

Biodiversity	According to the French Biodiversity Office, "Biodiversity refers to all living beings and the ecosystems in which they live. It also includes the interactions of species with each other and with their environment. Biodiversity directly meets man's primary needs by providing oxygen, food and drinking water. It also contributes to the development of human activities by providing raw materials and energy."
Sustainable Development	"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs", according to the Brundtland Commission Report in 1987.
ESG (Environment Social and Governance)	International acronym used by the financial community to designate the Environmental, Social and Governance criteria that generally constitute the three pillars of the extra-financial analysis.
Sustainable Investment	In the meaning of SFDR, an investment in an economic activity which contributes to an environmental or social objective without causing significant social or environmental harm. The investee companies should apply best governance practices.
PRI (Principles for Responsible Investment)	An initiative set up by the United Nations Environment Program Finance Initiative (UNEP FI) and the United Nations Global Compact. It reunites six voluntary and aspirational principles that were developed by investors, for investors, to offer a menu of possible actions for incorporating ESG issues into investment practice. By implementing them, its 5,300 signatories contribute to developing a more sustainable global financial system.
SFDR (Sustainable Finance Disclosure Regulation)	Also called European Regulation (EU) 2019/2088, it came into force in March 2021. It creates new sustainability transparency obligations for financial participants in terms of sustainability risks. It allows for more comparability by aligning commercial documents with actual practices and helps diminish risks of greenwashing.
European Green Taxonomy	European classification system that establishes a list of criteria and performance thresholds to assess whether an economic activity is environmentally sustainable. It aims at incentivizing capital flows towards assets that demonstrate improvements in environmental performance.
Just Transition	Taking into consideration social aspects and the different stakeholders (workers, consumers, local communities, suppliers) in the ecological transition.
EU Paris-aligned Benchmarks (PAB)[1]	An "EU Paris-aligned Benchmark" means a benchmark whose constituents are selected so that the benchmark's GHG emissions are aligned with the long-term global warming objective of the Paris Climate Agreement. In addition, this benchmark index is constructed in accordance with the minimum standards set out in the EU's delegated acts. Specific exclusions are required for a PAB index to be considered as such.

[1] COMMISSION DELEGATED REGULATION (EU) 2020/1818 - supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Article 12

I. PURPOSE

Financing the sustainable development of societies, together

In early 2021, the SCOR group defined and adopted its *raison d'être:* "Mobilizing the art and science of risk to protect societies", adding that "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 risks they face, pushing back the frontier on insurability and acting as a responsible investor".

SCOR Investment Partners has developed its Sustainable Investment Policy in alignment with its mission and with that of SCOR Group: "Financing the sustainable development of societies, together"

We firmly believe that the creation of sustainable value must be part of a long-term vision. With this in mind, all our investment decisions take environmental, social and governance (ESG) factors into consideration. Besides assessing their impact on an issuer's financial performance, we analyse these factors to gain a better understanding of their impact on ecosystems.

By integrating ESG risks and opportunities into our investment policy, we aim to optimize risk-adjusted performance. We also aim to capture the positive impacts of our investment choices while limiting their negative externalities, thus applying the principle of double materiality.

The purpose of this handbook is to detail the general concepts set out in the responsible investment policy, published in October 2024 in the SCOR Investment Partners Corporate Social Responsibility Report.

II. GOVERNANCE

The areas of corporate responsibility governing the implementation of our Sustainable Investment Policy are clearly defined and separated within the SCOR Investment Partners' organisation. This approach guarantees an efficient decision-making process and ensures that information is circulated in a transparent and relevant manner. SCOR Investment Partners has opted to place the sustainable investment team under the direct responsibility of the CIO. This promotes a collaborative and interdisciplinary approach across all the teams while creating the conditions for implementing a coherent approach across the different asset classes under management.

A. Internal organisation

The Executive Committee sets targets, allocates resources and ensures that the Sustainable Investment Policy is consistent with SCOR Investments Partners' strategy. It then turns to the Chief Investment Officer (CIO), who oversees the preparation of responsible investment methodologies and processes and ensures they are rolled out across all asset classes. The Head of Sustainable Investment defines and proposes ESG methodologies and performance metrics, develops investment processes in collaboration with the investment teams, supervises the ESG analysis and rating of issuers (companies and projects) and interacts with external data providers. The portfolio managers implement responsible strategies in their investment processes.

The Risk department controls ESG data and performance metrics, validates the data provided in reports, verifies regulatory compliance and adherence to responsible investment processes, controls the methodologies that have been put in place

B. External stakeholders

Sustainable finance regulation is steadily becoming more stringent, necessitating the development of robust sustainable investment processes by financial actors. SCOR Investment Partners is continuously improving upon its sustainable investment methodologies and processes to account for the latest regulatory developments.

Data and standards are key elements of the robustness of SCOR Investment Partners' sustainable strategy. External providers are selected following a thorough process based on the evaluation of their methodology and standards, the data reliability, the players' international recognition and their responsiveness.

Reference standards: Sustainability Accounting Standards Board (SASB)

SASB Standards guide companies in disclosing financially significant sustainability-related information to investors. Available for 77 industries, SASB identifies the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry.

In 2022, SASB Standards was integrated in the IFRS foundation, a global nonprofit organization which oversees the implementation of financial and extra-financial reporting standards. The IFRS foundation was founded on the conviction that better information enables better economic and investment decisions. Norms are elaborated by the International Accounting Standards Board (IASB) for accounting standards, and the International Sustainability Standards Board for sustainability-related standards.

