

2019
Sustainability Report

Accelerating sustainable progress



In this report we introduce our enhanced Group Sustainability Strategy and describe the actions we have taken to accelerate sustainable progress.



About the front cover

"Mitigating climate risk and advancing the energy transition" is a key ambition of our Group Sustainability Strategy. In this report you can find out more about the strategy and the risk transfer solutions we developed in 2019.

- For further information, please see pages 9–14 and 25–31.

Website

 [reports.swissre.com/
sustainability-report/2019/](http://reports.swissre.com/sustainability-report/2019/)

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Executive statement

Walter B. Kielholz

Chairman of the Board of Directors



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Dear stakeholders,

The year of 2019 was an important one for sustainability. The momentum around the topic has increased noticeably, especially with regard to climate change. While this has raised expectations on businesses, it is also creating new opportunities for positive action. Particularly in our regular interactions with clients and brokers, investors and regulators, we have noticed rapidly growing awareness of sustainability as a key long-term value driver.

We believe that with our enhanced Group Sustainability Strategy we have positioned ourselves well to address pressing sustainability challenges and benefit from related opportunities for our business. The strategy builds on our successful track record and further sharpens our commitment. It clearly defines sustainability as a strategic, long-term value driver and embeds this approach throughout our re/insurance value chain. It thus supports our ability to meet our vision to “make the world more resilient”, which gives our company a strong sense of purpose benefiting all our key stakeholders.

You can find out more about our Group Sustainability Strategy and its key elements in this report, on pages 9–14.

Climate change has long been a key sustainability topic for Swiss Re, since it can have strong long-term implications for the re/insurance business. Tackling the issue effectively will be challenging and require a true multi-stakeholder effort.

We are determined to support this effort and to help set the agenda. In 2019, we made three important commitments to achieve net-zero CO₂ emissions:

- Across the whole Swiss Re Group by 2050, as a signatory to the UN Global Compact Business Ambition for 1.5°C
- In our investment portfolio by 2050, as a founding partner of the UN-convened Net-Zero Asset Owner Alliance
- In our own operations already by 2030

Below we would like to highlight some of the concrete actions we took during the reporting year to implement our Group Sustainability Strategy.

In our core re/insurance business, we made some important steps towards decarbonising our business model. Through our Sustainable Business Risk Framework, we continued with the implementation of our thermal coal policy, with the aim of reducing our exposure to thermal coal utilities and mining. We also



worked with peers to develop a robust carbon footprinting methodology, which will allow us to measure and address the carbon risks embedded in our re/insurance business. As a next step, we will start shifting away from the most carbon-intensive risks in the oil and gas industry over the next years.

In our asset management, we systematically integrate environmental, social and governance (ESG) criteria across our whole investment portfolio. This makes economic sense and helps the real economy to shift to a more sustainable path. As a co-founder of the UN-convened Net-Zero Asset Owner Alliance, we also joined the Science Based Targets Initiative and will develop and apply science-based emissions reduction targets. After reaching our goal of holding green bonds of at least USD 1.5 billion, we expanded our commitment to include social and sustainability bonds and set ourselves a new goal of USD 4 billion to be reached by the end of 2024.

Achieving net-zero emissions in our own operations by 2030 is a challenging ambition. After more than halving our CO₂ emissions per employee since 2003 and offsetting all our remaining emissions, it requires us to further double down on our reduction efforts. All remaining emissions then need to be removed from the atmosphere and stored permanently. We tackle this challenge by supporting nascent carbon removal technologies, and in 2019 completed our first purchase of carbon removal certificates generated by a pioneering biochar project in Finland.

Through our Group Sustainability Strategy we focus on a number of specific topics: climate change, renewable energy, health, agriculture and infrastructure – while seeking to use the possibilities offered by digitalisation. In this report, you can read about a selection of transactions we completed in 2019 to offer our clients effective re/insurance protection against risks in these areas. The transactions span

developed as well as emerging countries, private- as well as public-sector clients. Working in close partnership has again proved to be essential for creating solutions that meet our clients' needs.

Exchanging know-how on workable solutions and addressing gaps as part of a true multi-stakeholder approach is essential to tackle sustainability challenges. This is why we place great emphasis on regular dialogue with our stakeholders. Swiss Re Institute plays an important role in this: combining our internal expertise with world-class research, it serves as the platform for our high-quality conferences and publications, including the *sigma* series and the annual SONAR Report. Often, our senior managers join the debate, for example by sharing their views on specific topics in blogs or at major conferences. On the following pages, you can read summaries of various dialogue highlights from 2019.

As part of our stakeholder engagement, we continue to be a member of the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Technical Expert Group (TEG) on Sustainable Finance. Both bodies are working on important frameworks

Our Sustainability Report continues to serve as the official disclosure document for two voluntary commitments we have made to the United Nations: the UN Global Compact and the UNEP FI Principles for Sustainable Insurance. You can view the fully-linked reference tables in the online version of the report. We will continue to honour both commitments as part of our Group Sustainability Strategy and report on our activities to meet their principles.

guiding the future development of sustainability, chiefly disclosures, standards or legislative proposals.

We would like to conclude by thanking our employees for the great work they have delivered for Swiss Re day in and day out. The initiatives and achievements we describe in this report are due to their commitment and know-how. Our goal, in turn, is to offer our employees an attractive, inclusive and cooperative work environment that inspires them to shape viable responses to the big issues we all face, thus creating long-term value for all of our stakeholders.

Zurich, 19 March 2020


Walter B. Kielholz

Chairman of the Board of Directors


Christian Mumenthaler

Group Chief Executive Officer

Who we are and what we do

Our vision: We make the world more resilient.

Swiss Re at a glance

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing directly and working through brokers, our global client base consists of insurance companies, mid- to large-sized corporations and public-sector clients. From standard products to tailor-made coverage across all lines of business,

we deploy our capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend.

Working with our clients and partners, we help to protect assets and lives around the globe – for a resilient future.

Headquartered in Zurich, Switzerland, Swiss Re has operations across the world.

Our global presence

Net premiums earned and fee income in 2019 (USD billions)	12.0 (USD 11.0 billion in 2018)
Number of office locations* as of 31 December 2019	34 (33 in 2018)
Number of employees (regular staff) as of 31 December 2019	9565 (9099 in 2018)

* Counting each location with offices once; not counting data centres

At the end of 2019, we had 80 office locations in more than 30 countries. Based on “net premiums earned and fee income from policyholders”, our ten biggest markets in 2019 were: the US, the UK, China, Australia, Japan, Germany, Canada, Switzerland, Ireland and France. They accounted for approximately 79% of the Group’s total business over the year.

Swiss Re Ltd, the Group’s holding company, is a joint stock company, listed in accordance with the International Reporting Standard on SIX Swiss Exchange, domiciled in Zurich, and organised under the laws of Switzerland. No other Group companies have shares listed.

Our strategy

Our Group strategy helps us meet our financial targets and to make the world more resilient.

You can get more information on our strategy in the 2019 Business Report at: reports.swissre.com/2019/business-report/our-business/our-strategy.html.

Americas	Asia-Pacific	Total
18.2 (USD 16.2 billion in 2018)	8.4 (USD 7.3 billion in 2018)	38.6 (USD 34.5 billion in 2018)
33 (34 in 2018)	13 (15 in 2018)	80 (82 in 2018)
3418 (3 624 in 2018)	2418 (2 220 in 2018)	15 401 (14 943 in 2018)

The Swiss Re Group

Reinsurance

Reinsurance provides clients and brokers with reinsurance products, insurance-based capital market instruments and risk management services. Reinsurance operates globally through two segments – Property & Casualty and Life & Health.



Corporate Solutions

Corporate Solutions provides risk transfer solutions to large and mid-sized corporations around the world. Its innovative, highly customised products and standard insurance covers help to make businesses more resilient, while its industry-leading claims service provides additional peace of mind.

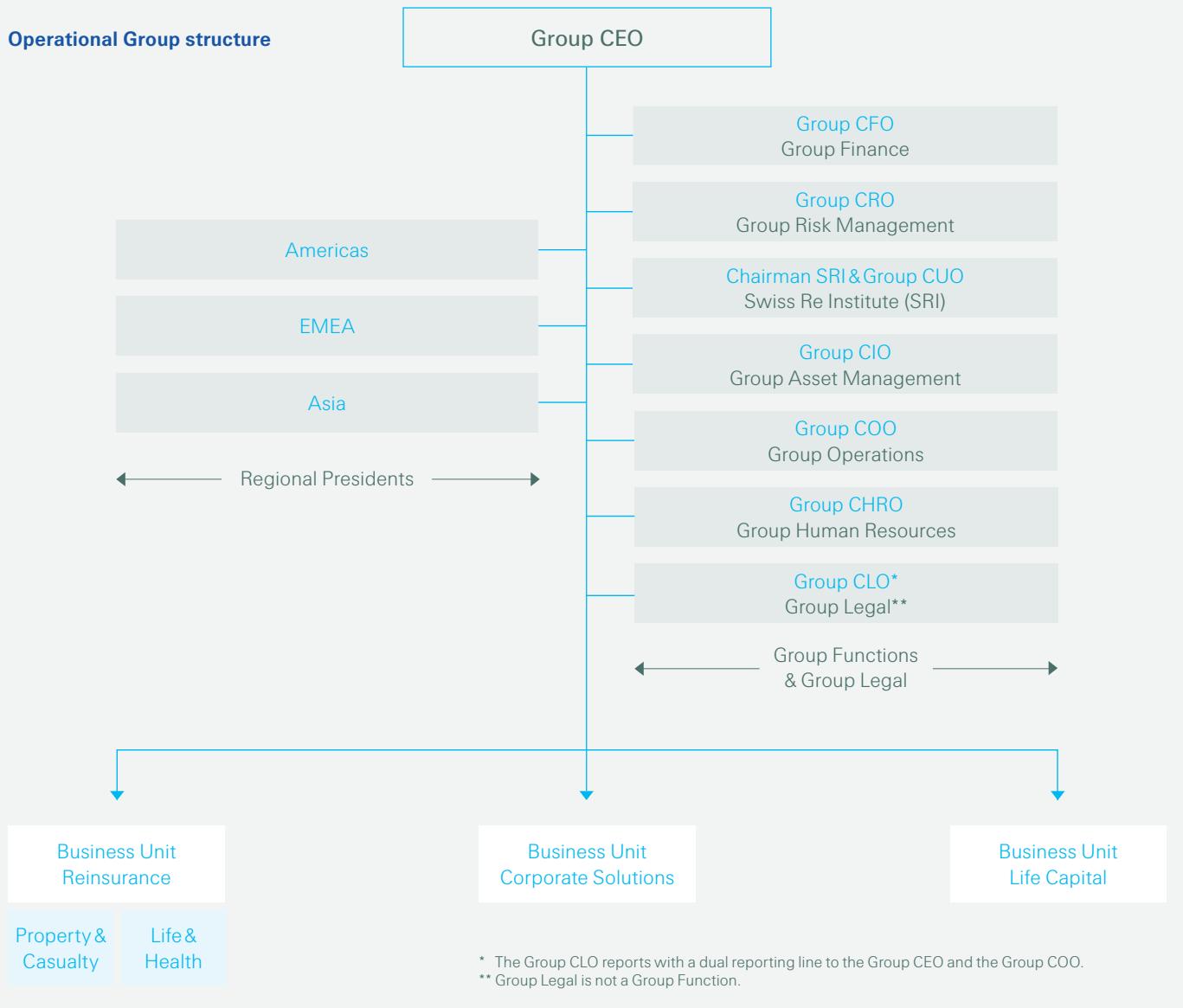


Life Capital

Life Capital supports and incubates entities in the B2B2C primary business, B2B corporate business as well as the closed book space.* As a key part of Swiss Re's strategic growth plan, Life Capital provides alternative access to new Life & Health and Property & Casualty risk pools. It creates simple and transparent digital propositions that make insurance products simpler and more accessible, helping boost the business of our partners.

* Following completion of the sale of ReAssure, pending the required regulatory approvals, Life Capital will focus on its open book businesses.

Operational Group structure



The financial figures in the table at the top provide information on the scale of the Swiss Re Group and income generated: total capitalisation broken down in terms of debt and equity, sales/revenues, operating costs and net income.

The information in the lower table shows the distribution of Group income to key stakeholders (employees, government taxes and shareholders).

Financial highlights

	2018	2019
Total assets	207 570	238 567
Total investments	147 302	103 746¹
Total liabilities	178 843	207 530
Total debt	10 135	10 323
Common shareholders' equity	27 930	29 251
Total revenues	37 047	49 314
Premiums earned and fee income	34 461	38 594
- P&C Reinsurance	16 095	19 275
- L&H Reinsurance	12 835	13 004
- Corporate Solutions	3 925	4 166
- Life Capital	1 606	2 149
Net investment income – non-participating business	4 075	4 171
Total expenses	-36 497	-48 405
Claims and claim adjustment expenses	-14 855	-18 683
Life and health benefits	-11 769	-13 087
Net income	421	727

¹ The Group agreed to sell its subsidiary ReAssure Group plc in December 2019 to Phoenix Group Holdings plc. The corresponding held for sale assets and liabilities, including investments and debt are separately disclosed on the balance sheet. Further details on the agreed sale are provided in Note 11 "Assets held for sale" of the 2019 Financial Report, page 249.

Attribution of Group income to key stakeholders

	2018	%	2019	%
Income before tax and variable compensation	863	100%	1 218	100%
Variable compensation ¹	373	43%	351	29%
Income tax expense	69	8%	140	11%
US GAAP net income attributable to shareholders	421		727	
of which paid out as dividend ²	1 659	192%	1 766	145%
of which share buyback	1 020	118%	1 010³	83%
of which added to retained earnings within shareholders' equity	-2 258		-2 049	

¹ Aggregate compensation for all employees was CHF 2 310 million in 2019. See 2019 Financial Report, page 142.

² FY 2019 is estimated based on the average monthly CHF/USD FX rate as of February 2020. The dividend is subject to AGM approval and the amount depends on the final number of dividend eligible shares and FX rates upon dividend payout.

³ Includes shares bought back between 6 May 2019 and 18 February 2020 as part of the buyback programme authorised at the AGM 2019. The total amount represents an estimate translated at the respective period average rate.

Our approach to sustainability

Through our Group Sustainability Strategy, we aim to reinforce our efforts to make the world more resilient and sustainable, thus helping to maintain our competitiveness today and in future.



Swiss Re has a long-standing commitment to being a responsible company. In our understanding, a guiding principle of acting responsibly is to take a long-term view and play our part in enabling sustainable progress, to the benefit of our clients and society at large. This principle is integrated into our value framework as part of what we call “doing business the Swiss Re way” and into our Code of Conduct.

Group Sustainability Strategy

Feedback from our stakeholders confirms that Swiss Re is widely regarded as a sustainability leader, reflecting our many achievements to date. It is notable, however, that the momentum around sustainable development has intensified recently, opening up new opportunities to businesses for decisive action. Building on our successful track record, our Group Executive Committee has thus decided to further strengthen our efforts and to develop an enhanced Group Sustainability Strategy.

This enhanced strategy defines sustainability as a strategic, long-term value driver and embeds this approach throughout our re/insurance value chain. At its core, it involves managing and monitoring risks and opportunities associated with environmental, social and governance (ESG) issues. Sustainable re/insurance covers both the liability and the asset side of our balance sheet, our own operations and dialogue with our stakeholders. In our core business, it aims to develop innovative solutions, improve business and investment performance on a risk-adjusted basis, and thus to contribute to environmental, social and economic sustainability.

Website



Learn more about our vision, mission and values at:
[www.swissre.com/about-us/
our-vision-mission-and-values.html](http://www.swissre.com/about-us/our-vision-mission-and-values.html)

Key elements of our Group Sustainability Strategy

At its highest level, the strategy states our **Sustainability Mission**, derived from Swiss Re's vision of making the world more resilient, to the benefit of all our key stakeholders. It expresses what we do and what we aim for:

“

We insure, invest, operate and share our knowledge in a way that tackles sustainability challenges and creates long-term value.