In 2021, SCOR Investment Partners became a member of the Sustainability Accounting Standard Board.

Data providers

ISS ESG

SCOR Investment Partners' ESG analysis mainly relies on ISS ESG which is used as the primary source of data.

Founded in 1985, ISS ESG provides investors and companies with countries and corporate ESG data, analytics, and insight. The 3200 employees are spread over 25 sites in 15 countries. ISS ESG is a leading provider of corporate governance and sustainable investment solutions. Over the past few years, ISS ESG acquired various other data providers, such as Oekom Research AG and South Pole Group. Both companies were historic data providers for SCOR Investment Partners, which intends to rely on stable and consistent data over time.

Moody's

For the specific needs of certain asset classes, SCOR Investment Partners also uses climate data supplied by Moody's. Moody's is a leading provider of risk management solutions, employing over 10,000 people worldwide, serving a broad base of 15,000 clients, including over 800 insurance companies and 350 asset managers.

In addition to the stakeholders involved in data collection, SCOR Investment Partners aspires to contribute to the development of sustainable finance. We are therefore actively involved several initiatives seeking to establish a shared understanding of the challenges shared by investors and to coordinate the roll-out of suitable solutions. By participating in these initiatives and various relevant think tanks, we are not only contributing to the development of responsible investment but also positioning ourselves at the forefront of developments within the industry, both present and future. This enables us to cater to our clients and partners more effectively. The commitments we have made under these initiatives determine our approach to corporate responsibility and encourage : the inclusion of sustainability issues within ESG analyses linked to our investments.

Associations and Think-tank

- **The Principles for Responsible Investment:**

The Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment. The PRI reunites six voluntary and aspirational principles that were developed by investors, for investors, to offer a menu of possible actions for incorporating ESG issues into investment practice. By implementing them, its 5300 signatories contribute to developing a more sustainable global financial system. SCOR Investment Partners has been a signatory to the PRI since 2016.

- **PRI Circular Economy Reference Group, made up of PRI signatories:**

SCOR Investment Partners is convinced that the circular economy is, for many of the sectors in which it invests (real estate, construction, textiles, etc.), a solution for reducing their environmental footprint, as well as a source of diversification (new activities linked to the circular economy), limiting dependence on certain raw materials or reducing costs.

SCOR Investment Partners joined this group in 2023, which aims to:

- Support investors to promote a circular economy in the plastics value chain ;
- build investor awareness of how circular economy can address climate and nature goals in other sectors ;
- support PRI to identify the next priority sectors to focus further technical guidance.

- **Institut de la Finance Durable**

SCOR Investment Partners joined l'Institut de la Finance Durable (ex-Finance for Tomorrow) in October 2021. Launched by Paris Europlace in 2016, the organization gathers private, public, and institutional financial stakeholders of the Paris financial center. The objectives are to collaborate on various sustainable finance topics within taskforces and to promote sustainable solutions within the financial sector. SCOR Investment Partners belongs to the taskforce linked with Biodiversity.

- **Investors for a Just Transition**

SCOR Investment Partners is a founding member of the "Investors for a Just Transition" coalition launched in June 2021 by the Institut de la Finance Durable. 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.

Within this coalition, SCOR Investment Partners is a member of a working group dedicated to food and agriculture related sectors and has already helped to define accurate KPIs for these two sectors. Contact was made with the companies targeted by the working group, with a view to initiating a process of engagement with them. These various steps contributed to the development of an awareness grid for engagement published in October 2024. The first objective of this grid is to encourage companies in 4 major sectors (agri-food, energy production, transport, building/construction) to better integrate the dimensions of just transition into their environmental strategy.

- **Fondation de La Mer**

SCOR Investment Partners is a committed organisation and is keen to help protect natural resources. In 2023, it therefore developed a partnership with the Fondation de la Mer which carries out ocean research and is involved in the protection of our oceans. With the financial support of SCOR Investment Partners, the Fondation de la Mer is able to continue developing an analytical framework that measures the direct and indirect impacts that companies have on marine ecosystems. The aim is to give companies the tools they need to implement their own action plans and therefore limit their adverse impacts. SCOR Investment Partners' sustainable investment team works alongside the foundation to develop these tools.

- **ILS ESG Transparency Initiative**

This initiative was created in 2022 by ILS (insurance-linked securities) players to improve transparency in terms of environmental, social and governance (ESG) data on the ILS market. SCOR Investments Partners joined the initiative in September 2023.

- **Biodiversity working group of France Invest's Sustainability Commission**

The aim of this group is to better integrate this issue into private equity and private debt. SCOR Investments Partners joined this working group in February 2024.

- **Circolab – Laboratoire de l'Economie Circulaire**

The Circolab is a community of real estate organisations working to develop circular economy in the industry. The main topic addressed is the reduction of raw material consumption, through the reuse of materials, repair, or the extension of the life span of materials when possible. Circolab seeks to mobilize real estate industry players to stimulate innovation and develops tools to support its members in the implementation of best practices. SCOR Investment Partners has been a member of the association since 2019 and implements its principles for its real estate assets.

III. METHODOLOGY

SCOR Investment Partners places sustainability at the heart of its investment processes and has adopted a pragmatic approach in which the specificity of each product is considered. To this end, SCOR Investment Partners relies on a combination of normative and sectoral exclusions, on tailor-made methodologies for each asset class, and on engagement with issuers.

These methodologies may evolve to adapt to the financial and regulatory environment. In addition, new methodologies may be developed when new strategies are launched.

SCOR Investment Partners adopts a Best-in-Class approach to ESG evaluation of issuers. This approach consists in evaluating companies according to the environmental (E), social (S) and governance (G) characteristics specific to their sector and selecting the best players. The integration of these criteria into the financial analysis of a company gives a global vision of its strategy and its capacity to address environmental and social risks, but also to benefit from opportunities linked to these issues.

These criteria include:

- The environmental criterion (E) which covers themes such as climate risks, natural resources scarcity, pollution and waste, biodiversity, circular economy, and environmental opportunities. It analyses the companies' policy of waste management, reduction of greenhouse gas emissions, and whether it is focused on preventing all environmental risks in its activity ;
- the social criterion (S) which includes labour issues, the just transition, product liability, and data security risks. It takes into account the prevention of accidents and psychosocial risks, staff training, respect for employees' rights, the organisation of the supply chain and the quality of the social dialogue ;
- the governance criterion (G) which encompasses items relating to corporate governance and behaviour such as board quality and effectiveness, transparency, and business ethics. It includes, for instance, the independence of the Board of Directors, the gender diversity of the management team, the management structure, and the presence of an audit committee.

A. Normative and sectoral exclusions

The normative and sectoral exclusions implemented by SCOR Investment Partners enable us to align our investment strategy with our values and with current regulations. This exclusion policy covers all our investments. For each potential investment, SCOR Investment Partners applies a series of filters and exclusions based on international standards:

- Exclusion of High-Risk Jurisdictions according to the Financial Action Task Force (FATF), and internal ad-hoc analysis for Jurisdictions under Close Supervision (FATF) or Third Countries with Insufficient AML/CFT Systems (European Commission) or Non-Cooperative Countries and Territories for Tax Purposes (European Union) ;
- office of Foreign Assets Control (OFAC) sanction list ;
- European lists of sanctions and frozen assets ;
- exclusion of companies that have committed serious violations of the United Nations Global Compact (UNGC) or the OECD Guidelines for Multinational Enterprises and have not demonstrated satisfactory corrective action.

As for sectoral exclusions[2], the methodology aims to exclude sectors or sub sectors that are considered too harmful and for which more sustainable alternatives exist.

[2] Unless authorized by clients for dedicated funds and mandates.

In the first place, SCOR Investment Partners does not invest in companies whose activities are related to the following controversial and unconventional weapons:

- Compliance with the provisions of the Ottawa Convention (anti-personnel mines) and the Oslo Convention (cluster bombs) ;
- exclusion of companies involved in the production, sale, and distribution of controversial weapons (chemical and biological weapons, white phosphorus, depleted uranium, and nuclear weapons outside of the Treaty on the Non-Proliferation of nuclear weapons).

Tobacco manufacturers are excluded from the investment universe of SCOR Investment Partners. Manufacturers of tobacco related products (major components, e-cigarettes, heated tobacco products and smokeless heating devices) are also excluded if their related revenue exceed 5%. In addition, companies with a turnover of more than 15% related to tobacco distribution are excluded.

Finally, aware of the urgency to act against global warming, SCOR Investment Partners does not invest in companies or projects involved in the following activities and sectors:

- Thermal coal, whether the financed companies or projects are involved in coal mining, coal-fired power plants or are considered as coal plants' developers[3] ;
- oil & gas sector, whether the financed companies or projects are involved in the conventional or unconventional production chain of oil and gas (upstream, midstream, and downstream) [4].

In addition to the exclusions mentioned above, some5 funds also apply the EU Paris-aligned benchmarks (PAB) exclusion principles.

For financing infrastructure and/or real estate projects, the exclusions listed above are applied at project level. Nevertheless, a detailed analysis of the controversies and the sector of activity is carried out for each sponsor.

B. ESG rating methodology

In the case of Corporate Loans and High Yield funds that integrate sustainable characteristics, an ESG rating methodology is used to provide the issuers with an ESG rating. This ESG rating is performed on an ex-ante basis and is part of the investment process. The exclusion policies mentioned above are a prerequisite of the initial assessment. Then, as the investment teams carry out the complete analysis of the new potential transactions, they ask the Sustainable Investment Team (SIT) for an ESG rating which is considered in their final appraisal. Finally, the Sustainable Investment Team can engage with companies to improve their ESG rating.

Once the issuer is invested in, the ESG rating is updated in the following 18 months. Exceptional events such as the discovery of a new major controversy can lead to the anticipated review of an issuer's ESG rating.

[3] The effective threshold for activities related to thermal coal is 1% of turnover, to reflect the uncertainties related to the quality of underlying data and to avoid discriminating against issuers that are in the process of exiting such activities.

[4] SCOR Investment Partners relies on the Bloomberg classification for the implementation of these exclusions. The sectors involved are Oil & Gas, Pipelines, and Gas.

[5] SCOR ESG Euro High Yield; SCOR FUNDS - ESG Euro Short Term Duration High Yield; SCOR FUNDS - Green Bonds; SCOR Euro Loans Natural Capital

ESG Sources

If the issuer has an ESG rating from the external data provider, the management team uses this rating. This rating can go from 1 to 4, with 4 being the best. SCOR Investment Partners uses a single ESG data provider, ISS ESG. The ISS ESG rating relies on more than 800 indicators, among which approximately 90% are industry specific. For each industry, 5 key issues represent more than 50% of the overall weight in the rating. In addition, ISS ESG uses a country rating to consider the variation in policies and regulations in each country and to see if an individual company goes beyond the local requirements.