Our **2030 Sustainability Ambitions** provide this mission with topical focus areas. Initially, we have selected three overarching ambitions that describe how we can have a significant positive impact in terms of supporting sustainability and strengthening resilience (see pages 12–13 for further details):

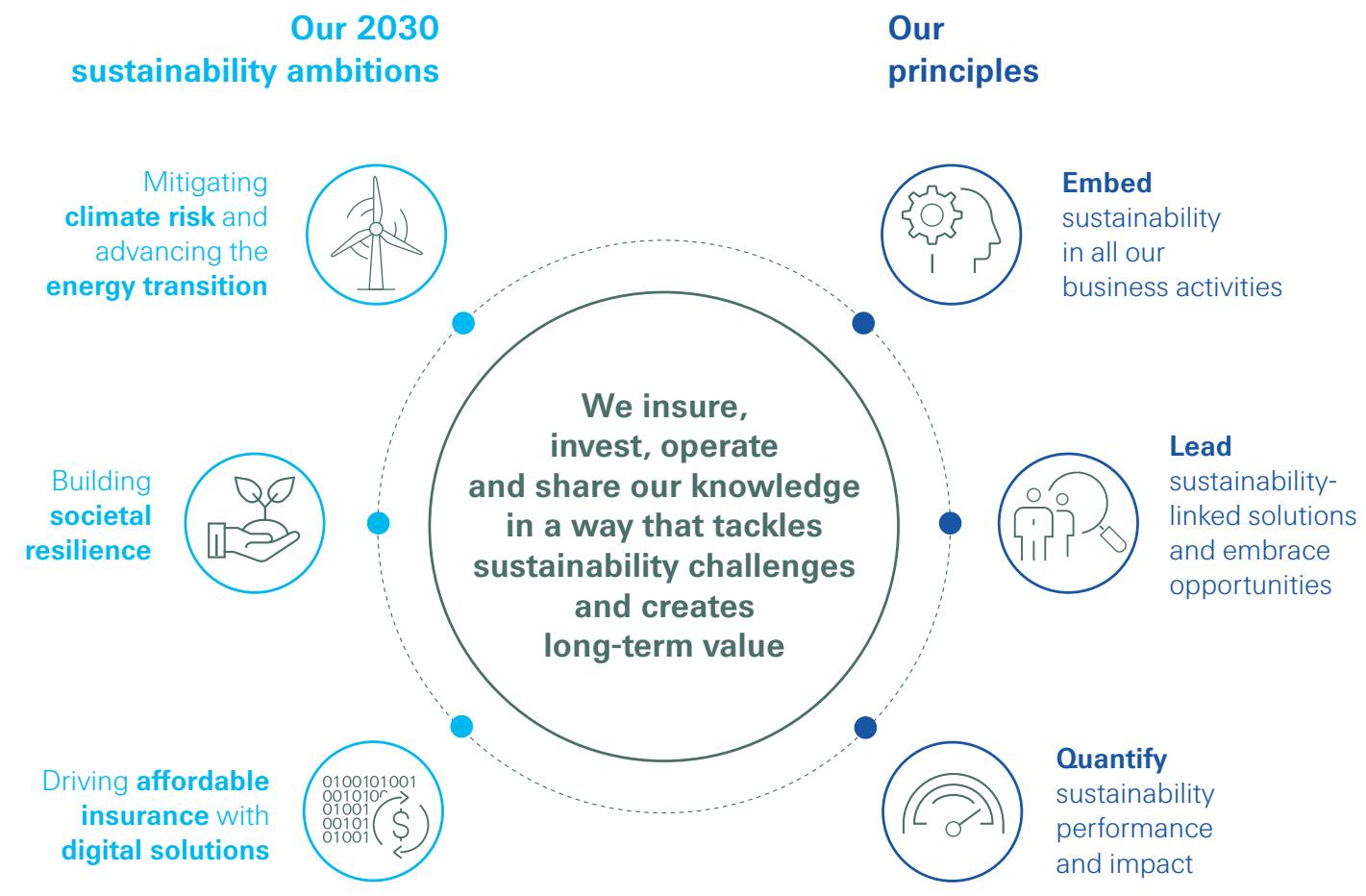
- Mitigating climate risk and advancing the energy transition
- Building societal resilience
- Driving affordable insurance with digital solutions

Finally, we have defined three **Principles** to guide our practical work:

- Embed
- Lead
- Quantify

Our approach to sustainability

The illustration below shows how the elements of our Group Sustainability Strategy interact with each other:



Adjusting our terminology

Reflecting our enhanced Group Sustainability Strategy and its accelerating relevance for our business, we have changed our terminology and replaced our former umbrella term of "corporate responsibility" with "sustainability". In line with this change, our annual review is now called Sustainability Report instead of Corporate Responsibility Report.

You can learn more about our Group Sustainability Strategy and related aspects on the following pages: the crucial link between sustainability and resilience (page 11), our three 2030 Sustainability Ambitions (pages 12–13), our Climate Action Plan (page 12), our approach to the UN Sustainable Development Goals (page 14) and the full, adjusted set of our Sustainability Topics with related targets (pages 16–19).

Website



Learn more about our Group Sustainability Strategy at:

www.swissre.com/sustainability/group-sustainability-strategy.html



Swiss Re's vision is to make the world more resilient, thus enabling communities to quickly bounce back after a disaster. Through our Group Sustainability Strategy we help reduce risks that may weaken resilience and develop re/insurance solutions offering protection against them.

Resilience and sustainability: the link

Making the world more resilient is Swiss Re's vision. Sustainability as a strategic priority supports our ability to meet this vision. Here's how:

Resilience describes the ability of individuals, organisations, communities and entire societies to bounce back after major setbacks such as financial or human loss due to natural disasters, pandemics and other risks. Effective re/insurance protection plays a vital role in strengthening this ability.

Sustainability denotes the principle of achieving economic and social development that can be maintained in the long term, ie without overusing precious resources. Major challenges that undermine sustainable development, eg climate change, insecure food supplies, health funding gaps, ageing infrastructure etc. can weaken resilience because they create new risks or aggravate existing ones, further widening the protection gap.

Our focus on sustainability seeks to identify and address the challenges that threaten stable long-term development. From the perspective of a re/insurer this

translates into offering protection against such risks where viable, supporting efforts to reduce them and to prevent them ("adaptation" and "mitigation"). This in turn helps strengthen resilience.

Finally, companies that make sustainability a priority across all aspects of their businesses are better qualified to adjust to the changing risk landscape – they become more sustainable themselves. In Swiss Re's own case, this enhances our long-term prospects of continuing to meet our vision of making the world more resilient.

2030 Sustainability Ambitions



Mitigating climate risk and advancing the energy transition

The effects of climate change are already evident and impacting our risk landscape: warmer average temperatures, rising sea levels, longer and more frequent heatwaves, as well as more intense precipitation events. These phenomena are becoming the new normal and will increasingly impact our way of life, our health and our natural environment. Urgent questions we need to ask are how to tackle climate change, how to advance the transition to renewable energy, and how we can best adapt to and mitigate climate risk.

Our response

Swiss Re's main responses to this challenge are to make societies more resilient to the growing risks of climate change and natural hazards, as well as evolving our way of doing business

towards net-zero carbon emissions by 2050, in line with the Paris Agreement. We do this in a number of ways.

With our underwriting and innovative re/insurance solutions, we can help communities and businesses get back on their feet quickly after a disaster, as well as prepare them for more frequent and severe climate impacts.

We build partnerships with clients and governments to develop scalable solutions to mitigate and adapt to climate change. This includes offering solutions that support the transition to more sustainable, low-carbon energy systems by managing the risks associated with renewable energy projects and making them more attractive to investors with re/insurance backing. Overall, it is our goal to be a leading re/insurance capacity provider for the development of renewable energy solutions.

Furthermore, we promote sustainable practices in our own operations to demonstrate good stewardship, lead by example and drive long-term performance. We have adopted a holistic strategy to responsible investing, including investment practices for our assets to consider environmental, social and governance (ESG) criteria in our investment decisions. Limiting global warming is part of this effort, and we are reinforcing it by further reducing our own carbon footprint across our operations, investments and re/insurance offerings.

We are implementing our Group Sustainability Strategy through a structured process and are currently working on bringing it to life by defining targets, metrics and actions for our three 2030 Sustainability Ambitions. Adopting a sequential approach, we have first started to develop a Climate Action Plan, which also serves as our climate strategy (see below).

Our Climate Action Plan

Swiss Re first detected the potential long-term challenges posed by climate change some 30 years ago. Consequently, it has become our most important sustainability issue: For a re/insurer, climate change constitutes a key topic because it leads to an increase in the severity and a change in the patterns of natural catastrophes such as windstorms, floods, excessive rainfall, heatwaves and drought. In combination with growing asset concentrations in exposed areas and more widespread insurance protection, this will cause a steady rise in losses.

Climate change continues to be an essential element in our enhanced Group Sustainability Strategy: "Mitigating climate risk and advancing the energy transition" is one of our three overarching 2030 Sustainability Ambitions. In the process launched to define metrics and setting targets, we have put the initial focus on this topic and started to develop a Climate Action Plan.

Building on our commitments and initiatives of recent years, our Climate Action Plan, which also serves as our climate change strategy, combines three objectives:

1. We aim to become the leading re/insurance company on physical climate risk.
2. We aim to become a leading provider of re/insurance solutions for low-carbon transition opportunities.
3. We build partnerships to develop scalable solutions to mitigate and adapt to climate change.

For specific targets related to these objectives, take a look at the "Mitigating climate risk and advancing the energy transition" section on pages 16–17. We will report against these targets in our 2020 Sustainability Report.

Key achievements of 2019

Below you can see a selection of key actions we took in 2019 that are relevant for our Climate Action Plan, with references to further content in the report:

- We committed to net-zero emissions on the liability and asset side of our balance sheet by 2050 (pages 33 and 47).
- We committed to net-zero emissions in our own operations already by 2030 (page 57).
- We continued to implement our thermal coal policy in the treaty business. In 2019, we had over 300 engagements with clients across the globe on the topic of thermal coal (page 35).
- Many of our clients have introduced a thermal coal policy of their own and are helping us reduce our carbon exposure in our treaty business (page 37).
- We took a further important step in the development of our carbon steering mechanism and developed a policy to shift away from the most carbon-intensive oil and gas production (page 35).



Building societal resilience

Technological and economic development, population growth, ageing populations

and other societal trends are increasingly putting people and assets at risk. Swiss Re's responsible investment strategy, as well as its work in the areas of health and longevity, agriculture and infrastructure represent some of the ways we help build societal resilience and reduce related vulnerabilities.

Our response

Today, billions of people are either uninsured or underinsured for life and health risks. Health gaps are widening, such as those caused by our ageing populations or chronic illnesses like diabetes. At the same time, as the world population increases, so too must global food production. But climate change and rising food prices pose a serious threat, not least to farmers and the agricultural industry. We share our knowledge, apply new technologies and partner with clients and other stakeholders to come up with innovative solutions to address these challenges. To this end, our goal is to ensure health and wellbeing across all age groups, as well as affordable and sustainable agriculture to enhance the livelihood of society.

Furthermore, economic growth depends on investment in infrastructure. However, the funding gap for both maintaining existing infrastructure and building new infrastructure is widening. As a re/insurer and long-term investor, we both underwrite the projects needed – from transport infrastructure to urban spaces or renewable energy infrastructure – and provide capital to infrastructure projects to help narrow the financing gap.



Driving affordable insurance with digital solutions

By embracing the opportunities offered by new

technologies and the digital transformation, we aim to develop solutions that make insurance more affordable, accessible and available to customers. Technology not only allows us to deliver greater efficiencies through the entire insurance value chain, but also to provide innovative insurance covers and share our risk knowledge more widely.

Our response

Our goal is to use technology to provide affordable insurance for more types of risks and across broader income levels. Technology can help streamline processes, which eventually leads to more customer-friendly access to insurance and more affordable coverage. Another benefit comes from utilising our parametric solutions to speed up claims payments to customers, eg via their smart devices. Ultimately, we want to help close the protection gap by offering risk cover to a greater number of individuals through a simplified insurance value chain.

By combining smart analytics and devices we can enhance our risk knowledge as well as advice to customers to improve risk prevention, mitigation and crisis management. For example, we can improve our natural catastrophe modelling and understanding of risk exposures by combining our proprietary, internal data sources with external ones. Furthermore, customers can benefit from education and behaviour change platforms that provide advice on nutrition, exercise, sleep and other activities.

While creating new possibilities to deliver value directly to our customers and closing protection gaps, leveraging technology and using big data also raises some questions. Various regulators around the world have started to evaluate the need for regulations on the topic of big data and digital responsibility or have issued first guidelines. At Swiss Re, we seek to understand and proactively address the digital challenges surrounding the digital transformation, including developing digital best practices and integrating digital responsibility aspects into our solutions and businesses to manage the risks of digital societies.

Our approach to the UN Sustainable Development Goals

Swiss Re endorses the UN Agenda 2030. Since the Sustainable Development Goals (SDGs) were launched in 2015, we have continuously refined our approach to using the SDG framework and defining how our business contributes to achieving the goals.

We started by mapping the SDGs to our Sustainability Topics (formerly Corporate Responsibility Topics), clearly showing where we contribute to the SDGs (see table on pages 16–19).

We then explored how to use our Group Sustainability Strategy to further align our activities with the SDGs, and understand related strengths, opportunities and risks.

We have analysed our Reinsurance Underwriting Portfolio from an SDG perspective and will use the insights for our portfolio steering. As we look to develop further products supporting sustainability, an important criterion will be how we can contribute to the SDGs.

As part of our responsible investment strategy, we have developed an approach to measuring the impact of our thematic investments and aligning it to the SDGs (see page 44).

Going forward, we will further focus on mapping, measuring and disclosing our SDG contributions and impacts. Below you can see all the SDGs we address through our activities:

SUSTAINABLE DEVELOPMENT GOALS

 [www.un.org/
sustainabledevelopment/](http://www.un.org/sustainabledevelopment/)



Our external commitments

Based on our commitment to sustainability, we have committed to a number of external charters and initiatives:

- Paris Pledge for Action, see page 33
- UN Global Compact Business Ambition for 1.5°C, see page 33
- Net-Zero Asset Owner Alliance, see page 47
- IDF commitment with UN Development Programme, Germany and the UK, see page 50
- UN Global Compact: for our Communication on Progress, see online report

- UNEP FI Principles for Sustainable Insurance (PSI): for our Public Disclosure of Progress, see online report
- Principles for Responsible Investment (PRI): see page 47
- Task Force on Climate-related Financial Disclosures (FSB-TCFD): see 2019 Financial Report, pages 151–167
- ClimateWise (www.cisl.cam.ac.uk/)
- RE100: see page 59
- EP100: see page 59
- CDP (formerly Carbon Disclosure Project) (www.cdp.net)

How we determine materiality

A key question for any company that seeks to advance sustainability is what this means in the context of its own business and industry: which topics are “material” to achieving this goal?

In order to identify these material Sustainability Topics, we use both our internal risk expertise and ongoing dialogue with our stakeholders.

Insights from our internal risk expertise

As a leading re/insurer, we act as ultimate risk-taker in society, which requires us to have a very sound understanding of the risk landscape. This risk expertise embedded in our company and the deep understanding of re/insurance markets also give us a solid foundation to identify material sustainability issues. In many areas of our business, we have special teams, functions and processes to identify and address issues relevant to sustainable development.

In our core re/insurance business there are units such as our Public Sector Solutions global function, the Weather, Agro & MGA team in our Corporate Solutions Business Unit, the P&C Structured Solutions team in our Reinsurance Business Unit and many more that identify underinsured markets and risks, and seek to expand re/insurance protection through commercially viable solutions.

In our risk management, meanwhile, we have a process and the capabilities to identify risks we feel we should not re/insure, be it for ethical reasons, because they might increase loss potential, or both. We conduct this analysis through our Sustainable Business Risk Framework and other tailor-made risk management tools.

We also maintain a formal process to identify emerging risks called SONAR (systematic observation of notions associated with risk). This enables us to spot, at an early stage, newly developing or changing risks that may have a significant impact on our business, including risks related to sustainability issues.

Insights from dialogue with our stakeholders

Our role as ultimate risk-taker in society means that we have an intrinsic interest in maintaining active and ongoing dialogue with our key stakeholders. Generally speaking, this dialogue works in both directions: Our partners expect us to share our risk expertise, thus helping them – and society at large – to form effective responses. In turn, we also benefit from this exchange because it helps us sharpen our understanding of key risks, including sustainability issues, and to set priorities.

With regard to such issues, we consider the following groups as our principal stakeholders:

- Clients: cedents, brokers, corporate clients, government entities, multilateral organisations
- Financial community: investors/ shareholders, rating agencies, shareholder associations, stock exchanges
- Employees
- Political and legal entities: multilateral organisations (UN), governments, regulators, standard-setting boards
- Civil society: general public, NGOs, academia

Swiss Re Institute plays a key role in our stakeholder dialogue. It incorporates successful Swiss Re brands, such as the *sigma* publication series and the Centre for Global Dialogue, our in-house conference venue in Rüschlikon near Zurich. Swiss Re Institute acts as a coordination point for research output from research-focused business lines within Swiss Re and from external partners. Our renowned expertise publications form another important element of our stakeholder dialogue.

Complementing the insights we gain directly through dialogue with our stakeholders, we also evaluate and use data provided by specialised third-party organisations such as RepRisk (www.reprisk.com), Sigwatch (www.sigwatch.com), MSCI (www.msci.com) and Sustainalytics (www.sustainalytics.com), as well as the results of academic research.

Our process to identify Sustainability Topics

When identifying our material Sustainability Topics, we draw both on our internal, embedded risk expertise and the insights we gain from our stakeholder dialogue. In addition, we take into account the views of various standard-setters on materiality, eg: reporting requirements, materiality definitions by sustainability rating agencies, multilateral discussions such as the UN Sustainable Development Goals (see page 14), relevant academic research and regulatory developments.

As part of our enhanced Group Sustainability Strategy, we reviewed the materiality of our Sustainability Topics (formerly Corporate Responsibility Topics). In doing so, we tapped the key sources described above and conducted the following steps:

- Benchmarking and gap analysis by the Group Sustainability Strategy project core team
- Interviews and roundtable discussions with key internal decision-makers
- Exchanges with our sustainability risk stakeholders (eg investor meetings, events at the Centre for Global Dialogue, project- and business-related interactions) and external experts (academia, NGOs, consulting firms)
- Revised list of material topics finalised by Group Sustainability Risk unit, based on Group Sustainability Strategy and former list of material topics

Our Sustainability Topics, SDG links, targets & key achievements

For all of our Sustainability Topics we have set targets – some of them quantitative, others qualitative. On the following four pages, we briefly describe why these topics are important for Swiss Re,

their principal links to the UN Sustainable Development Goals, the targets we have set for them and what we achieved during the reporting year.

Our Sustainability Topics

Mitigating climate risk and advancing the energy transition

The effects of climate change and global warming are already evident and shaking up our risk landscape: warmer average temperatures, rising sea levels, longer and more frequent heatwaves and more weather extremes. We continue to evolve our way of doing business towards a low-carbon economy in line with the Paris Agreement. Our key objectives are:

- We aim to become the leading re/insurance company on physical climate risk.
- We aim to become a leading provider of re/insurance solutions for low-carbon transition opportunities.
- We build partnerships to develop scalable solutions to mitigate and adapt to climate change.