Finally, ISS ESG studies controversies regarding the rated issuer.

If the issuer of the security does not have an ESG rating from ISS ESG, the Sustainable Investment Team assigns an ESG rating using a proprietary methodology consistent with that of ISS ESG and called SUST & ABLE (see below). This rating ranges between 1 and 4, with 4 being the best. This methodology was developed relying on the Sustainable Accounting Standards Board (SASB) standards, that determine relevant ESG questions specific to 77 sub-sectors defined by the organisation. The SIT studies ESG data published or transmitted by the issuers as well as controversies regarding the issuers. Dedicated ESG questionnaires can be sent to the issuers if needed.

Internal Rating Process

The internal rating consists in the first half of SCOR Investment Partners' "SUST & ABLE" methodology, which includes the ESG rating of issuers (SUST), and the engagement with issuers (& Able). The internal rating relies on four dimensions:

- The State dimension, provided by ISS ESG. The country rating provides an assessment of a country's ESG performance based on environmental, social and governance data such as the level of corruption, the type of regime, child labor, freedom of association, human rights, biodiversity, climate protection, etc. ;
- the Universal dimension consists of assessing ESG criteria common to all issuers, based on four dimensions: General, Environmental, Social and Governance. This evaluation gives the SIT a global view of the issuer ;
- the Sectoral dimension enables each issuer to assess material issues specific to the sector to which it belongs. The assessment, whose framework is defined by SASB, focuses on specific topics relevant to each industry, and enables SIT to carry out in-depth, customized research on the issuer ;
- the Threat dimension. To complete the assessment, a controversy analysis is carried out for all internally-rated issuers. Controversies reveal misconduct and reflect the issuer's potential ESG risk. The issuer's final rating is adjusted accordingly.

Figure 1: Internal Rating Process

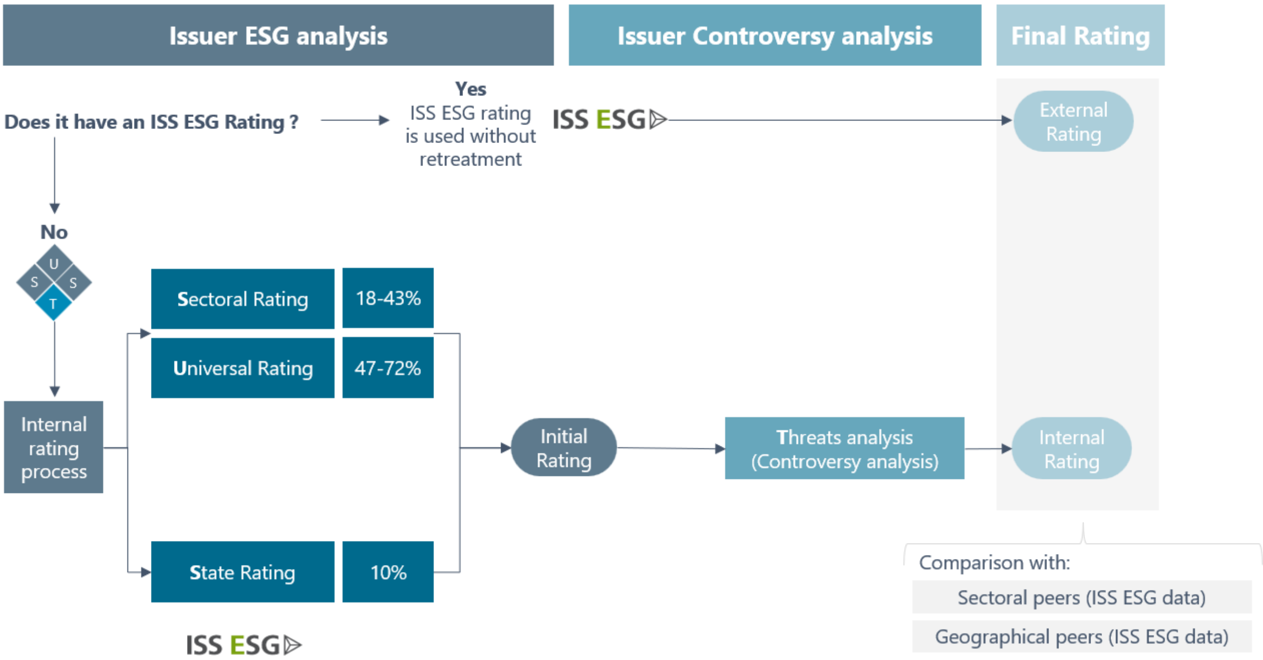

Figure 2: Internal ESG rating scale and corresponding ISS ESG ratings

Rating scale		
	max	min
A+	4,00	3,75
A	3,75	3,50
A-	3,50	3,25
B+	3,25	3,00
B	3,00	2,75
B-	2,75	2,50
C+	2,50	2,25
C	2,25	2,00
C-	2,00	1,75
D+	1,75	1,50
D	1,50	1,25
D-	1,25	1,00

C. Our specific approaches: internal environmental taxonomy

A more specific approach is used for illiquid strategies such as infrastructure or real estate loans. This approach favors assets that contribute to the green transition.

To evaluate infrastructure projects, SCOR Investment Partners has created an internal taxonomy, with the aim of identifying low carbon activities in five specific sectors: energy, transportation, utilities, telecommunications, and social infrastructure. For each of these five sectors, an internal list of activities eligible to the internal taxonomy has been established. The proprietary taxonomy is inspired by the EU Taxonomy published in March 2021 and by different studies in relation to these sectors. By financing projects that are eligible to its internal taxonomy, SCOR Investment Partners contributes to the green transition.