Building societal resilience

Technological and economic development, population growth, ageing populations and other societal trends are putting people and assets in jeopardy. With our re/insurance solutions and investments we help reduce societal vulnerabilities. Our key objectives are:

- We provide affordable health and longevity solutions to our customers to ensure healthy lives and to promote wellbeing across all age groups.
- We support sustainable agriculture and enhance livelihoods across the re/insurance value chain through our risk knowledge and solutions.
- We facilitate sustainable and resilient infrastructure through our risk transfer products.

Driving affordable insurance with digital solutions

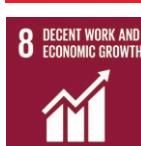
Our customers are seeking quick, intuitive and streamlined digital experiences to make their lives safer and healthier. With our digital solutions we increase the availability and affordability of re/insurance and risk knowledge worldwide. Our key objectives are:

- We leverage technology to provide affordable cover for more types of risks across all income levels and ensure efficient claims handling.
- We apply smart analytics and devices to enhance our risk knowledge and advice to improve risk prevention, mitigation and crisis management.
- We develop digital best practices, integrate ethical aspects into our digital business and provide solutions to manage the risks of digital societies.

Managing sustainability risks

Sound risk management is essential for a re/insurer. Besides the core categories of our risk landscape (insurance, financial market and credit risk), we also pay attention to other significant risks we may be exposed to, including sustainability risks. We define sustainability risks as ethical concerns related to potential environmental and socio-economic impacts of our business transactions, and the reputational risks they may entail. The risk assessments we make through our Sustainable Business Risk Framework, an advanced risk management instrument, flow directly into our re/insurance and investment decisions.

Links to the UN Sustainable Development Goals*



* Note: SDG 17 "Partnerships for the Goals" is important for most of our Sustainability Topics.

Our targets

- Completed: Based on our commitment to the United Nations, advise 50 sovereigns and sub-sovereigns on climate risk resilience by 2020 and offer USD 10 billion of re/insurance protection against this risk.
- New: As a member of the Insurance Development Forum (IDF), collectively commit to offer up to USD 5 billion of risk capacity for climate risk insurance benefiting up to 500 million individuals by 2025.
- Use our capacity and technical expertise to provide effective risk covers for complex offshore wind farm projects.
- New: Achieve net-zero emissions across the Swiss Re Group by 2050.

Key achievements

- By the end of 2019, advised a total of 120 (sub-)sovereigns on climate risk resilience and offered them protection of USD 10.0 billion, thus meeting our commitment one year ahead of schedule (page 27).
- Were involved in further offshore wind farm projects, including the first large commercial project to be constructed in France and expanding our engagement in Taiwan, Asia's most important market for offshore wind (page 30).
- Revised our oil and gas policy with the goal of shifting away from the most carbon-intensive oil and gas production in the next years. (page 35).

- In cooperation with key stakeholders, create solutions to improve food security by giving farmers protection against natural perils.
- Advance our understanding of the societal impact of insurance and develop metrics to measure our impact on stakeholders.
- New: In partnership with Women's World Banking, bring life and health insurance to two million low-income customers by the end of 2020.

- Completed a number of innovative transactions providing insurance protection to smallholder farmers against various natural perils, eg in Mexico, China and Cambodia (pages 26–29).
- Through our Group Sustainability Strategy further explored the relevance and implications of the UN Sustainable Development Goals for Swiss Re and how we can further align our activities with them, both in re/insurance and our investments (pages 14 and 44).
- By the end of 2019, brought life and health insurance protection to 219 000 beneficiaries through our partnership with Women's World Banking (page 27).

- Refine our understanding of societal challenges related to the digital transformation.
- New: Increase our digitally enabled value propositions for people and businesses, using new and evolving technologies as well as analytical capabilities, eg in the area of agriculture and natural catastrophes.

- Continued our engagement in discussions with peers, regulators, academics and trade associations on how to embrace the opportunities offered by digitalisation in a responsible and ethical way (page 53).

- Adjusted: Consistently identify new sustainability risks, adapt the Sustainable Business Risk Framework accordingly and apply it to the full scope of our business.
- Adjusted: Increase the share of structured and automated sustainability assessments in the Sustainable Business Risk process.
- Engage with clients and industry partners on how to address and reduce sustainability risks in business transactions, especially in high growth markets.

- Continued with the implementation of our thermal coal policy and sharpened our oil and gas policy, with the goal of gradually decarbonising our business model (pages 34–35).
- Recorded a small decrease in the number of transactions referred to our team of in-house experts for individual Sustainable Business Risk assessments (page 36).
- During 2019, had over 300 engagements with clients in the context of implementing our thermal coal policy (pages 35 and 37).

Our approach to sustainability

Our Sustainability Topics

Investing responsibly

Institutional investors such as re/insurers are naturally suited to invest responsibly because of the businesses' long-term nature. Swiss Re systematically integrates environmental, social and governance (ESG) considerations along the investment process through its three-cornerstones approach: Enhancement (eg by applying ESG benchmarks), Inclusion (ie thematic investments) and Exclusion.

Engaging our people

We want to be an organisation where diverse talents come together globally to apply fresh perspectives and knowledge to "make the world more resilient". For this it is imperative that we build an engaged, inclusive and agile organisation. Throughout the year, we check-in with our employees through pulse surveys to measure progress, which also gives them an opportunity to engage in dialogue and share ideas for improvement.

Ensuring good corporate governance and compliance

We consider good corporate governance as a key precondition to ensure sustainability throughout the Group's activities and indispensable to maintaining long-lasting, valuable relationships with our stakeholders. We conduct business in a legal, fair, ethical and transparent way by adhering to best practices at all times, and apply the principles of our Code of Conduct across all company lines and regions.

Reducing our footprint

As a leading global re/insurer, we are directly affected by the consequences of climate change. Based on our strong commitment to sustainability, we consider it important to reduce the environmental impact caused by our own operations, thus leading by example. Tackling our CO₂ emissions and reducing energy consumption have been key targets across the Group, reflected by our pioneering initiatives such as the Greenhouse Neutral Programme, the CO_{you2} Programme and co-founding RE100. In 2019, we took another major step by committing to reach net-zero emissions in our operations already by 2030.

Empowering communities

The Swiss Re Foundation reflects the social and humanitarian values of Swiss Re. It partners with social entrepreneurs, aid organisations, researchers, Swiss Re employees and clients to help communities increase their resilience. The Foundation's initiatives address the causes and effects of risks in three focus areas – climate risk management and natural hazards, access to health and income opportunities, and societal resilience – both in emerging and developing countries and in regions where Swiss Re has offices.

Links to the UN Sustainable Development Goals*



* Note: SDG 17 "Partnerships for the Goals" is important for most of our Sustainability Topics.

Our targets

- Integrate ESG criteria systematically along our overall investment process.
- Completed: Meet our investment target for green bonds of at least USD 1.5 billion.
- New: Hold at least USD 4 billion in green, social and sustainability bonds by the end of 2024.
- New: Achieve a net-zero greenhouse gas emission investment portfolio by 2050.

Key achievements

- At the end of 2019, close to 100% of our Strategic Asset Allocation considered ESG aspects (page 42).
- By the end of 2019, we held USD 1.8 billion in green bonds, exceeding initial goal (page 43).

- Continue to build an engaged, inclusive and agile organisation.

- Sixty-eight percent of our employees are of the opinion that Swiss Re offers an environment that is open to and inclusive of individual differences (page 72).
- Fifty-nine percent of our employees are experiencing progress on developing a more agile culture (page 72).

- Continuously assess our corporate governance against regulatory developments, best practice and new stakeholder demands.
- Manage compliance risks through maintaining adequate frameworks, delivery of effective training and awareness to our employees and oversee effective implementation within the business.

- For an overview of key focus areas and highlights in 2019, see our 2019 Financial Report (pages 80–82).
- Continued development of Compliance tools through new data analytics to improve assurance activities and build towards continuous monitoring of the Compliance Risk frameworks. Delivery of mandatory compliance training as well as risk-based targeted training also continued (pages 76–78).

- Until 2020, keep per-capita CO₂ emissions from our own operations at 2013 levels, which we had reduced by 49.3% in the ten years since 2003.
- Reduce our energy intensity by an average 2% per year until 2020.
- Obtain 100% of power used for our own operations from renewable sources by 2020.
- Have all of our tier 1 and tier 2 vendors ESG-assessed by the end of 2020.
- New: Achieve net-zero emissions in our operations by 2030.

- By the end of 2019, achieved a further reduction of our per-capita CO₂ emissions by 10.6% since 2013 (page 58).
- By the end of 2019, achieved an accumulated reduction in our energy intensity of 39.0% since 2013 (pages 58–59).
- By the end of 2019, covered 92% of our power consumption from renewable sources (page 59).
- By the end of 2019, completed ESG assessment for 35% of our tier 1 and tier 2 vendors, and during 2019 re-assessed approximately 50% of assessed tier 1 and tier 2 vendors due to expired scorecards (page 63).
- In 2019, bought first batch of 100 tonnes carbon removal certificates (page 62).

- Contribute to resilient societies by increasingly engaging Swiss Re employees with their skills and expertise.
- New: By 2021, aim to have improved financial access to basic healthcare for a total of one million low-income people.

- Added two new components to our skills-based volunteering programme. In total, Swiss Re expert volunteers supported our partners during more than 6 100 hours (for more information, see www.swissrefoundation.org).
- By the end of 2019, had helped give 500 000 people access to healthcare (for more information, see www.swissrefoundation.org).

Sustainability governance

Board of Directors

At Swiss Re's highest governance level, the Board of Directors (BoD) is responsible for overseeing the development and adoption of the Group Sustainability Strategy and related policies. Detailed tasks have been assigned to three BoD committees.

- Based on regular updates from management and the sustainability team, the Chairman's and Governance Committee monitors and reviews general progress on the Group's Sustainability Strategy including all sustainability-related external engagements.
- The Board's Investment Committee reviews Swiss Re's Asset Management activities and, as part of this, receives regular updates on Group Asset Management's responsible investing approach.
- The Board's Finance and Risk Committee defines the Group Risk Policy, reviews risk capacity limits, monitors adherence to risk tolerance, and reviews all top risk issues and exposures, including those with a specific sustainability dimension.

Group Executive Committee

While the BoD is responsible for oversight, the Group Executive Committee (Group EC) approves the implementation of the Group Sustainability Strategy.

As part of its mandate, it approves detailed sustainability policies such as the thermal coal policy introduced in 2018. Furthermore, it sets and monitors risk capacity limits (including for natural catastrophes), and determines product policy and underwriting standards. As we are implementing our Group Sustainability Strategy, we have introduced a number of qualitative key performance indicators for the Group EC and its individual members.

In order to optimise coordination at Group level, the Group EC has established a Group Sustainability Council (GSC), chaired by the Group Chief Risk Officer. The GSC is an advisory body to the Group EC. It is composed of Group EC members and further senior management representatives.

The Group EC members who head Swiss Re's Business Units and Group Functions have explicit tasks related to sustainability, which include but are not limited to the following:

- The Group Chief Risk Officer (Group CRO) is responsible for providing the BoD and Group EC with independent assurance that all of Swiss Re's risks are being appropriately modelled, governed and managed, and that adequate controls are in place. As part of executing these responsibilities, the Group CRO is charged with establishing the Group's Risk Management Framework for all risk categories, including sustainability and emerging risks. In addition, the Group CRO is also chairing the GSC. In this role, he guides the GSC coordination of sustainability activities across the Swiss Re Group.
- The Group Chief Investment Officer (Group CIO) has overall responsibility for Group Asset Management and its investment result, and with that also for the consistent integration of environmental, social and governance (ESG) aspects along the investment process. The Group CIO is responsible for investment decisions within the Strategic Asset Allocation implementation, including those related to responsible investing and is informed of ESG updates through various channels including the Asset Management Investment Committee.
- The Group Chief Financial Officer (Group CFO) is responsible for the Group-wide Finance function with a focus on steering and achieving the Group's financial targets. He is also responsible for Swiss Re's investor relations and public disclosures, including the Group Annual Report (which includes our Climate-related Financial Disclosures).
- The Chairman Swiss Re Institute and Group Chief Underwriting Officer (Group CUO) is responsible for steering capital to the most attractive areas in underwriting that are of strategic importance for the Group's underwriting, and overseeing research and development that improves both capital allocation and risk selection. The Institute's research agenda also includes sustainability and resilience-related topics.

- The Group Chief Operating Officer (Group COO) is responsible for the Group-wide operations functions. This responsibility includes overseeing Communications, Human Resources, the Corporate Real Estate & Services (CRES) division, Global Sourcing and IT. CRES steers and monitors the reduction of Swiss Re's environmental footprint and is in charge of Swiss Re's Greenhouse Neutral Programme to reduce our own CO₂ emissions as well as the new commitment to reach net-zero CO₂ emissions in our operations by 2030.

About the content of this report

We address our Sustainability Topics across the different areas of our business where they are relevant. These implementation areas are listed below and provide the basic chapter structure for our 2019 Sustainability Report:

Business solutions

Within our core business of re/insurance, we strive to develop innovative solutions that help tackle key environmental and social challenges. To achieve this, we work with our clients and partners in both the private and public sectors.

Risk intelligence

We develop and apply tailor-made tools to extend the scope of our risk management. This enables us to identify and appropriately address sustainability-related and emerging risks in our core business.

Investments

We integrate ESG criteria across our investment portfolio. Our approach is based on the three strategic pillars Enhancement, Inclusion and Exclusion.

Stakeholder dialogue

Through regular dialogue with our clients, investors and other stakeholders, we help develop effective responses to sustainability and other key issues, by raising awareness of both the risks and opportunities arising from them.

Our own footprint

We apply best-practice standards of resource management to our properties and logistic operations as well as guidelines to our sourcing activities. In doing so, we continually reduce Swiss Re's direct environmental impact.

Our people

Drawing on the know-how and experience of a diverse, multigenerational group of people, we want to ensure our employees can contribute to an organisation that is constantly looking for new ways to improve the wellbeing of society – where *how* we achieve results is as important as *what* we achieve.

Corporate governance and compliance

By adhering to the highest standards of governance and compliance, we seek to maintain effective checks and balances between the top corporate bodies and to ensure the application of laws, rules and regulations, and ethical standards in our business. Swiss Re's commitment to sustainability is fully integrated into our Code of Conduct.

Active in society

Playing an active role in society beyond our core business is important to us. Globally, we empower vulnerable communities to become more resilient to risk and, where we have offices, we encourage volunteering activities and support local institutions.

Within these core chapters, the content primarily reflects our three 2030 Sustainability Ambitions and other Sustainability Topics, as displayed and described on pages 16–19. Our activities as an active citizen in society are described in detail in the separate Activity Report published by the Swiss Re Foundation.

Online content

 A full, interactive overview showing where and how we have addressed our Sustainability Topics in 2019 is available in the online version of the report: reports.swissre.com/sustainability-report/2019/introduction/our-approach-to-sustainability/overview-implementation-in-2019.html

Report profile and reporting frameworks

Our Sustainability Report covers the whole Swiss Re Group as it was organised on 31 December 2019, ie the publicly listed holding company Swiss Re Ltd, its three Business Units Reinsurance, Corporate Solutions and Life Capital, and all directly or indirectly held subsidiaries. (On 6 December 2019, Swiss Re announced the agreement to sell ReAssure to Phoenix Group Holdings plc. The transaction is expected to close in mid-2020, subject to regulatory and antitrust approvals.)

All the main chapters of the report have received independent assurance from PricewaterhouseCoopers. Their assurance report is included on pages 82–83.

Online content

 More detailed information on reporting scope, reporting period and publishing rhythm is available in the online version of the report: reports.swissre.com/sustainability-report/2019/introduction/our-approach-to-sustainability/report-profile-and-reporting-frameworks.html

Our Sustainability Report incorporates our 2019 Communication on Progress (CoP) for the UN Global Compact (www.unglobalcompact.org). You can view the full list of references to the Compact's ten principles in the online version of the report.

WE SUPPORT



Furthermore, we continue to report against the Principles for Sustainable Insurance, PSI (www.unepfi.org/psi). Our Public Disclosure of Progress is also available in the online version.



Principles for Sustainable Insurance

Online content

 Our CoP for the UN Global Compact and our PSI Public Disclosure of Progress are available at: reports.swissre.com/sustainability-report/2019/introduction/our-approach-to-sustainability/report-profile-and-reporting-frameworks.html

In our 2019 Financial Report we provide detailed Climate-related financial disclosures, as developed and recommended by the Financial Stability Board (www.fsb-tcfd.org).

Content in the 2019 Financial Report

 You can view our Climate-related Financial Disclosures in the "Sustainability" chapter, pages 151–167.

Sustainability index representation

Swiss Re is a member of various sustainability indices, including the Dow Jones Sustainability World and Europe, FTSE4Good, Euronext Vigeo Europe 120, Bloomberg Gender-Equality Index and the MSCI ESG Leaders Indexes (2019). In July 2019, Swiss Re received an AAA rating on the MSCI ESG assessment.

Our most important index listings and ratings are displayed on page 85.

Creating solutions for sustainability

Our re/insurance solutions help address key environmental and social challenges. We focus on mitigating climate risk and advancing the energy transition, building societal resilience, and driving affordable insurance with digital solutions to advance access to insurance.



By managing risks and covering losses, re/insurance creates stability and enables economic growth. However, some environmental and social challenges may undermine sustainable progress if left unaddressed. Helping our clients and society tackle such risks is a key part of our commitment to sustainability and of our vision to make the world more resilient.

Building on our efforts in recent years, our focus is on the three overarching 2030 Sustainability Ambitions we have defined in our Group Sustainability Strategy:

- Mitigating climate risk and advancing the energy transition
- Building societal resilience
- Driving affordable insurance with digital solutions

We develop our solutions as part of our established risk modelling and underwriting activities or by creating innovative new products in close cooperation with our clients and partners.

Thus, our solutions frequently include:

- Public-sector partners: Besides direct insurers and corporate clients, we also develop risk transfer solutions for, and in cooperation with, governments and various public-sector organisations.
- Index-based insurance products: We are a pioneer in creating innovative insurance solutions that use an index to determine payments.
- Insurance-linked securities (ILS) or catastrophe bonds: We are a leading developer of these products, which enable cedents to transfer large risks to the capital markets.

Across our efforts, we seek to develop solutions that improve access to insurance protection, especially in emerging markets. If governments and communities are financially protected against such risks as windstorms, earthquakes, drought and flooding, they can better cope with the immediate consequences of a disaster.

Just as importantly, our solutions help create the conditions for sustained social and economic development because they protect investments, allow governments to stabilise budgets and give people the financial stability required to build and maintain businesses.

Natural catastrophes and climate change

Natural catastrophes are a key risk in our property and casualty (P&C) business. The damage caused by storms, floods, droughts, earthquakes and other natural catastrophes can affect millions of lives and the economies of entire countries. In 2019, large natural catastrophe losses were mainly driven by typhoons Hagibis and Faxai in Japan, Hurricane Dorian in the Atlantic, and wildfires, floods and hailstorms in Australia.

Providing effective re/insurance protection against such large natural catastrophes creates significant benefits for our clients and for society at large. In 2019, our clients in P&C Reinsurance paid us USD 2.94 billion of natural catastrophe premiums (for losses larger than USD 20 million), equivalent to approximately 15% of total premiums in this business segment.

On pages 25–29 you can read about some of the innovative solutions we have developed to offer our clients protection against natural catastrophe and other risks.

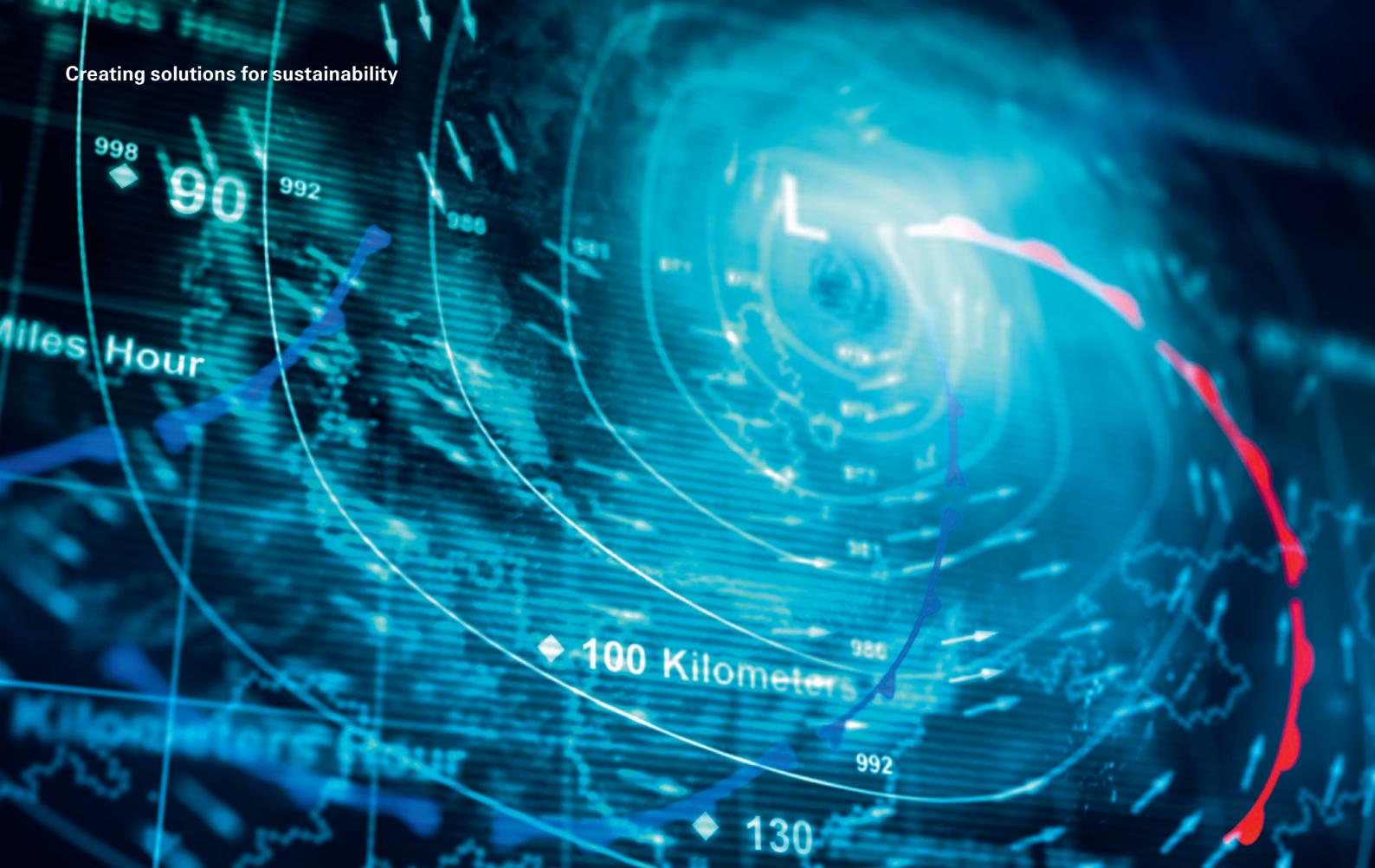
Worldwide economic as well as insured losses from natural catastrophes were high in each of the past three years, but have steadily increased on average for more than

USD 2.94^{bn}

Natural catastrophe premiums
in our P&C Reinsurance business
(USD 2.29 billion in 2018)

Natural catastrophe data

In our 2019 Financial Report, we provide detailed quantitative information on natural catastrophe perils: the four perils with the highest expected annual losses (page 164) and the liquidity requirements stemming from four extreme loss scenarios (Insurance risk stress tests, page 71).



The link between climate change and natural catastrophes continues to be of high relevance for Swiss Re. In our Group Sustainability Strategy we have devoted one of its 2030 Sustainability Ambitions to this topic: Mitigating climate risk and advancing the energy transition.

20 years. The main reasons for this are economic development, population growth, urbanisation and a higher concentration of assets in exposed areas.

This general trend will continue. But, crucially, economic losses will be further aggravated by climate change. The scientific consensus is that a continued rise in average global temperatures will have a significant effect on weather-related natural catastrophes. According to the Fifth Assessment Report (AR5, 2014) and the Special Report on Global Warming of 1.5°C (SR15, 2018), published by the Intergovernmental Panel on Climate Change (IPCC, www.ipcc.ch), a changing climate gradually leads to shifts in the frequency, intensity, spatial extent, duration and timing of extreme weather events.

If climate change remains unchecked, the makeup of the main drivers will thus gradually shift, with climate change

accounting for an increasingly large share of natural catastrophe losses.

To assess our property and casualty business accurately and to structure sound risk transfer solutions, we need to clearly understand the economic impact of natural catastrophes and the effects of climate change. This is why we invest in proprietary, state-of-the-art natural catastrophe models, developed and advanced by a team of around 40 scientists, as well as from regular collaboration with universities and scientific institutions.

Based on our research, there is a trend towards increasing losses from secondary perils¹. These are often highly localised small to mid-sized events, or a resulting effect of a primary peril that can include hurricane-induced rainfall, storm surge, as well as drought and wildfire outbreaks. We explicitly factor the main risk trends into our modelling to underwrite catastrophe business sustainably, and build global resilience.

While the impact of climate change will increase gradually over the coming decades, most of our business is renewed and re-priced annually, and our risk models are refined regularly. Risks are normally covered for 12 months (up to five years for catastrophe bonds). Thus, re/insurance premiums do not reflect expected loss trends over the coming decades. Rather, for underwriting and risk management purposes, our models provide an estimate of the current risk. But as natural catastrophe losses continue to rise as a result of the different factors listed above, our models will gradually factor in this trend.

In addition to providing re/insurance covers, we offer our clients strategic expertise and integral risk assessments of natural disasters and climate adaptation. These include free client access to Swiss Re's CatNet® tool (swissre.com/reinsurance/property-and-casualty/solutions/property-specialty-solutions/catnet.html), which includes our recently launched Global Storm Surge Zones service, and our expertise publications (for examples, see pages 50–53).

Content in the 2019 Financial Report

- You can view our Climate-related Financial Disclosures in the "Sustainability" chapter, pages 151–167.

¹ sigma 2/2019, Natural catastrophes and man-made disasters in 2018: "secondary" perils on the frontline

Strengthening risk resilience: 2019 highlights

In this section, we describe a selection of the innovative transactions and initiatives we were involved in during 2019 to help strengthen risk resilience. These transactions help meet the three 2030 Sustainability Ambitions defined in our Group Sustainability Strategy (for details, see pages 9–14), often more than one at the same time:

- Mitigating climate risk and advancing the energy transition
- Building societal resilience
- Driving affordable insurance with digital solutions

The transactions help our clients and their communities become more resilient to the risks they face, by ensuring that adequate funding is in place when it is needed.



Parametric windstorm insurance for solar panels in Connecticut, US

We support the development of scalable solutions to mitigate, and adapt to, climate change. This includes offering solutions that support the transition to more sustainable, low-carbon energy systems by managing the risks associated with renewable energy projects and making them more attractive to investors with re/insurance backing.

In 2019, Swiss Re tailored an innovative named windstorm insurance solution for a Green Bank in the US, using a parametric trigger. The Bank financed the installation of more than 14 000 solar panels on residential and commercial rooftops across the state of Connecticut as part of a solar renewable energy credit (SREC) securitisation, which aimed to pool the revenue stream from the produced electricity into an investable security. The Green Bank was concerned about the potential risk of hurricanes causing damage to the rooftop solar panels, interrupting the revenue stream for SREC securitisation investors.

As neither the investors in the SREC securitisation nor the Green Bank own the rooftop solar panels, traditional insurance was not available for this risk. Through our know-how, we were able to develop an alternative parametric solution that satisfied the needs of both investors and the bank, and allowed the SREC securitisation to be brought to the investment market as planned.



Helping close the flood protection gap in the US



For a long time, the inability to effectively underwrite flood risk made private insurers reluctant to offer coverage to homeowners, with many considering the risk “uninsurable”. Thus, approximately 85% of all homeowners in the US are currently without flood insurance. As more severe storms with higher precipitation have led to rising flood losses, this protection gap and its impact on human lives has continued to grow.

Thanks to technological advances around flood mapping and modelling, we have recently been able to improve the accuracy of our flood risk assessments. On this basis, we are now able to provide private insurers with satellite and digital evaluation tools,

expanded flood coverage and new policy options. Benefiting from partnering with Swiss Re, a growing number of private insurers are now bringing new flood protection offerings to their customers.

Increasingly, customers of local private insurers can choose to add the new, optional flood and water backup coverage to their existing homeowner policies. The fact that they can get access to comprehensive flood insurance protection through a traditional insurance policy shows that this peril is insurable in the private market. While flood risks are such that no one insurer can solve this challenge alone, our innovative approach and partnerships with local insurers mean that communities can become more resilient and recover more quickly after a storm event.



Improving the resilience of small and medium-sized businesses in California, US

Earthquakes pose a significant risk in California, and at present most of the losses faced by small and medium-sized businesses would be uninsured. Even if these businesses escape property damage, they risk having to shut down due to power outages, supplier issues or employees not being able to commute to work. Additionally, obligations to continue paying employee wages or lease payments can cause financial difficulties.

In response, Swiss Re and our insurance partners Falls Lake (www.fallslakeins.com) and Arrowhead General Insurance Agency (www.arrowheadgrp.com) have launched an innovative parametric insurance solution for commercial clients called Quake Assist. The product offers coverage for earthquake-related business interruptions, with fast, simplified claims payments based on the earthquake's magnitude and the distance of the insured's location from its epicentre.



Mitigating climate risk and advancing the energy transition



Building societal resilience



Driving affordable insurance with digital solutions

Since claims are paid quickly once the parametric trigger conditions are met, business owners face less financial uncertainty and can manage their budgets more effectively. The solution thus enables California's small and medium-sized businesses, which provide the economic backbone of most communities, to become more resilient, ultimately helping to protect people's livelihoods and financial security in this earthquake-prone region.



Providing crop insurance to smallholder farmers in Mexico

As a growing global population fuels demand for higher crop output, offering protection against loss of, or damage to, crops and livestock is becoming increasingly important. Agricultural insurance thus provides significant benefits to communities, particularly by protecting smallholder farmers' incomes against such risks.

In the context of significantly reduced state and federal government subsidies for agriculture insurance in Mexico, Swiss Re Corporate Solutions has recently launched, together with a local distribution partner, an agriculture insurance programme to protect small-scale farmers who face being impacted the most by reduced crop yields. Our local distribution partner has been enabled with an internet-based pricing tool that allows them to quickly and efficiently provide farmers insurance quotes as well as issue policies within 24 hours. In 2019, the programme brought agriculture yield insurance to Mexican farmers in the states of Guanajuato (for wheat), Sinaloa (for corn, wheat and beans) and Sonora (for corn and wheat). In parallel, we also prepared insurance distribution for barley crops in the states of Guanajuato, Michoacán, Jalisco and Querétaro. Looking ahead, we plan to broaden the coverage to production in greenhouses as well as livestock.

It is estimated that there are eight million rural farmers in Mexico, who cultivate approximately 22 million hectares of agriculture land. However, agriculture insurance is largely unavailable to many of them. In view of this protection gap, we continue to develop our electronic pricing platform and expand distribution with local partners to ensure that many more smallholder farmers gain access to cover and the opportunity to reinforce their and their communities' livelihoods.



Supporting greater sustainability through the Grand Paris Express project



After more than ten years of planning, the City of Paris is working on the largest public transport project in Europe, known as the Grand Paris Express (www.societedugrandparis.fr/). This ambitious development aims to double the size of the existing metro system by adding 200 kilometres of new tracks and 68 new stations. Expected to carry up to two million passengers per day when completed, it represents a major step forward in the city's public transportation thinking.

Due to the size and complexity of the project, a panel of insurers and reinsurers, including Swiss Re, were consulted and invited to participate in the insurance programme design discussions to ensure an optimal insurance solution could be provided. Based on our large infrastructure project engineering and risk knowledge, we gained the leading reinsurer position on the construction and post-construction insurance covers. In this role, we have been able to support the larger ambitions of the project that include creating better access to suburban areas, stimulating economic development and growth, as well as providing important quality-of-life improvements to all Parisians.

In particular, this unparalleled project will bring significant improvements to the city's environment by drastically reducing vehicle congestion, noise and air pollution, as well as material increases in efficiency by reducing travel times between key locations. In the end, the Grand Paris Express will be more than just a new transport network, it intends to revitalise Paris as a leading global city.



Facilitating sustainable transport in Europe with the Brenner Base Tunnel



The Brenner Base Tunnel (www.bbt-se.com) is the main element of the new Brenner railway from Munich to Verona and one of the most important infrastructure projects in Europe. At 64 kilometres, the tunnel will be



Our commitments ... to the United Nations

USD 10.0^{bn}

Total amount of climate protection offered to sovereigns and sub-sovereigns since 2014
(USD 8.2 billion by 2018)

Many of our recent efforts to expand insurance protection cover losses from natural catastrophes and weather volatility (eg drought or excessive rainfall). As climate change is predicted to increase these losses, such transactions also help communities strengthen their climate resilience. Furthermore, we have found that partnering with public-sector clients, especially national and regional governments, is an effective way to develop solutions.

Building on these experiences, we made a significant commitment to the United Nations at its Climate Summit in September 2014. Personally addressing the government leaders present at the summit,

our then Group CEO Michel M. Liès made the following pledge: "By the year 2020, Swiss Re commits to having advised 50 sovereigns and sub-sovereigns on climate risk resilience and to have offered them USD 10 billion against this risk".

We have agreed with the United Nations to report publicly on the progress we make on this commitment. By the end of 2019, we had advised 120 sovereigns and sub-sovereigns on climate risk resilience and offered a total of USD 10.0 billion in re/insurance protection, thus reaching our target one year ahead of schedule.

Total climate protection offered to (sub-)sovereigns since 2014

	by 2017	by 2018	by 2019
Number of (sub-)sovereigns advised	66	96	120
Amount of climate protection offered (in USD)	5.3 billion	8.2 billion	10.0 billion

... with Women's World Banking

219 000

Customers benefiting from insurance cover by the end of 2019

Lack of health insurance is a major protection gap in many parts of the world. In particular, it affects low-income women who work in the informal sector, by running a market stall with fruits or vegetables, offering laundry services or undertaking similar activities. To date, these micro-entrepreneurs usually lack any sort of insurance protection against loss of income due to illness.

In 2018, we started to help expand a pioneering health microinsurance programme that targets this protection gap in Egypt. By the end of 2019, the programme covered around 219 000 customers with health and life insurance; and during the year, cover was extended to additional family members.

Encouraged by the success of the Egypt programme, we have formed a partnership with Women's World Banking (www.womensworldbanking.org/), its initiator, to extend this concept to two million consumers globally by the end of 2020. Women's World Banking is dedicated to developing market-driven financial solutions for underserved women in emerging markets, thereby promoting economic stability and prosperity.

Our partnership will aim for replicating insurance schemes, similar to that in Egypt, in further countries. In 2019, the focus was on building the necessary foundation to scale and replicate this insurance solution in the future.

the longest underground railway connection in the world, linking Austria and Italy. When completed in 2026, this pioneering work of engineering will not only greatly improve passenger travel through the heart of Europe but, more importantly, help shift the European freight sector from road to rail, thus allowing a material reduction in heavy road vehicle traffic.