SCOR Investment Partners has designed an evaluation methodology by type of activity. Our evaluation framework is based on technical and ESG documents provided by the sponsor. If the information is missing, the necessary information is requested directly from the project sponsor through a questionnaire. In the absence of any ESG data, SCOR Investment Partners cannot invest in the project. The evaluation model is based on eligibility to the internal taxonomy and considers the principal adverse impacts (PAI) of projects.

Within this framework, specific ESG indicators are used to monitor the performance and contribution of each project. The information collected are used to rate the projects according to an extra-financial rating scale.

Figure 3: Extra-financial rating scale for infrastructure projects

Rate	Description
5	The project is aligned with the internal taxonomy, in particular, the sponsor's answers to Do Not Significantly Harm (DNSH) and Minimal Social Safeguards (MSS) criteria are complete.
4	The project's substantial contribution to the internal taxonomy is clear and the sponsor's answers only partially prove that the DNSH criteria and MSS are respected. The sponsor has good policies in place to avoid significant harm.
3	The eligibility of the project to the internal taxonomy is unclear, but it manages to justify either carbon neutrality / zero carbon footprint, or a carbon footprint reduction compared to the ex-ante situation. The sponsor has good policies in place to avoid significant harm.
2	The eligibility of the project to the internal taxonomy is clear for a minority of its activities, but it only partially answers the substantial contribution criteria. Besides, it only partially proves that the DNSH criteria are respected.
1	The project is not eligible to the internal taxonomy.
0	The project falls under the Management Company's normative or sectoral exclusions.

D. ESG evaluation scorecard for Real Estate Loans

SCOR Investment Partners has developed a specific ESG assessment framework to analyze the environmental, social and governance aspects of investments in real estate loans. The framework is based on an analysis of certification standards and ESG issues in the real estate sector.

The analysis framework depends on the type of project (construction project or renovation project). However, whatever the type of project analyzed, criteria are assessed on all three ESG pillars:

- Environmental criteria: energy efficiency, climate change strategy, water management, biodiversity, circular economy, environmental management system including certifications, etc. ;
- social criteria: supply chain sustainability, tenant well-being ;
- governance of key project stakeholders: structure and quality of governance.

Each criterion is rated from 1 to 4, and the weighting depends on the type of project.
Controversies are also analyzed.

SCOR Investment Partners believes that monitoring is essential to better understand the evolution of invested projects and to avoid potential controversies. Annual monitoring is carried out based on questionnaires sent to project promoters.

E. ENGAGEMENT POLICY

SCOR Investment Partners believes that dialogue between stakeholders is an essential tool for changing practices and behavior. To this end, the sustainable investment team has formalized an engagement process.

The engagement process 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 engagement policy of SCOR Investment Partners is made up of four different approaches:

- Engagement for transparency and improvement in ESG practices ;
- 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 not-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 Board of Directors. The Sustainable Investment Team is in charge of the engagement process.

SCOR Investment Partners also publishes an annual engagement report.

IV. SUSTAINABLE FUNDS’ STRATEGIES

Based on the methodologies detailed above, SCOR Investment Partners has developed investment processes specific to each asset class to integrate sustainability criteria for all Article 8 and 9 funds in the meaning of the SFDR.

For SCOR Investment Partners, sustainable investment is about financing companies and projects that contribute to a fair environmental transition by improving their practices or developing sustainable activities. More specifically, companies and projects must demonstrate real intentionality in their transition objectives. In addition, with a logic of continuity, SCOR Investment Partners ensures that the companies and projects financed have good governance practices.

To this end, all SCOR Investment Partners' sustainable investment strategies are based on the principles of selectivity and commitment. These strategies have been defined according to the specificities of the asset classes.

Figure 5: list of Article 8 and 9 funds

	SFDR classification as at 01/06/2025	
Fonds	**Article 8**	**Article 9**
SCOR ESG Euro High Yield[6]	•	
SCOR FUNDS ESG Euro Short Term Duration High Yield	•	
SCOR FUNDS Green Bonds	•	
SCOR Senior Euro Loans[7]	•	
SCOR Euro Loans Natural Capital		•
SCOR Infrastructure Loans III	•	
SCORLUX High Income Infrastructure Loans	•	
SCORLUX Infrastructure Loans IV		•
SCORLUX High Income Infrastructure Loans II		•
SCOR Real Estate Loans IV	•	
SCOR Real Estate Loans V		•

A. Corporate Loans and High Yield Funds’ strategies

The portfolios of Corporate Loans and High Yield sustainable funds are built considering the ESG rating of issuers.

ESG rating improvement approach

Except for some thematic funds (see below), the funds follow an ESG rating improvement approach. In fact, for these funds, the average rating of the portfolio must be higher than the average rating of the top 80% of issuers in the pre-defined universe.

This approach applies to the following funds:

- SCOR FUNDS ESG Euro Short Term Duration High Yield;
- SCOR ESG Euro High Yield.

[6] Ex-SCOR Sustainable Euro High Yield
[7] Ex-SCOR Sustainable Euro Loans

Best in class approach

A Best in Class approach applies to the SCOR Senior Euro Loans fund.
For this fund, the issuer's ESG rating must be higher or equal to the minimum reference rating assigned to the economic sector to which the issuer belongs.
The minimum reference rating per sector is an internal rating established by assigning a minimum rating to each ESG criterion of the sector considered, according to its materiality.
The minimum reference ratings per sector will be reviewed annually by the management company

An issuer with an ESG rating below the minimum benchmark for its sector, but with a positive outlook, may be included in the portfolio, provided that:

- The weight of issuers of this type in the portfolio does not exceed 10% ;
- the average rating of all issuers in a given sector is not lower than the minimum reference rating for that sector.

Thematic approach

For so-called "thematic" approaches, an ad-hoc methodology is applied.

- **SCOR Euro Loans Natural Capital**

In addition to ESG ratings, issuers are selected on the basis of additional criteria related to the sustainable objective sought by the respective fund.

Preserving natural capital requires a better use of water and energy, and better waste management. Improvements in these three areas are essential to protect biodiversity and limit climate change.

Recognizing these environmental issues, SCOR Investment Partners has developed a sustainable investment strategy for this fund that focuses on the environmental performance of issuers.

The loans selected are "Sustainability-linked loans". They have sustainability performance targets (SPTs) that impact the cost of funding over the life of the loan. Sustainability performance targets must be associated with at least one of these elements to be considered for the fund:

- Decrease in water consumption ;
- reduction of waste generation ;
- decrease in energy consumption ;
- improvement in environmental KPIs.

The objective is to finance issuers that have clear and ambitious objectives in terms of water, waste and energy management. Issuers must also respect minimum commitments on ESG criteria in general.

- **SCOR FUNDS Green Bonds**

The SCOR FUNDS Green Bonds fund invests in green, sustainable and social bonds that comply with the green and social bond principles of the International Capital Market Association (ICMA). The fund focuses on environmental projects, investing mainly in green bonds to finance projects that avoid greenhouse gas emissions.

B. Infrastructure loans funds’ strategies

Sustainable infrastructure loans funds favour projects with a good environmental profile. Specifically, all investments in the portfolio must undergo an internal analysis to determine their compliance with the internal taxonomy. For these funds, additional sector exclusions are in place (nuclear sector, aviation and shipping).

In addition, SCOR Investment Partners invests mainly in five sectors targeted by the internal taxonomy: Energy, Utilities, Transport, Telecommunications and Social.

In the case of Article 8 funds, the project analysis can lead to the exclusion of projects that are ineligible for the internal taxonomy, i.e. projects with an extra-financial rating of less than 2 (see Figure 3).

This approach is applied to the following funds:

- SCOR Infrastructure Loans III ;
- SCORLUX High Income Infrastructure Loans.

A more selective approach is used for funds classified as Article 9 under SFDR. This is the case for the following fund:

- SCOR Infrastructure Loans IV ;
- SCORLUX High Income Infrastructure Loans II.

SCOR Infrastructure Loans IV and SCORLUX High Income Infrastructure Loans II invest 100% of their assets in projects with an ESG rating of at least 3 (see Figure 3).

SCOR Investment Partners assesses projects on an ongoing basis, through regular contact with the sponsor, in order to monitor progress and avoid controversy. Questionnaires are sent out each year on key ESG criteria. Due to the specificities of the asset class, SCOR Investment Partners cannot divest from a project, but will initiate a process of engagement and dialogue with the sponsor if necessary.

C. Real Estate loans funds' strategies

The ESG assessment framework on real estate loans projects allows for a process of integration and promotion of environmental and social characteristics.

Within the framework of the SCOR Real Estate Loans IV fund (Article 8 within the meaning of the SFDR regulations), the criterion used to determine eligible assets is solely certification according to the following procedures:

- 100% of the assets are sustainably oriented and make a societal or environmental contribution ;
- 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 ;
- 75% of office buildings have at least BREEAM "Very Good" or HQE "High Performing" environmental certification or an equivalent level for regional certification.

The objective of the SCOR Real Estate Loans V fund is to improve the energy efficiency of the assets in the portfolio. To be selected, a project must have:

- A goal of improving energy efficiency ;
- a minimum score for the energy efficiency criterion ;
- a minimum score for energy efficiency.

A formal analysis of controversies linked to the project's stakeholders is also carried out, and may have an impact on the rating.

In addition, a DNSH assessment based on PAI is also carried out. Minimum social guarantees are also taken into account in the analysis.

SCOR Investment Partners assesses projects on an ongoing basis, through regular contact with the sponsor, in order to monitor progress and avoid controversy. Questionnaires are sent out each year on key ESG criteria. Due to the specificities of the asset class, SCOR Investment Partners cannot divest from a project, but will initiate a process of engagement and dialogue with the sponsor if necessary.

V. REPORTING AND DISCLOSURE

A. Client Reporting

For all Article 8 and 9 funds in the meaning of the SFDR, SCOR Investment Partners defines KPIs and objectives to monitor. These indicators are fully integrated in commercial reporting provided to investors.

For funds using the SUST methodology, the percentage of issuers in the portfolio covered by an ESG rating and a comparison of the overall average rating of the fund are published. For funds with a benchmark, the number of issuers covered by a normative, sectoral or fund-specific exclusion is also mentioned.

Figure 6: Example of monthly report – SCOR ESG Euro High Yield

ESG RATING: ISSUER COVERAGE [8,9]

	Fund	Fund index
Issuers with ESG rating	99.98%	94.16%

[8] In % of the fund's assets excluding cash and monetary UCITS. At least 90% of the fund's net assets need to possess an ESG rating.
[9] Bloomberg Euro High Yield 3% Issuer Constraint ex Financials TR Unhedged (Bloomberg code: I20845EU Index).