Swiss Re Corporate Solutions' long-standing expertise in the field of infrastructure and tunnel construction, coupled with its capacity to underwrite large risks and a strong understanding of local insurance regulations, allowed us to be appointed insurance leader and co-leader for the Austrian and Italian sides of the project. With both parts of the tunnel being worked on simultaneously, the project's technical complexity has required a rigorous underwriting process, including the examination of the physical aspects of the work, as well as meeting the clients' local regulation and risk management requirements.

As a key element of the wider Trans-European Transport Network, the Brenner Base Tunnel is central for the European economy. Given that about 40% of all trans-alpine transport currently goes over the Brenner Pass, the tunnel will remove a significant infrastructure bottleneck and make a major contribution to improving the sustainable transport of goods. Ultimately, it will promote faster and more environmentally friendly high-capacity transport for freight and passengers, and help reduce CO₂ emissions.



Protecting families across generations in Asia



Asia is expecting a significant increase in its ageing population over the next 15 years. It is estimated that, by 2035, 450 million people will be 75–84 years old. For traditional three-generation households, this means that the current "sandwich" generation of working adults is experiencing an increasing financial burden since they are taking care of their children's needs (eg tuition fees and childcare), as well as their ageing parents who are living longer in retirement due to medical advances. This comes in addition to juggling housing loan costs, saving for their own retirement and building a financial safety cushion to protect against unexpected events.

To help manage these financial risks, we co-developed, with our local Asian insurance partners, an award-winning product that breaks new ground by providing cover to the policyholder, as well as their children and parents. Customers can get insurance against mortality, disability and a host of critical illnesses. Coverage is included automatically for the policyholder's children and parents without them having to go through medical checkups – the policyholder just needs to register the family members to be covered. This is a breakthrough in providing a smoother and more efficient customer experience and simplifies the underwriting process for insurance buyers.

This one-policy protection solution relieves some of the financial and emotional burden for the "sandwich" generation. By integrating coverage and simplifying the process for individuals who want to have their children and parents insured, it strengthens the financial resilience and support systems for multi-generation families in Asia.



Making Shaanxi Province in China more resilient through natural catastrophe cover

With more than 300 million farmers, China is one of the world's largest food producers. It is also one of the most exposed to extreme weather events due to its vast size, complex geographical environment and varied climate. Insurance is widely recognised in China's disaster relief approach as a key factor in enhancing resilience. To this end, provincial governments are increasingly using insurance instruments to support relief programmes and facilitate recovery and rebuilding efforts.

In 2019, Swiss Re developed a parametric natural catastrophe programme for the Agriculture Bureau of Shaanxi Province, in partnership with a local Chinese insurer. The programme covers drought, excessive rain and heavy rainfall in seven counties around the city of Shang Luo, where poverty remains a particular concern. When the strength of one of the named disasters goes beyond a pre-defined trigger point, the programme quickly makes payouts to the Agriculture Bureau, which can then use the funds to initiate recovery efforts in the affected areas. The financial stability and security gained in this way help mitigate the impact of natural disasters on the livelihoods of the region's farmers.

Shaanxi's disaster management and financial preparedness planning highlight ways to alleviate the costs and impacts of natural catastrophes. This contributes to greater resilience of low-income communities in the region and strengthens their food security.



Mitigating climate risk and advancing the energy transition



Building societal resilience



Driving affordable insurance with digital solutions



Making Indonesia more resilient by insuring state assets

Indonesia is Southeast Asia's largest economy as well as the world's fourth-most populous country. At the same time, Indonesia is particularly susceptible to natural catastrophe risks because it is in a seismically active region. Despite the substantial risk of disasters and the related need for insurance across the archipelago nation, Indonesia has not previously insured state assets due to the difficulties in assessing the different types of risks existing across its more than 17 000 islands.

For 2019, Swiss Re was named the lead reinsurer for the Indonesian government's natural disaster insurance programme, which is supported by a consortium of 56 insurance and reinsurance companies. The programme helps protect critical public assets such as ministry and institutional buildings against earthquake, flood and fire, as well as a number of man-made risks. With the programme planned to continue through 2023, the government and consortium have designed and agreed on a flat-rate insurance scheme that, in a first step, provides coverage for 1 360 buildings and assets owned by the Ministry of Finance.

Swiss Re's Public Sector Solutions team has played a key role in advising the Indonesian government on the risk financing initiative and for developing a holistic approach. While the initial coverage includes the assets of the Ministry of Finance, assets owned by ten further ministries and agencies will be reviewed in 2020. In 2021, the number of included ministries can increase to 20 and, in 2022, to 40, with the ultimate goal being to cover all ministries and institutions for 2023. As a leader in developing solutions at the sovereign and sub-sovereign level, we are honoured to help boost Indonesia's resilience.



Agriculture insurance for rice farmers in Cambodia



Insurance plays an important role in ensuring the financial security of farmers, particularly in countries with a large agricultural sector. In Cambodia, for example, about three million people, or almost 20% of the country's population, are engaged in rice farming. The crop thus plays a major role in securing livelihoods, but production is highly dependent on the right weather conditions. As it is particularly sensitive to excessive or insufficient soil moisture, flood and drought conditions can have a catastrophic impact on rice crop yields.

With our local partners Agribuddy (www.agribuddy.com) and Forte Insurance (www.forteinsurance.com), Swiss Re supports Cambodian rice farmers with soil moisture index insurance in 90 communes across multiple provinces. By using innovative soil moisture index data from satellite imagery, our expertise in parametric

insurance products and our reinsurance know-how,

we were able to develop a solution that accurately meets the needs of rice farmers in non-irrigated areas. This includes the ability to quickly compensate farmers for total or partial losses of crop output.

Crop insurance not only helps farmers reduce the risk of losing their production inputs for current crops, but also means they can avoid having to take out additional and/or larger loans to finance future crops. Ultimately, getting access to adequate financial protection means farmers can overcome the risks caused by uncertain weather and stabilise their livelihoods.



Insuring offshore wind farms



"Mitigating climate risk and advancing the energy transition" is one of the key ambitions of our Group Sustainability Strategy (for more information, see page 12.) We offer a range of re/insurance solutions to manage the risks of different kinds of renewable energy projects. At the end of 2019, we were providing risk cover to more than 4 000 wind and solar farms.

Offshore wind is considered one of the most promising renewable energy sources. Swiss Re Corporate Solutions has both the large capacity and the technical expertise to help manage its complex risks. We are



Mitigating climate risk and advancing the energy transition



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Driving affordable insurance with digital solutions

continually enhancing our understanding of these risks and share our insights with our clients as well as other insurers. As an initiator and co-founder of the European Wind Turbine Committee established ten years ago, we were instrumental in launching the Offshore Code of Practice (OCoP), a best-practice guide for risk management in the sector. Mirroring these efforts, we are now considered a lead market for offshore wind risks. In recent years, Swiss Re Corporate Solutions has participated in numerous offshore wind projects, including wind farms, stand-alone offshore substations and stand-alone export cables.

In 2019, we were involved in a number of new offshore wind farm projects, which included the following highlights:

First offshore wind farm in France

Europe continues to be the region with the largest number of offshore wind projects. Within Europe, the leading markets to date have been the UK, Germany and Denmark. Recently, the first large commercial projects have been launched in France. In 2019, we agreed to provide insurance to the first of these projects to be constructed, the St-Nazaire Offshore Wind Farm (Parc éolien en mer de St-Nazaire, www.parc-eolien-en-mer-de-saint-nazaire.fr).

This wind farm is being developed by Eolien Maritime France, a joint venture co-owned by EDF Renewables (www.edf-renouvelables.com). Situated between 12 and 20 kilometres off the coast of the Loire-Atlantique department, it will comprise 80 turbines with a total capacity of 480 megawatts. When fully operational, the wind farm is expected to cover 20% of the department's power consumption.

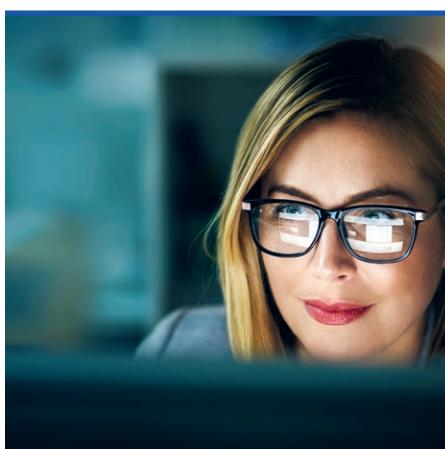
Construction is scheduled to be completed by 2022. Swiss Re Corporate Solutions insures this pioneering project with the largest share, both in the construction and operational phases.

Expansion in Taiwan

We also continued our strong engagement in Taiwan, the most important offshore market in Asia. It witnessed significant growth again in 2019, which led to tight insurance capacities. We were able to respond to this situation by becoming the lead insurer for some major projects: Formosa II and Greater Changhua 1 & 2a. Formosa II comprises 47 turbines with a total capacity of 378 megawatts. Once complete, it is estimated to displace 18 750 kilotonnes of CO₂e over its lifetime, while powering the equivalent of 380 000 households annually. Changhua 1 has 75 turbines with a capacity of 605 megawatts and Changhua 2a has 36 turbines with a total capacity of 295 megawatts. All three projects are situated in the Taiwan Strait.



Increasing accessibility to life insurance with the Magnum Go digital solution



New technologies are changing the way life insurers write business, handle sensitive data and engage customers. At the same time, these technologies are also shifting customers' expectations when it comes to their life insurance buying experience. They want more convenient transactions, customisable products, faster decision-making and less intrusive underwriting practices.

Website



Learn more about Magnum Go at:
[www.swissre.com/reinsurance/
life-and-health/solutions/magnum-go.html](http://www.swissre.com/reinsurance/life-and-health/solutions/magnum-go.html)

Embracing this transformation, we have developed Magnum Go, an online life insurance solution. It helps small and medium-sized insurers respond to digitalisation and their customers' changing buying demands by providing a simple and standardised approach to automated underwriting. This cloud-based digital solution ensures data security, reduces operating costs and improves regional customers' access to life insurance products. Magnum Go has been integrated into a French insurer's existing online presence, enabling them to benefit from an easy-to-use, flexible and personalised consumer experience, which delivers instant underwriting decisions that previously would have taken weeks.

Helping our life insurance clients take advantage of the benefits of underwriting automation, as well as removing lengthy paper-based application processes and reducing errors and omissions, Swiss Re's Magnum Go allows for a leaner and more efficient distribution approach. Ultimately, this scalable digital solution increases ease of access to life insurance, thereby helping to close the protection gap and contributing to better individual and social welfare.



Our iptiQ programme

Our Life Capital Business Unit was created in January 2016 and is dedicated to developing Swiss Re's primary life and health business. It operates through three wholly owned subsidiaries in three lines of business: ReAssure for closed books, elipsLife for Group L&H insurance and iptiQ for individual L&H and P&C insurance. (On 6 December 2019, Swiss Re announced the agreement



Mitigating climate risk and advancing the energy transition



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to sell ReAssure to Phoenix Group Holdings plc. The transaction is expected to close in mid-2020, subject to regulatory and antitrust approvals.)

iptiQ reflects Swiss Re's commitment to introduce more people in society to the benefits of financial protection against life's uncertainties – in particular to closing the gap between the amount of savings or insurance that someone has, and the amount needed in the event of misfortune. iptiQ works in partnership with established and trusted brands, combining Swiss Re's vast experience and expertise in designing protection products with the partner companies' own know-how.

Our partners can choose from numerous product configurations in order to get easy-to-understand protection products with clear and transparent pricing. By entering the P&C market in 2019, iptiQ expanded its L&H products offer from term life, whole life, critical illness and disability to a broad P&C proposition including, for example, property cat, cyber, private liability and household insurance.

iptiQ has grown strongly since its creation in 2016. To illustrate, our inforce policy count has increased from 175 000 to 377 000 from 2018 to 2019 (core business), supported by an increase from 19 to 29 distribution partners between year-end 2018 and year-end 2019.

iptiQ's overriding goal is to offer simple, streamlined, digital solutions that remove the traditional hurdles to purchasing protection and thereby protecting a larger amount of people.

Website



Learn more about iptiQ at:
[www.swissre.com/life-capital/
iptiq.html](http://www.swissre.com/life-capital/iptiq.html)

Extending our risk intelligence

We address sustainability, cyber, political and emerging risks in our core business transactions. For this, we have developed specific tools and know-how.





Risk management is an integral part of Swiss Re's business model and key to the controlled risk-taking that underpins our financial strength. It is embedded throughout our business and ensures that the Group and the three Business Units have the necessary expertise, frameworks and infrastructure to support good risk-taking (see 2019 Financial Report, pages 52–53 and 61–77).

Sound risk management is essential for a re/insurer. Tight control of our risk exposures guarantees that we can fulfil our role in society as ultimate risk-taker and be a reliable partner to our clients when they need us. The core categories of our risk landscape comprise insurance risk (property and casualty, life and health) as well as financial market and credit risk. In addition, we consider it essential for a company committed to sustainability that it pays attention to further significant risks we may be exposed to, especially in the longer term.

Sustainability, cyber, political and emerging risks are particularly relevant in this respect. We have developed instruments and know-how that help us identify and assess all of them. This allows us to determine those risks we think we should avoid – because of their potential to increase losses, for ethical reasons or both.

In 2019, we placed special emphasis on taking measures that have the long-term goal of decarbonising our business model and addressing the carbon risks embedded in it.

Website



Learn more about how we address political risks at:

[www.swissre.com/sustainability/
risk-intelligence/political-risks.html](http://www.swissre.com/sustainability/risk-intelligence/political-risks.html)

Towards decarbonising our business model

Swiss Re supports the worldwide reduction of greenhouse gas emissions and contributes to the goal of limiting global warming to 1.5°C above pre-industrial levels. We continuously review measures to assist the transition to a low-carbon economy and, formalising our commitment, in 2015 signed the Paris Pledge for Action (www.parispledgeforaction.org) to affirm our support for the Paris Agreement.

Our efforts to fulfil the Paris Pledge for Action include the development of suitable re/insurance solutions for our clients, our Responsible Investing strategy and reducing the footprint of our own operations. In our risk management, we focus on the carbon intensity and the associated risks embedded on the liability side of our balance sheet.

Our commitment to reach net-zero emissions

In 2019, we made a public commitment to reach net-zero emissions by 2050 across our whole business, by signing the UN Global Compact Business Ambition for 1.5°C. This joins our active role as a founding partner of the UN-convened Net-Zero Asset Owner Alliance, through which we have also made a net-zero commitment specifically for our investment portfolio by 2050 (see page 47).



In 2018, we introduced our thermal coal policy. Reducing our re/insurance cover to thermal coal utilities and mining is one of the steps we have taken towards decarbonising our business model.

Thermal coal policy

Through our Sustainable Business Risk Framework (see pages 35–37), we continued with the implementation of our thermal coal policy in our underwriting, including direct, facultative and treaty business. We first introduced this policy in mid-2018, pledging not to provide re/insurance to businesses with more than 30% exposure to thermal coal utilities or mining.

For transactions located in low- and middle-income countries that derive more than 70% of electricity from coal, existing power plants (ie operational before 2018) can be covered until 2025 if there is evidence that the insured is implementing an effective emission reduction strategy. Implementation of the thermal coal policy for treaty business will follow a staggered approach until 2023.

Website



Learn more about our efforts to decarbonise our business model at: www.swissre.com/sustainability/risk-intelligence/decarbonisation.html

With our 2019 net-zero commitment on the liability side and by joining the Powering Past Coal Alliance (poweringpastcoal.org/) in 2019, we are fully committed to a total phase-out of thermal coal from our business in the long term.

Carbon steering

The introduction of our thermal coal policy was designed as a first step towards the development of a comprehensive carbon-risk steering mechanism to measure our carbon intensity and associated risks embedded in our re/insurance business. In 2019, we helped launch a project with peers via the CRO Forum (www.thecroforum.org) to develop a robust carbon footprinting methodology to quantify these exposures. It is expected to serve as an industry-wide standard and thus support our carbon steering towards reaching net-zero emissions on the liability side of our business by 2050.

Phasing out the most severe climate-related transition risks

In 2019, we took another important step in our carbon steering mechanism and developed a policy to shift away from the most carbon-intensive oil and gas production.

From July 2021, we will no longer provide individual insurance covers for those oil and gas companies that are responsible for the world's 5% most carbon-intensive oil and gas production.

From July 2023, we will no longer provide individual insurance covers for those oil and gas companies that are responsible for the world's 10% most carbon-intensive oil and gas production.

Our Sustainable Business Risk Framework

In a market environment, profitable business activities create economic value. Occasionally, however, they may also have adverse effects on the environment and certain vulnerable groups. If such impacts are ignored, they may pose a threat to societies' long-term sustainable development.

For companies this situation can create dilemmas. A particular business transaction may be economically beneficial and in compliance with all legal and regulatory requirements, yet may have significant environmental or social downsides. Swiss Re recognises that such dilemmas exist and develops effective responses through a well-defined approach and by taking decisions based on ethical principles.

Our Sustainable Business Risk Framework is an advanced risk management instrument designed to identify and address the potentially negative effects of our transactions on local communities, workforces and the environment. This framework applies to all of our business transactions in re/insurance as well as investments, to the extent that we can influence their various aspects.

Website



Learn more about our Sustainable Business Risk Framework at:
www.swissre.com/sustainability/risk-intelligence/sustainable-business-risk-framework.html

The Sustainable Business Risk Framework consists of:

- Two umbrella policies on human rights and environmental protection plus eight specific guidelines on sensitive sectors or issues
- The Sustainable Business Risk (SBR) process comprising an online assessment tool and a referral tool – due-diligence mechanisms to assess our business transactions
- Company exclusions
- Country exclusions beyond mere compliance with international trade controls (ITCs)

Policies and guidelines

Our Sustainable Business Risk Framework is based on the overarching principles of respecting human rights and protecting the environment, encapsulated in two umbrella policies that are valid for all our transactions. In addition, specific guidelines apply these overarching principles to eight sectors or issues in which we perceive major sustainability risks: the defence industry; oil and gas; mining; dams; animal testing; forestry, pulp and paper, and oil palm; nuclear weapons proliferation; and thermal coal.

We regularly review all the policies and guidelines of our Sustainable Business Risk Framework to ensure they stay abreast of relevant new risk developments and stakeholder expectations. In 2019, we continued with the implementation of our thermal coal policy, engaging with over 300 clients in the process, and revised our oil and gas policy. These improvements to the Sustainable Business Risk Framework form an important part of the efforts we have taken towards gradually decarbonising our business model (see pages 33–34).

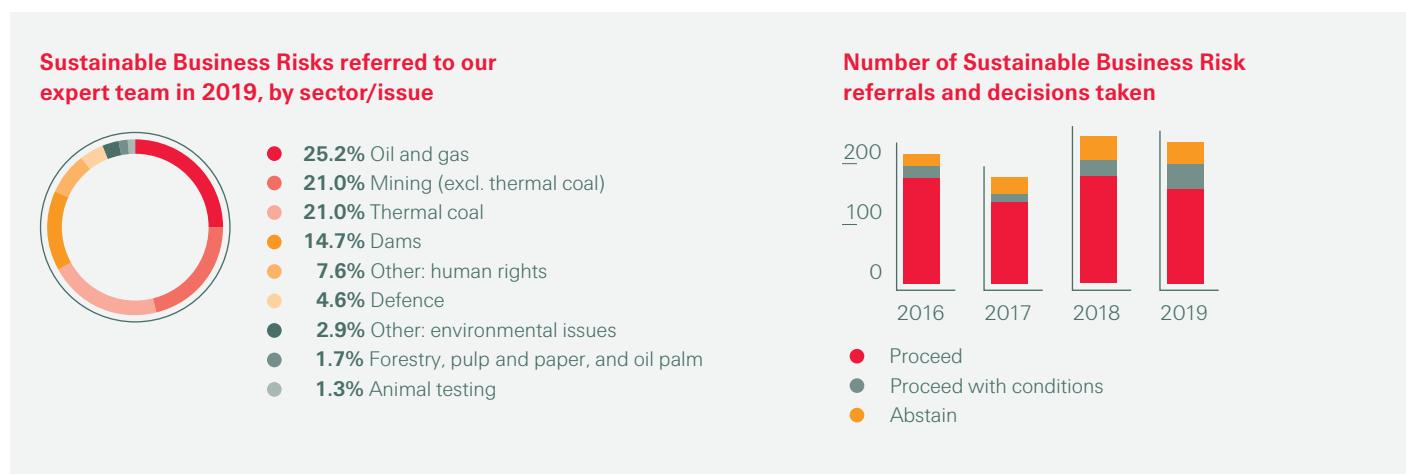
The Sustainable Business Risk process

Each of the two umbrella policies and eight sector guidelines of our Sustainable Business Risk Framework contains criteria and qualitative standards which define precisely when a transaction may present a sustainability risk. We assess such transactions through our Sustainable Business Risk (SBR) process with its two due-diligence mechanisms.

Website



You can download a summary of our main human rights and environmental protection concerns at:
www.swissre.com/sustainability/risk-intelligence/sustainable-business-risk-framework/policies.html



238

Sustainable Business Risk transactions referred to our team of sustainability experts
(247 in 2018)

The online tool stores the relevant sustainability risk information for these sectors and thus provides our underwriters with an efficient means to check the potential impact of their transactions on human rights, labour rights and the environment. For transactions that reveal low to medium risks, they need to carry out additional due diligence based on industry and country advice provided by the tool.

If the potential human rights or environmental risks of a transaction are assessed as high but the responsible underwriter wants to pursue it, it is automatically transferred through the SBR referral tool to Swiss Re's in-house team of sustainability experts. These specialists then conduct in-depth research to decide whether the transaction at hand is acceptable on ethical grounds.

This decision takes the form of a binding recommendation either to go ahead with the transaction, to go ahead with certain conditions attached or to abstain. If there is disagreement about the recommendation, the case can be escalated to the next management level and, ultimately, to the Group Chief Risk Officer and the Group Executive Committee.

Since we introduced the SBR assessment tool in 2015, we have continually fine-tuned it, thus strengthening our underwriters' ability to integrate sustainability risk assessments into their decision-making. Between 2015 and 2017, this led to a marked, and steady, decrease of SBR referrals to our in-house sustainability experts.

In 2018, however, the number of referrals rose from 178 to 247 (see chart above). This increase was mainly driven by the introduction of our thermal coal policy. Many of the coal-related referrals were submitted by our underwriters to have the thermal coal exposures of specific transactions clarified. In 2019, the number of referrals fell again, to 238 transactions. Of those we issued negative recommendations in 37 cases and positive recommendations with conditions in 42 cases.

Company exclusions

The policies of our Sustainable Business Risk Framework specify certain criteria that may lead us to exclude a company from both our re/insurance transactions and our investments, to the extent that such an exclusion is permissible (eg by virtue of mandatory law or internal policies) and possible (eg if existing documentation relating to such re/insurance transactions and investments provide for it). These criteria include: involvement in prohibited war material; verifiable complicity in systemic, repeated and severe human rights violations; causing repeated, severe and unmitigated damage to the environment; unregulated proliferation of nuclear weapons; and unethical/cruel animal testing practices.

Country exclusions

Swiss Re also excludes certain countries from its business that have particularly poor human rights records. This step goes further than compliance with ITCs. Our goal is to refrain from directly underwriting risks or making investments in entities that are based in these countries. We review the list of

excluded countries annually based on independent human rights assessments and update it if warranted.

As the Sustainable Business Risk Framework is based on the principles of respecting human rights and protecting the environment, the SBR process with its two due-diligence tools, company exclusions and country exclusions is our principal means to ensure compliance with the UN Global Compact in our core business.

Training

Ever since we introduced our comprehensive Sustainable Business Risk Framework eleven years ago, we have made considerable efforts to raise awareness of sustainability issues among our underwriters and client managers. Through training, we ensure that they know how to properly apply the framework with its underlying principles of respecting human rights and protecting the environment. In recent years, we have focused on high growth markets where we want to expand our business.

A couple of years ago, we developed a new eLearning course for our in-house training. While this continues to be compulsory for all our employees who work in underwriting and with our clients, it is now mandatory for all our new entrants, as well. In 2019, a total of 3 000 employees completed the mandatory training course.

Client and industry interaction

Over the year, we had a number of important external engagements on sustainability risks with clients, brokers, investors, industry peers and civil society groups such as environmental and humanitarian NGOs. We held in-person meetings with clients operating in sensitive sectors such as mining, forestry, and oil and gas, discussing potential measures they could take to address their sustainability risks.

As part of our ongoing efforts to implement our thermal coal policy (see page 34), we had over 300 engagements with clients across the globe in 2019. Many of them introduced a thermal coal policy themselves and in turn are helping us reduce our carbon exposure in our treaty business.

At Swiss Re's headquarters, our Energy line of business team held an in-person meeting with its broker community on the industry's journey towards net-zero emissions. The discussion centred on the question of how the oil and gas industry can embrace the low-carbon transition and how the insurance sector can offer support for this.

In partnership with other re/insurers, we are also developing risk assessment tools designed to help the industry better understand and manage sustainability risks. One of these ongoing partnerships is the UNEP FI Principles for Sustainable Insurance (PSI, www.unepfi.org/psi).

In 2019, the PSI launched the first guide for the re/insurance industry to preserve protected areas such as World Heritage Sites. We actively contributed to the development of this guide, which is a significant step forward in making the protection of World Heritage Sites a market standard. It confirms our long-standing commitment to preserve protected areas, enshrined in several policies of our Sustainable Business Risk Framework.

Cyber risks

Swiss Re has cyber risk on its radar and has implemented multiple layers of protection to minimise these risks. Correspondingly, we maintain a Group-wide Cybersecurity Programme designed to protect the confidentiality, integrity and availability of data and IT systems. Our Cybersecurity Programme is based on the ISO 27001 standard for information security management, which covers key areas of management, technical and physical controls, legal, compliance and business continuity management.

Effective governance of the programme is seen as crucial, which is why it is overseen by both the Group Chief Risk Officer and Group Chief Operating Officer, and is robustly implemented through a three-lines-of-defence model. Additionally, Swiss Re has a committee in place that provides Group-wide management oversight and direction in information security, cyber defence and data protection risks, with the Group Chief Information Security Officer ensuring that the Board of Directors is regularly informed on relevant matters.

A cyber risk assessment is conducted at least annually to inform senior management of the design and status of Swiss Re's Cybersecurity Programme. The assessment allows for the revision of controls to respond to technological developments, evolving threats and changed cyber risk exposures. Areas identified that require improvements are addressed to enhance Swiss Re's cyber security resilience.

Furthermore, Swiss Re issues an annual Service Organisation Controls (SOC) 2 report, which provides assurance to our clients that we provide our services in a reliable, secure and compliant manner. The SOC 2 report contains the opinion of an independent auditor who has tested the design and effectiveness of our controls according to international standards.

Emerging risks

Re/insurers operate in a rapidly changing and increasingly complex risk landscape. Demographic, economic, technological, socio-political, regulatory or environmental trends may change existing risks or create new ones. In addition, growing interdependencies between these developments can lead to accumulations of risk and create significant knock-on effects. People's risk perceptions are shifting, liability and regulatory regimes continue to evolve and stakeholder expectations are growing.

This complex landscape provides fertile ground for "emerging risks" – newly developing or changing risks that are not yet entirely understood and managed. Such risks are difficult to quantify, and their potential impact on society and the re/insurance industry is not yet sufficiently accounted for.

Detecting and investigating such risks early on forms an important part of our comprehensive approach to risk management. In analysing how risks are evolving and related to each other, we seek to assess their potential impact on Swiss Re. This is vital to reduce uncertainty and prevent unforeseen losses, raising awareness within the Group and across our industry.

Website

 Learn more about how we address emerging risks at:
[www.swissre.com/sustainability/
risk-intelligence/emerging-risks.html](http://www.swissre.com/sustainability/risk-intelligence/emerging-risks.html)



In many geographical areas climate change is leading to more frequent heat days. This is likely, eg, to increase the risk of strokes, cardiovascular diseases and accidents. At Swiss Re, we treat such climate-related implications on life and health re/insurance as an emerging risk.

Emerging risk case study: life and health implications of climate change

Swiss Re has highlighted risks from climate change since the 1980s and has achieved a reputation as a pioneer and thought leader on this topic in the re/insurance industry. Some climate change impacts, eg sea-level rise, are relatively easy to model accurately, and risk transfer offerings can be adjusted on a yearly basis. Other effects are more complex, however, because they involve knock-on and cascading effects. Such emerging risks may build up over a long period without any visible impacts, but when loss events are finally triggered, they can be severe.

An important area where emerging risks connected to climate change are likely to occur is life and health (L&H) re/insurance. Building on Swiss Re's own expertise and on our long-standing cooperative efforts with research institutions, we dedicated a special feature to this topic in our 2019 SONAR Report, with related content on interactive web pages. Its central piece is an infographic which depicts key

factors producing impacts on L&H insurers and their respective lines of business.

Developing fast as a real and present-day problem, emerging L&H risks connected to climate change not only impact traditional L&H covers, but are also a concern in the context of workplace accident insurance. The most significant impacts are expected from the following causes: changing patterns in infectious diseases, which increase the likelihood of pandemics; more frequent heat days leading to more strokes, cardiovascular problems and accidents; and a rise in respiratory and other chronic diseases.

Major impacts are also expected for public health systems, eg due to famine and migration, and the vulnerability of the healthcare sector may thus increase. Hospitals and other critical health infrastructures are not only dependent on professional care providers, but also on basic sanitary conditions, power supplies etc – all of which are themselves

becoming more vulnerable to climate change effects.

By providing financial risk transfer solutions to individuals, infrastructure providers and others, the insurance industry can support building resilience to emerging L&H risks on many levels. Importantly, this includes the provision of risk expertise and the fostering of risk dialogue.

For a pioneering research collaboration, see Climate Change Futures. Health, Ecological and Economic Dimensions. A Project of The Center of Health and the Global Environment, Harvard Medical School. Sponsored by: Swiss Re and the United Nations Development Programme, 2005.

In 2019, we contributed to a new position paper published by The CRO Forum's Emerging Risk Initiative: The heat is on – Insurability and Resilience in a Changing Climate, January 2019.

Our SONAR framework

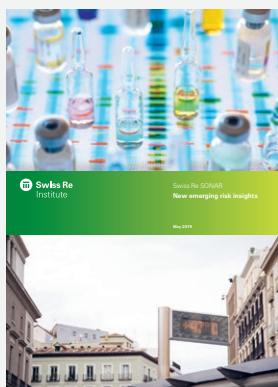
SONAR (systematic observation of notions associated with risk) is our Group-wide framework specifically designed to manage and communicate emerging risks. Firmly embedded in the Group's risk management organisation, SONAR allows us to identify, assess and report these risks in a timely manner and to factor them into our strategic business decisions.

The SONAR process involves several integrated layers. The first is an interactive intranet platform which enables our employees to share and discuss risk notions based on trends and developments in the re/insurance landscape. This allows for bottom-up identification and peer reviews.

Our emerging risk specialists periodically cluster and further assess these risk notions for their potential impact on our business. Further "early signals" are harvested from external research institutions and experts, and digitally enabled horizon scanning tools are also deployed. Finally, our specialists carry out in-depth investigations and internal reviews on selected topics.

Swiss Re SONAR: New emerging risk insights

Swiss Re's SONAR Report features emerging risk themes that have the potential to impact the re/insurance industry. These topics derive from our SONAR process and have been assessed by our emerging risk management experts in recent years.
www.swissre.com/institute/research/sonar/sonar2019.html



You can learn more about one of these topics

– the life and health implications of climate change – in the case study on page 38. To share some of our key insights on these emerging risks with external audiences, we published the sixth edition of our comprehensive SONAR Report in 2019 (see to the left).

Further activities on emerging risks identified in the past

The emerging risks we have previously examined in more detail and featured in our former Corporate Responsibility Reports since 2007 are:

2007: Electromagnetic fields

2008: Critical infrastructure

2009: Carbon nanotubes

2010: Smart grids

2011: Cyber attacks

2012: 3D printing

2013: New forms of mobility

2014: Electronic cigarettes

2015: The Internet of Things

2016: Human-induced earthquakes

2017: Antimicrobial resistance

2018: Algorithmic decision-making

Since we first identified these emerging risks, we have followed up on several of them in our core business and together with our stakeholders, eg Critical infrastructure and Cyber attacks:

Website

You can read more about these activities at:

www.swissre.com/sustainability/risk-intelligence/emerging-risks/case-study-critical-infrastructure.html

and

www.swissre.com/sustainability/risk-intelligence/emerging-risks/case-study-cyber-attacks.html

Strategic foresight

Identifying and addressing emerging risks can be challenging. Their novelty and interconnectedness make it difficult to determine when a particular risk notion must be considered an emerging risk. Timing is of crucial importance. If measures to price and, eventually, exclude a particular risk are taken too early, we may not be able to offer our clients adequate re/insurance protection; if measures are taken too late, we may end up with increased loss potential. Given these challenges, we believe it is essential to foster risk dialogue with various partners. By sharing perceptions and assessments, all parties can gain a better understanding of potential emerging risks.

Website

You can read about our most important strategic initiatives concerning emerging risks at:

www.swissre.com/sustainability/risk-intelligence/emerging-risks/strategic-initiatives.html

Being a responsible investor

We are convinced that integrating environmental, social and governance (ESG) considerations into our investment portfolio makes economic sense. Our Responsible Investing strategy is based on the three strategic cornerstones Enhancement, Inclusion and Exclusion.



"We make the world more resilient" is Swiss Re's vision. More than ten years ago, our Asset Management unit embarked on a journey to not only generate risk-adjusted, stable long-term returns, but to also consider environmental, social and governance (ESG) aspects in our investment decisions. With this approach, our Asset Management has been contributing to the Group's vision.

In 2017, we reached a key milestone on this journey. As one of the first re/insurance companies, we integrated ESG benchmarks into our investment portfolio, which was a significant step forward from considering ESG as an "add-on" approach only. Two years later, we are even more convinced that taking ESG criteria into account has a positive impact on the performance of our investment portfolio in the long term. Reflecting this, we further refined our Responsible Investing strategy and made new commitments in 2019. Most notably, we acted as a founding partner of the UN-convened Net-Zero Asset Owner Alliance (www.unepfi.org/net-zero-alliance/), committing to transitioning Swiss Re's investment portfolio to net-zero greenhouse gas (GHG) emissions by 2050.

Our Responsible Investing strategy

Asset-liability management (ALM) continues to be the foundation of our investment philosophy. To meet future claims and benefits, we invest the premiums generated by our underwriting activities in assets

Website



Learn more about our approach to responsible investing at:

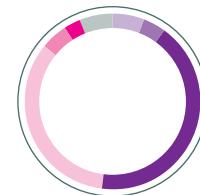
www.swissre.com/responsible-investing

whose cash flows match the durations and currencies of our re/insurance liabilities. Therefore, we generally invest the majority of our portfolio in higher-quality fixed income securities with stable long-term returns. At the end of 2019, such investments accounted for 79% of our total assets under management¹ (see graph below).