ESG RATING PER SUB-UNIVERSE [10,11]

	Fund		Sub-universe
Sub-universe	% NAV	Rating	Index top 80%
Euro High Yield or unrated	89.27%	C+	C+
Euro Investment Grade	9.49%	B-	C+
Euro Sovereign	-	-	-

[10] The three sub-universes are:
- Euro HY or NR: Bloomberg Euro High Yield ex Financials TR Unhedged (I20845EU);
- Euro Investment Grade: Bloomberg Euro Corporate ex Financials (LECFTREU);
- Euro denominated Government Securities: Bloomberg-Barclays Euro Treasury 0-12 Months (LA09TREU).

[11] Top 80% = comparable ESG sub-universe after at least 20% of the lowest rated securities in that sub-universe have been eliminated.

If the issuer of the security has an ESG rating from the non-financial data provider, the investment team assigns this rating to the security. If the issuer is not rated, the investment team assigns an ESG rating using an internal methodology consistent with that of the non-financial data provider. If no rating can be assigned, then the investment team will assign the NR (not rated) rating. The ESG rating is updated at least yearly.

A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-

The issuer's ESG Rating is based on a single ESG rating scale: ratings ranging from A+ to D-, with A+ being the highest possible rating. and D- being eliminatory.

This ESG rating can be determined from a numerical scale ranging from 1 to 4 and then converted to the following rating scale:

Note ESG	A+	A	A-	B+	B	B-	C+	C	C	D+	D	D-
Score min.	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00
Score max.	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25

The portfolio excludes rating below 1.25.

	Number of excluded issuers	% in the comparable ESG universe
Issuers excluded from the investment universe in application of normative and sectorial exclusions and after excluding securities whose issuers are rated D-:	9	5.61%

B. Certification

To reinforce its process, SCOR Investment Partners has labelled some of its funds. These labels highlight either the ESG strategy (SCOR ESG Euro High Yield[8], SCOR FUNDS ESG Euro Short Term Duration High Yield, SCOR Natural Capital Euro Loans and SCOR Real Estate Loans V) or the environmental objective of the funds (for SCOR Infrastructure Loans III, SCORLUX - Infrastructure Loans IV et SCORLUX High Income Infrastructure Loans II).

[8] Ex-SCOR Sustainable Euro High Yield

Labelled funds are listed below and rely on LuxFLAG certification agency:

Figure 7: Table representing SCOR Investment Partners labelled funds as of 01/06/2025

ESG LUXFLAG Label	LuxFLAG ESG	• SCOR ESG Euro High Yield[9] • SCOR Euro Loans Natural Capital • SCOR FUNDS ESG Euro Short Term Duration High Yield • SCOR Real Estate Loans V (Applicant Fund Status)
ENVIRONMENT LUXFLAG Label	LuxFLAG ENVIRONMENT	• SCOR Infrastructure Loans III • SCORLUX - Infrastructure Loans IV[10] • SCORLUX High Income Infrastructure Loans II (Applicant Fund Status)

LuxFLAG promotes sustainable investments by awarding a recognizable label to eligible investment vehicles.

- The LuxFLAG ESG label certifies that the investment product incorporates ESG criteria throughout the entire investment process while screening 100% of the invested portfolio according to one of the ESG strategies and standards recognized by LuxFLAG.
- The LuxFLAG Environment label certifies that the investment product primarily invests its assets in environment-related sectors in a responsible manner. The eligibility criteria for the LuxFLAG Environment label require eligible funds to have a portfolio of investments in environment-related sectors corresponding to at least 75% of the fund's total assets.

C. Regulatory Disclosure

The European and French regulatory context is evolving rapidly, with numerous new regulations aimed at increasing transparency and encouraging good sustainable investment practices.

- **Article 29 of the French Law**

Article 29 of the energy-climate law on extra-financial reporting of market participants ("Article 29") published in 2019 has sought to articulate European and French requirements with the aim of clarifying and strengthening the provisions of Article 173 (law on energy transition for green growth) while focusing on climate change and biodiversity-related risk. It also aims to draw lessons from the experience acquired over the past five years in publishing extra-financial reports.

Since 2016, SCOR Investment Partners already reported all its extra-financial information in accordance with Article 173 with:

- A full description of ESG criteria taken into consideration ;
- the analysis performed on ESG criteria ;
- detailed methodology for sustainable analysis ;
- the results of the ESG analysis.

With Article 29 coming into force in 2021 and replacing the requirements of Article 173, three key areas have been covered since 2021:

- Climate, with the need for companies to disclose alignment strategies and quantitative GHG objectives with the Paris Agreement as well as the degree of alignment with EU Taxonomy ;

[9] Ex-SCOR Sustainable Euro High Yield

[10] The Feeder Fund does not hold the label but invests in the Master Fund which holds the LUXFLAG ENVIRONMENT Label – Applicant Fund Status

- biodiversity, with the disclosure of alignment strategies and quantitative international biodiversity protection objectives ;
- integration of ESG factors in risk management, governance, and transition measures for all market participants.

A SCOR Investment Partners sustainable investment report has been published in accordance with the provisions of Article 29 of the Energy-Climate Law; it includes the statement on the main negative impacts of investment decisions on sustainability factors as required by the SFDR.
SCOR Investment Partners has also released sustainable investment reports (Art. 29) for the following funds:

- SCOR ILS FUND – Atropos ;
- SCOR ILS FUND - Atropos Catbond Fund ;
- SCOR ESG Euro High Yield[11] ;
- SCOR Sustainable Euro Loans[12].