Including ESG criteria along the investment process makes economic sense, especially for long-term investors, as it improves risk-adjusted return profiles and reduces downside risks. Our Responsible Investing strategy relies on the three cornerstones Enhancement, Inclusion and Exclusion, of which Enhancement is the most meaningful for Swiss Re.

Overall investment portfolio

USD 134.5 bn, as of 31 December 2019



- 6% Cash and cash equivalents
- 4% Short-term investments
- 42% Government bonds
- 34% Credit bonds
- 5% Equities*
- 3% Mortgages and other loans
- 6% Other investments (incl. policy loans)

* Includes equity securities, private equity and Principal Investments

¹ Asset classes considered are government bonds, credit bonds, and mortgages and other loans.

Swiss Re's approach to responsible investing



Systematic integration of ESG considerations along investment process and into portfolio

Enhancement

Enhancement refers to the systematic integration of ESG criteria along the entire investment process, from the Strategic Asset Allocation (SAA) to monitoring and reporting. Today, close to 100% of our SAA considers ESG aspects.

With a share of 42% of total assets under management at the end of 2019, government bonds (incl. agency) constitute the largest holding within our investment portfolio. We have been successfully applying a minimum ESG rating threshold of BB for investments within this relevant asset class for several years (see overview on page 45). Any potential exception to the minimum rating would be driven by ALM considerations.

As part of our active risk management, we announced in 2017 that we had switched to ESG benchmarks consisting of better-rated companies from an ESG perspective for our actively managed listed equities and corporate credit portfolios. Limited leeway for deviations is given, whereby such investments are required to have either a positive ESG trend or provide compensation for the underlying ESG risk (see overview on page 45). The implementation of these benchmarks allows us to have both the right measurement and appropriate incentives for our portfolio managers in place. If benchmarks are not applicable, a minimum ESG rating threshold is applied to our mandates.

At the end of 2019, approximately 45% of our investment portfolio was managed externally, and more than 98% of those assets were managed by signatories to the Principles for Responsible Investment (PRI,

www.unpri.org/). We work closely with our external managers to ensure they consider ESG and climate-related aspects in their investment processes. Before external managers are appointed, we perform thorough due diligence on them to confirm their compliance with our responsible investing principles. This includes a review of the managers' ESG considerations in their investment decisions and monitoring, as well as of their commitment to responsible investing. After they have been mandated, the managers' individual performances are monitored in line with the Swiss Re Responsible Investing Policy and measured against ESG-related benchmarks. The managers are required to report regularly on their responsible investment activities.

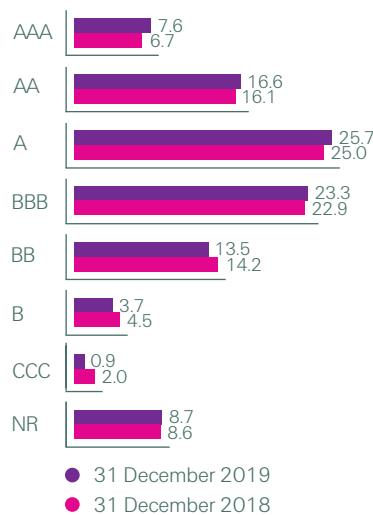
By consistently applying these prerequisites, we were able to further improve the ESG profile of our portfolio throughout the year, as shown in the graph on the left.

In recognition of our stringent Responsible Investing strategy, in 2019 we were selected to the PRI Leaders' Group on asset owners' selection, appointment and monitoring of external managers in listed equity and/or private equity.

For our real estate portfolio, we focus on certified buildings, such as the MINERGIE® standard (www.minergie.ch/) in Switzerland, or the world-wide known Leadership in Energy and Environmental Design certification (LEED, www.usgbc.org/leed). By the end of 2019, the value of our MINERGIE®-certified buildings reached USD 0.4 billion or 23% of our Swiss portfolio.

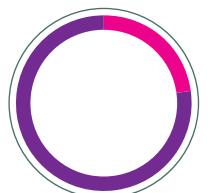
Furthermore, through our externally managed portfolio we predominantly invest

ESG rating distribution across our corporate credit and listed equities portfolio in %



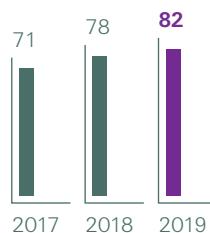
- 31 December 2019
- 31 December 2018

Swiss real estate portfolio



- 23% MINERGIE®-certified
- 77% No certification

GRESB Score Development



in the Australian, UK and US real estate markets, reaching a total size of USD 2.1 billion by the end of 2019.

In the US, the investment managers' approach to sustainability includes the "GreenGuide: Sustainable Property Operations", a best-practice guideline for sustainable and efficient real-estate operations; ULI GreenPrint Foundation (americas.ulic.org/research/centers-initiatives/greenprint-center/), a global environmental management platform; and the LEED certification from the U.S. Green Building Council. We also benchmark the portfolio against GRESB (greshb.com/), an industry-driven organisation transforming the way capital markets assess the ESG performance of real assets. It outperformed the GRESB average of 72/100 with a score of 82/100.

In Australia and the UK, the investment managers' approach to sustainability includes the National Australian Built Environment Rating System (NABERS, www.nabers.gov.au/) rating scheme and the BREEAM (www.breeam.com/) certification framework, respectively.

Inclusion

Thematic investments are an ideal way to tackle specific sustainability topics. We mainly target investments that contribute to a low-carbon economy and facilitate the mitigation of climate change. An effective way to do this is by investing in infrastructure renewables and green bonds. For the latter we use the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA, www.icmagroup.org/) as guiding principles for our investments. We were holding USD 1.8 billion in green bonds as of year-end 2019.

To further expand our thematic investments, we also include social and sustainability bonds in our allocation, investing in bonds whose use of proceeds helps tackle the challenges faced by underserved groups or populations. This enables us to embrace positive social impacts as an additional thematic focus. For social bonds we use the Social Bond Principles (SBP) and for sustainability bonds the Sustainability Bond Guidelines (SBG) issued by the ICMA as guiding principles for our investments. Overall, we increased our target for our green, social and sustainability bond mandate to USD 4 billion, to be achieved by the end of 2024.



Inclusion is one of three cornerstones of our Responsible Investing strategy. Our thematic investments include social infrastructure projects such as hospitals, student dorms and affordable housing.

Infrastructure is an attractive asset class for our investment portfolio given its credit quality and inherent liquidity premium. Our infrastructure investments are assessed against a catalogue of ESG parameters to evaluate the underlying sustainability risk.

- 13% of our infrastructure investments are allocated to renewable energy such as wind farms and solar panels.
- 21% of our infrastructure investments are allocated to social infrastructure such as hospitals, student dorms or affordable housing projects.

In our 2019 Financial Report, we disclose further information on our climate change-related investment risk exposure (pages 151–167).

In the context of our Inclusion approach, we also measure our real-world impact and align it to the Sustainable Development Goals (SDGs, sustainabledevelopment.un.org/). As part of our Responsible Investing strategy, we mainly focus on the five SDGs shown in the graph below.

Exclusion

Swiss Re's approach to Exclusion is based on our Group-wide Sustainable Business Risk Framework. This advanced risk management tool sets company-wide criteria for what we consider as acceptable business and which may thus lead to the exclusion of a company or a country from our investment scope. Swiss Re's Sustainability Risk Management team is responsible for reviewing and updating the framework on a regular basis. Further information is available in this report on pages 35–37. Additionally, we consider the way companies conduct their business by screening their alignment with the ten principles of the UN Global Compact (www.unglobalcompact.org/).

To mitigate the risk of stranded assets in the light of the accelerating transition to a net-zero GHG economy, we avoid investments in companies that generate 30% or more of their revenues from thermal coal mining or that use at least 30% thermal coal for power generation. We have also divested from companies with more than 20% revenues from oil sands operations. Further strengthening our efforts, we

introduced an absolute coal threshold in 2019: We are committed to not investing in mining companies that produce at least 20 million tonnes of coal per year and in power utility generators with more than 10 gigawatts of installed coal fire capacity.

For further information on how we manage climate risk in our investment portfolio, please read our Climate-related financial disclosures published in the 2019 Financial Report (pages 151–167).

Content in the 2019 Financial Report

 For more information, see our Climate-related Financial Disclosures, pages 151–167.

Our thematic investments support the SDGs



As of 31 December 2019

Overview of ESG considerations in Swiss Re's investment portfolio

		Enhancement	Inclusion	Exclusion
Government bonds	➤	<ul style="list-style-type: none"> Investment universe requiring ESG ratings BB and better, taking ALM considerations into account Green, social and sustainability bond mandate considering ICMA Principles and/or Guidelines 	 ● ● ●	 ● ● ●
Credit	➤	<ul style="list-style-type: none"> Active mandates benchmarked against ESG BB and Better index with limited leeway to deviate from the benchmark Reinvestment universe of buy-and-hold mandates restricted to ESG rating BB and better ESG inclusion in infrastructure loans 	 ● ● ●	 ● ● ●
Listed equities	➤	<ul style="list-style-type: none"> Active mandates benchmarked against MSCI ESG Leaders indices restricted to BB and better 	 ● ● ●	 ● ● ●
Private equity	➤	<ul style="list-style-type: none"> New investments are only made into Private Equity funds that adhere to ESG guidelines Swiss Re reviews ESG performance and compliance for each potential investment 	 ● ●	 ●
Real estate	➤	<ul style="list-style-type: none"> Benchmarked against different sustainability standards depending on the location of the property (Minergie® standard, LEED certification, GRESB scoring, NABERS rating, BREEAM certification) 	 ● ●	 ● ● ●

● ● ● The number of points reflects the level of ESG integration for the respective asset class.

Responsible investing governance framework

Our Asset Management operates within a well-defined framework. Strong governance is key to including ESG considerations along the investment process in a structured and controlled way. Our Responsible Investing strategy is based on clear principles, procedures and responsibilities consistent with Swiss Re's Code of Conduct and formal commitment to sustainability.

The Swiss Re Responsible Investing Policy describes our approach, specifies roles and responsibilities in the organisation, and defines implementation and monitoring standards for ESG criteria in the Group's investment portfolio.

The policy is reviewed periodically and updated if required. It is complemented by the Swiss Re Asset Management Voting and Engagement Policy, which provides guiding principles that apply to all our voting and engagement activities and is consistent with regulatory developments such as the Shareholder Rights Directive 2017/828 (SRD II). It rounds off the integration of our Enhancement approach and specifically expresses our commitment to our role as an active shareholder.

Swiss Re's Head Responsible Investing (Head RI), with support of a dedicated team, develops and coordinates the implementation of the Responsible Investing strategy within the unit. As part of this, the Head RI steers the ESG Advisory Board, a committee formed by representatives of all investment units as well as Legal, Compliance and Group Risk Management. The ESG Advisory Board reports on responsible investment activities in the various investment units, develops and reviews improvement ideas, shares knowledge and monitors implementation progress.

The SAA&Markets Committee reviews and discusses operational decisions related to Swiss Re's Responsible Investing strategy and advises the co-heads SAA&Markets on related decisions and improvements. The Asset Management Investment Committee reviews and discusses strategic decisions and improvements related to Swiss Re's Responsible Investing strategy and advises the Group Chief Investment Officer (Group CIO) on them.

The overall responsibility for our Responsible Investing strategy lies with the Group CIO, who signs off investment decisions within the Group's Strategic Asset Allocation.

How we engage

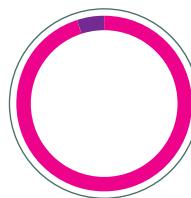
Voting and engagement

We believe that ESG considerations, especially good corporate governance and transparency towards shareholders, are key drivers for sustainable value creation. We recognise our shareholder rights and responsibilities as an integral part of our commitment to responsible investing. To reflect this pledge in our voting and engagement behaviour, we have defined principles in our Asset Management Voting and Engagement Policy and will report on them going forward (see: www.swissre.com/voting-and-engagement-overview). We review our constitutive voting and engagement principles periodically to keep them aligned with best practice.

In the case of internally managed equities, we make use of our influence as a responsible shareholder by directly exercising our voting rights and engaging with companies in which we are invested. For externally managed portfolios, we work with the relevant portfolio managers to execute our proxy votes and related engagement activities.

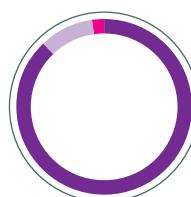
We review the voting policies of external managers during the due diligence process to confirm compliance with our policy. In addition, external managers are required to report on voting and engagement activities conducted on Swiss Re's behalf.

Our voting activities in 2019



- 95% Votes cast
- 5% No votes cast

Our voting behaviour in 2019



- 88% Voted with management
- 10% Voted against management
- 2% Abstained
- 0% Votes withheld

In 2019, we exercised 95% of our voting rights of our listed equity mandates. We voted on 6 536 voting items through our external managers. We voted in line with the respective management resolution recommendation in 5 716 cases (88%) and against it in 683 cases (10%). In 131 cases (2%), we abstained from voting. The remaining votes were withheld.

In addition to shares in listed companies, investments in our equity portfolio include equity exchange-traded funds (ETFs). The fund managers cast votes on these ETFs in line with their own voting policies and processes.

Promoting responsible investing

Shifting the large institutional asset base towards sustainable investments would mark a big step forward in making the world more resilient. Swiss Re's brand promise "We're smarter together" is also applicable to responsible investing.

We interact with policymakers and other market participants to promote ESG considerations in the investment process. As an example, we contribute to the European Commission's Technical Expert Group on Sustainable Finance and specifically participate in the development of climate-transition and Paris-aligned benchmarks and of ESG reporting needs for benchmarks. As an active member of the OECD's long-term investor network, we also engage in the development of policy proposals regarding sustainable infrastructure and ESG. Furthermore, as part of relevant industry organisations we shape and advise on sustainable financial market developments in Switzerland.

Knowledge sharing is another key aspect of promoting responsible investing. We offer all Asset Management employees various internal ESG training opportunities to ensure consistent know-how across the Group. Furthermore, we are in an ongoing dialogue

with other industry participants to develop responsible investing as a standard investing approach.

In this context, we hosted the "Sustainability Leadership Series – Responsible investing in practice" conference in September 2019. The event featured expert speakers as well as panel sessions and served as a platform to share first-hand insights on the implementation of responsible investing strategies, discuss policy developments and look at the latest trends in stewardship across a fast-evolving market. You can find more information about the event on page 54.

In 2019, we also launched the brochure Responsible Investing – Our approach, which provides an update on the implementation of our Responsible Investing strategy and outlines our most recent commitments:

www.swissre.com/ri-our-approach.

We first formalised our commitment to responsible investing in 2007 by signing the Principles for Responsible Investment. In 2012, we signed the Principles for Sustainable Insurance (PSI, www.unepfi.org/psi/), a further step to formally endorse our commitment to corporate responsibility. Both the PRI and PSI are taken into account within our comprehensive responsible investing framework. All PRI signatories are required to provide in-depth reporting on their responsible investment activities. Our Transparency Report is available on the PRI website.

We have once again been recognised by the PRI for our thought leadership in the field of responsible investing, achieving our best-ever rating and being nominated to the 2019 Leaders' Group (www.swissre.com/pri-leaders-group).

Being a member of the ICMA Green and Social Bond Principles since 2017 supports our view that the industry needs a more standardised responsible investing market environment with agreed definitions, standards, methodologies and best practices to move the long-term investor base further towards systematic ESG integration.

As we are determined to stay a leader in responsible investing and to continuously play a decisive role in making the world more resilient, we went one step further in 2019. To accelerate the transition to a low-carbon economy and to mitigate climate change, we co-founded the UN-convened Net-Zero Asset Owner Alliance. In this role, we committed to aligning our investment portfolio with the 1.5°C goal stated in the Paris Agreement by having a net-zero GHG emission investment portfolio by 2050.

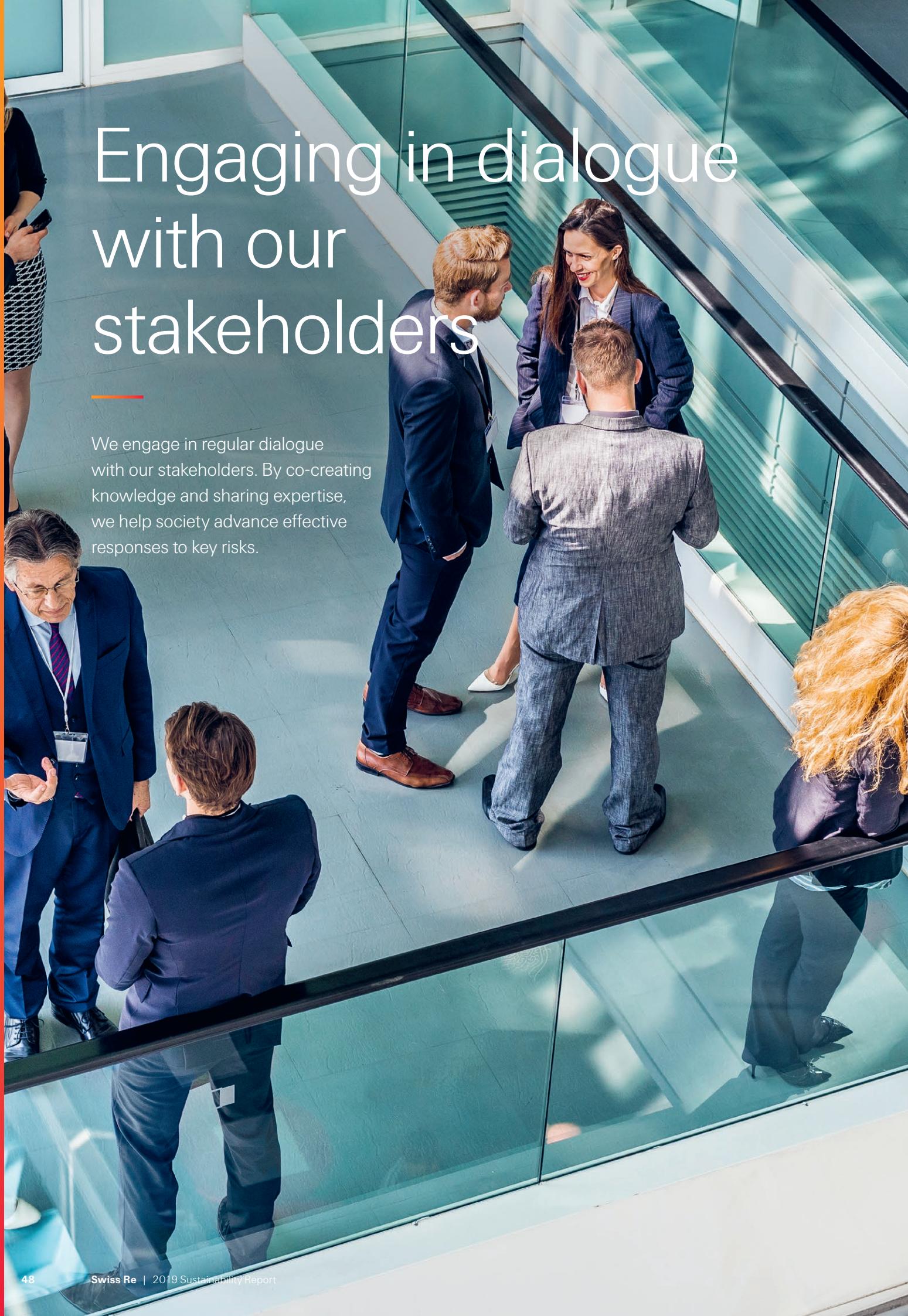
We joined the global Science Based Targets initiative and will develop science-based emission reduction targets (sciencebasedtargets.org). Our commitment also includes advocating for and engaging on corporate and industry action as well as public policies for a low-carbon transition of economic sectors.