- **European Taxonomy**

The European Taxonomy is one of the cornerstones of the European Union's sustainable finance strategy. It provides a classification of economic activities that enables investments to be directed towards environmentally sustainable activities. An activity is considered sustainable if it has at least one of the following objectives:

- Climate change mitigation ;
- adapting to climate change ;
- sustainable use and protection of water and marine resources ;
- transition to a circular economy ;
- pollution prevention and control ;
- protection and restoration of biodiversity and ecosystems.

The taxonomies for water, circular economy, pollution and biodiversity were published in June 2023.

European regulations encourage companies to publish the proportion of their activities aligned with the taxonomy, based on revenues, capital expenditure or operating expenses. Depending on their characteristics, funds may be subject to disclosure requirements detailed in the taxonomy.

- **The Sustainable Finance Disclosure Regulation**

The European Regulation (EU) 2019/2088 also called Sustainable Finance Disclosure Regulation (SFDR), published in November 2019, has created new sustainability transparency obligations for market participants. This regulation is part of a package with the European taxonomy and the European standards on green bonds. The aim of the SFDR is to improve transparency on the risks and impacts of sustainability factors when providing investment management or advisory services. It will allow for more transparency and comparability by aligning commercial documents.

The SFDR transparency requirements apply in parallel at two levels: asset management companies and investment products. The regulation requires asset managers to disclose their consideration of sustainable risks. The requirements related to companies have been clarified in the Delegated Regulation (EU) 2022/1288, also called SFDR level II or RTS, published in April 2022. The text describes the Principal Adverse Impact (PAI) to be considered by the asset

[11] Ex-SCOR Sustainable Euro High Yield
[12] Ex-SCOR Sustainable Euro Loans

management company. These PAI must be disclosed annually. This was published in the 2023 Sustainable Investment Report on FY 2022.

For funds, disclosure requirements (pre-contractual and periodic information) depend on the type of product:

- Article 6: the product does not promote environmental and/or social characteristics and does not have a sustainable investment objective. It only describes how sustainability risks are integrated and the assessment of their impact.
- Article 8: the product promotes environmental or social characteristics, or a combination of both, provided that financed companies or projects follow best governance practices. Information on how these characteristics are met must be published.
- Article 9: the product has a sustainable investment objective. An explanation of how this objective is to be achieved must be provided.

It is up to each financial player to define in which category its funds fall into. Figure 8 below provides a list of SCOR Investment Partners funds open to third parties and falling within the scope of the SFDR.

Figure 8: list of funds open to third-party investors

	SFDR classification as at 01/06/2025		
Fonds	**Article 6**	**Article 8**	**Article 9**
SCOR ESG Euro High Yield[13]		•	
SCOR FUNDS - ESG Euro Short Term Duration High Yield		•	
SCOR FUNDS - Europe High Yield	•		
SCOR FUNDS Green Bonds		•	
SCOR Senior Euro Loans[14]		•	
SCOR Euro Loans Natural Capital			•
SCORLUX - SCOR European Senior Loans	•		
SCORLUX - SCOR Global Loans	•		
SCOR ILS FUND - Atropos	•		
SCOR ILS FUND - Atropos Catbond Fund	•		
SCOR ILS FUND - Atropos Plus	•		
SCOR Infrastructure Loans III		•	
SCORLUX Infrastructure Loans IV			•
SCORLUX High Income Infrastructure Loans		•	
SCORLUX High Income Infrastructure Loans II			•
SCOR Real Estate Loans IV		•	
SCOR Real Estate Loans V			•

[13] Ex-SCOR Sustainable Euro High Yield
[14] Ex-SCOR Sustainable Euro loans

- **MiFID II**

The MiFID II (Markets in Financial Instruments) regulation completes the MiFID regulation, implemented in 2007, with the objective of offering more protection to investors. The main focuses of the regulation are the governance of financial instruments, the traceability of transactions, and the adequacy of the product offering according to customer profiles. The regulation has been reviewed within the framework of the European Action Plan on Sustainable Finance in order to integrate the sustainability preferences of clients.

This is reflected in:

- The publication of EETs (European ESG Template) that standardize the sharing of funds' ESG data. SCOR Investment Partners provides EETs for open-ended funds on request ;
- modification of the suitability test to incorporate clients' sustainability preferences.

In addition to the regulatory requirements, SCOR Investment Partners completes on an annual basis:

- The annual PRI reporting on sustainable investment, as an individual signatory ;
- the CDP (Climate Disclosure Project) questionnaire on climate change, as part of the publication completed by the SCOR group.

In 2024, SCOR Investment Partners published its first CSR report (link)

VI. 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 (through working groups within the initiatives mentioned above) keep it constantly informed on sustainable finance latest developments. 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.

The Sustainable Investment Team ensures that all people involved in sustainable investing are well trained. In addition, all portfolio managers receive a quarterly update on sustainable finance and regulation. Periodic training sessions on ESG topics are given to all SCOR Investment Partners employees.

Every year, numerous initiatives are brought to the attention of SCOR group employees to make them aware of non-financial issues, such as disability awareness, promoting cultural diversity and climate change.

SCOR
INVESTMENT PARTNERS

To learn more about SCOR Investment Partners's strategy, goals, commitments, and markets visit our website
www.scor-ip.com

and follow us on in

Client Service
+33 (0)1 53 64 65 50
scorip.sales@scor.com