The UN-convened Net-Zero Asset Owner Alliance is an international group of institutional investors delivering on the commitment to transition their investment portfolios to net-zero GHG emissions by 2050. As of year-end 2019, the then 16 members represented nearly USD 4 trillion in assets under management. The Alliance shows united investor action to align portfolios with a 1.5°C scenario, addressing Article 2.1c of the Paris Agreement.

www.unepfi.org/net-zero-alliance/

Engaging in dialogue with our stakeholders

We engage in regular dialogue with our stakeholders. By co-creating knowledge and sharing expertise, we help society advance effective responses to key risks.



Our re/insurance solutions help our clients and partners manage the risks they face. This in turn fosters stability and enables economic growth. However, many of today's risks are complex and may threaten sustainable progress. To find effective, long-term responses to such risks, partners from the public and the private sector need to work together. For this reason, we attach great importance to engaging in an active dialogue with our principal stakeholders, which include:

- Clients: cedents, brokers, corporate clients, government entities, multilateral organisations
- Financial community: investors/ shareholders, rating agencies, shareholder associations, stock exchanges
- Employees

- Political and legal entities: multilateral organisations (UN), governments, regulators, standard-setting boards
- Civil society: general public, NGOs, academia

Our role as a risk knowledge company and ultimate risk-taker in society means that we have an intrinsic interest in pursuing productive dialogues with our stakeholders. Drawing on the expertise from our core business, we identify key risks and take an active role in discussions about them.

We share, exchange and co-create knowledge through many channels, eg our publications, international dialogue platforms, client and partner events, as well as cooperation with governments, non-governmental organisations, and academic

institutions. Swiss Re Institute with its established brands such as the *sigma* series and the Centre for Global Dialogue plays a key role in our stakeholder dialogue (for further information, see below).

Our focused efforts give us valuable feedback and new insights for risk management and product development, sharpening our understanding of key perils and sustainability issues. The three 2030 Sustainability Ambitions of our Group Sustainability Strategy provide an important focal point for these efforts.

Swiss Re Institute

Swiss Re has long been recognised as a knowledge leader within the re/insurance industry. We believe that a superior understanding of the risks we all face supports the Group's vision of making the world more resilient.

Swiss Re Institute plays an essential role in achieving this objective. It conducts and publishes superior risk research to drive better decisions and innovation in the re/insurance industry. It curates risk and market data to enable solutions that create value for clients and to guide the Group's strategic direction. It acts as a coordination point bundling all research activities across Swiss Re and works with selected partners to explore the future of risk coverage, assess changes in the risk landscape and act as a catalyst for industry change.

The cutting-edge risk knowledge generated in this way is shared through publications, client programmes and conferences. Swiss Re Institute incorporates successful Swiss Re brands such as the *sigma* publication series, the annual SONAR Report and the Centre for Global Dialogue.

Based on its mandate and key activities, Swiss Re Institute supports the Group's commitment to sustainability. It helps identify emerging risk trends and fosters dialogue with our clients and other stakeholders to advance sustainable risk solutions.

Website



You can find more information about Swiss Re Institute at:
www.swissre.com/institute/

Dialogue on our 2030 Sustainability Ambitions

As part of developing our Group Sustainability Strategy, we defined our 2030 Sustainability Ambitions, combining insights from our own risk expertise and from our stakeholders. We consider these Ambitions to be highly relevant for our clients, the re/insurance industry and society as a whole. They denote topical focus areas where we believe Swiss Re can have a significant positive impact in terms of supporting sustainability. Thus they also help us meet our vision to make the world more resilient (for further details, see pages 9–13):



Mitigating climate risk and advancing the energy transition



Building societal resilience



Driving affordable insurance with digital solutions

Mitigating climate risk and advancing the energy transition



The effects of climate change are already evident and impacting our risk landscape: warmer average temperatures, rising sea levels, longer and more frequent heatwaves, as well as more weather extremes. These phenomena are becoming the new normal and will increasingly impact our way of life, our health and our natural environment. Urgent questions we need to ask are how to tackle climate change, how to advance the transition to renewable energy, and how we can best adapt to and mitigate climate risk.

In 2019, our stakeholder dialogue on this 2030 Sustainability Ambition included the following highlights:

- We attended the UN Climate Action Summit in New York and signed two important commitments: the UN Global Compact Business Ambition for 1.5°C (see page 33) and the UN-convened Net-Zero Asset Owner Alliance (see page 47). In addition, the Insurance Development Forum (IDF) announced a series of coordinated commitments with the UN Development Programme, Germany and the UK to increase insurance protection in climate-exposed countries. Swiss Re has endorsed this commitment together with a number of peer companies.*

- We hosted the fourth annual Oasis conference in Zurich. Oasis is an open-source catastrophe modelling platform that eases the exchange of models in the re/insurance industry. It reflects the industry's willingness to join forces and control rising costs by providing access to new and existing model providers, ultimately enhancing the diversity of models and risk views.

- We contributed our know-how to the development of the 2019 Task Force on Climate-related Financial Disclosures (TCFD) Status Report, as well as hosted the Industry Stakeholder Workshop convened by the International Association of Insurance Supervisors (IAIS) and the Sustainable Insurance Forum (SIF) on the "Implementation of the Recommendations and Guidance of the Task Force on Climate-related Financial Disclosures and Supervision of Climate Change Risks" event.

- We produced the *sigma* issue 2/2019: "Secondary natural catastrophe risks", which took a look at global insured losses from natural catastrophe events, as well as provided a detailed analysis of the "secondary" effects of primary perils. While underwriting catastrophe risks means looking at peak risks, increasingly it also requires taking into consideration forward-looking trends on secondary perils.

- Swiss Re's Chairman Swiss Re Institute and Group Chief Underwriting Officer, Edi Schmid, published a blog titled: "Averting a collision course with climate change". This article emphasised how climate change and urban growth are impacting weather-related disasters and underinsurance, as well as how efforts must converge with broader actions on climate change and support more sustainable business models.

- We contributed to the Chief Risk Officer (CRO) Forum Emerging Risk Initiative position paper titled: "The heat is on – Insurability and Resilience in a Changing Climate". The aim of the paper was to provide the insurance sector, risk professionals and other stakeholders with a clear understanding of climate change implications for the re/insurance industry, and to help equip them to challenge their businesses and clients in their responses to climate change.

* Further companies that have initially endorsed the IDF commitment are: Allianz, Aon, Axa, Munich Re, Renaissance Re, Scor, Willis Tower Watson.

Building societal resilience



Technological and economic development, population growth, ageing populations and other societal trends are increasingly putting people and assets at risk. Swiss Re's Responsible Investing strategy, as well as its work in the areas of health and longevity, agriculture and infrastructure represent some of the ways we help build societal resilience and reduce related vulnerabilities.

In 2019, our stakeholder dialogue on this 2030 Sustainability Ambition included the following highlights:

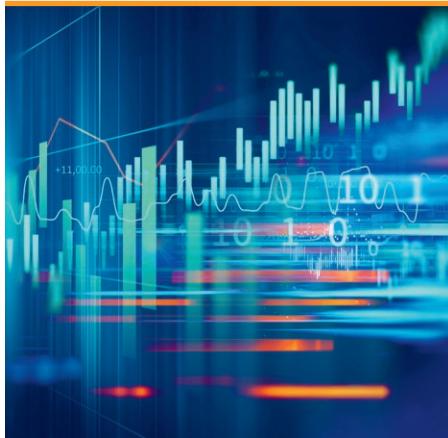
- Through Swiss Re Institute, numerous stakeholders assembled at our "Expert Forum on Mental Health", where experts exchanged viewpoints on the current mental health landscape and how insurers can make a difference to improve it. Further on the topic, our Reinsurance Solutions Asia Pacific Team Lead, Li Hui Lee, published a blog article titled: "World Mental Health Day: Preventing and Breaking Taboos", to advance awareness of this global health challenge in the Asia-Pacific Region.
- We held a number of Engineering & Construction events in locations that included Sao Paolo and Kuala Lumpur, as well as the Engineering Underwriting Forum in Zurich. These events brought together stakeholders to discuss infrastructure development, investment and insurance, as well as focused on the advancement of holistic and sustainable infrastructure development. Further on the topic, Marcela Bortolamedi Cochrane, Property & Specialty Underwriting Operations Officer, published a blog article titled: "Helping the world rebuild and renew", outlining Swiss Re's role in supporting a holistic approach to sustainable infrastructure development and our involvement in the Madaster Project, which is focused on finding ways to reduce infrastructure's carbon footprint by re-using building materials.
- With a broad panel of experts from politics, science, business and risk engineering, Swiss Re Corporate Solutions held a webinar on "The European food industry: Increasing resilience and strengthening food security". Topics addressed included biodiversity, digitisation and competition – all key factors to resilience in the European food industry. Further on this topic, Jeffrey Khoo, Head Food & Agriculture Sales Asia, published a blog article titled: "Let's protect those who secure our food", outlining thoughts on food security considering the ever-growing world population, as well as how to better protect smallholder rice farmers, who remain largely uninsured, but who generate 90% of the rice crops in the Asia-Pacific Region.
- As part of our Digital Ecosystems Series (September 2019), we published the research report titled "Health ecosystems: striving towards an integrated and seamless patient experience". The study not only found that re/insurers can play a key role in disease prevention, supported by digitally integrated health ecosystems, but also that such digital ecosystems allow for higher quality and better health outcomes for patients, at lower costs.
- We produced the *sigma* issue 5/2019: "Indexing resilience". As an industry first, Swiss Re Institute and the London School of Economics jointly developed new resilience indices that provide a more holistic assessment of economic health than gross domestic product. The findings indicate that the world economy has become less resilient and that there is a record-high global protection gap within three main areas of risk – natural catastrophes, mortality and healthcare.

Online content



In the online version of our 2019 Sustainability Report you can find links to further information on these activities.

Driving affordable insurance with digital solutions



By embracing the opportunities offered by new technologies and the digital transformation, we aim to develop solutions that make insurance more affordable, accessible and available to customers. Technology not only allows us to deliver greater efficiencies through the entire insurance value chain, but also to provide innovative insurance covers and share our risk knowledge more widely.

In 2019, our stakeholder dialogue on this 2030 Sustainability Ambition included the following highlights:

- As part of our Digital Ecosystems Series (May 2019), we published the research report titled “Mobility ecosystems: striving towards a seamless interface for customers”. The study found that urbanisation, changing demographics and greater environmental awareness are putting pressure on existing mobility infrastructure. It also found that rapid urbanisation means that societies will increasingly need sustainable and resilient mobility solutions, including a more dynamic use of existing systems, as well as newer tech-enabled mobility platforms.

- As part of our Digital Ecosystems Series (January 2019), we published the research report titled “Extending the boundaries of value creation in insurance”. The study took a look at how different digital ecosystems are creating new markets by combining a variety of services and vendors on one platform to offer consumers a holistic and “power of choice” user experience. Further, by leveraging digital ecosystems, it is expected that reinsurers and insurers will be better able to customise their products to customers’ needs.

- We co-organised “The Power of Predictions” conference together with the Gottlieb Duttweiler Institute and IBM. Swiss Re Institute positioned the effects of better predictions in the insurance industry, and how financial markets and risk allocation will evolve. In addition, we presented emerging trends and risks that are key for the insurance industry and future of societies.
- We produced the *sigma* issue 4/2019: “Advanced analytics”, which investigated how re/insurers will be able to unlock new frontiers in property and casualty re/insurance. Through the use of structured and unstructured data sources from new sensor networks and platforms, re/insurers will be able to price new markets and risk classes, as well as make existing processes more efficient.

Online content

- In the online version of our 2019 Sustainability Report you can find links to further information on these activities.

Digital responsibility

Digitalisation across the re/insurance value chain is accelerating. It is expected that it will enhance the value provided to customers as well as foster closing of protection gaps. Thus, it is important to actively promote digitalisation to harness these advantages. However, the use of artificial intelligence and digital personal data also raises ethical concerns regarding fairness, inclusion, hardship and solidarity. In this context, we have started to develop our own ethical guidance to enable swift digitalisation in the company, while at the same time ensuring that we maintain customers' trust, differentiate our services, and safeguard our reputation as a leading re/insurance company.

Various regulators around the world have started to evaluate the need for regulations on the topic of big data / digital ethics or have issued initial guidelines. Swiss Re actively engages in discussions with regulators by participating in regulatory expert groups, contributing to studies and

reports, as well as giving feedback to consultations and responding to regulatory questionnaires.

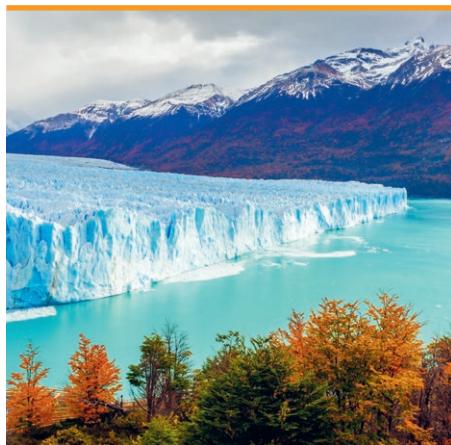
The European Insurance and Occupational Pension Authority (EIOPA) has appointed a Swiss Re employee to its consultative expert group for digital ethics and to chair the workstream on Fairness and Non-Discrimination. The outcomes of this work are expected to be published in 2021.

In 2019, we supported the finalisation of a three-year research project on "Between Solidarity and Personalization – Dealing with Ethical and Legal Big Data Challenges in the Insurance Industry", conducted by researchers at the University of Zurich and the University of Applied Sciences HTW Chur. The project was funded by Switzerland's National Research Programme 75 on "Big Data". The final report has been published and is available at www.nfp75.ch/en/projects/module-2-societal-and-regulatory-challenges/project-christen.

Additionally, we contributed to the report "Promoting Responsible Artificial Intelligence in Insurance", published by the Geneva Association (www.genevaassociation.org/research-topics/digitalization/promoting-responsible-artificial-intelligence-insurance). The publication analysed a selection of ethics guidelines issued by governmental and non-governmental organisations, as well as private companies. It took a close look at the topics of transparency, explainability and fairness, which are particularly complex for re/insurers to interpret and implement. It also explores how to address the key trade-offs that arise in applying these principles.

For Swiss Re's commitment to data protection and privacy compliance, see page 77.

General sustainability topics



Our three 2030 Sustainability Ambitions provide a key focus for our stakeholder dialogue. At the same time, we regularly engage in the wider sustainability discussion and contribute to other topics we consider relevant.

Below are some further sustainability-related highlights of our stakeholder dialogue in 2019:

- Swiss Re's Head Property & Specialty Underwriting Reinsurance, Mike Mitchell, published a blog titled: "Now, more than ever insurance is vital to the sustainability of the world's economies". This article emphasised the importance of improving

global sustainability and resilience by closing the protection gap for all stakeholders, and how great progress can be made through public-private partnerships as well as technology-enabled parametric solutions.

- Swiss Re Institute hosted our "Sustainability Leadership Series – Responsible investing in practice" event. You can read more about this event on page 54.
- Swiss Re's Chairman Swiss Re Institute and Group Chief Underwriting Officer, Edi Schmid, published a blog titled: "Risk, resilience and the road to a sustainable future". This article emphasises the importance of both resilience and sustainability, as well as thinking about them in the context of the Resilience Index for countries that was developed jointly by Swiss Re Institute and the London School of Economics. Closing the protection gap makes economic common sense and the new Resilience Index is a good example of how risk knowledge can help guide decision-making and strengthen societal resilience.
- Our Chairman of the Board of Directors, Walter B. Kielholz, annually conducts governance roadshow meetings with Swiss Re's largest shareholders to provide an update on corporate governance and engage on environmental, sustainability and governance (ESG) issues, strategy and other topics. Discussions cover Swiss Re's approach to managing risks and seizing opportunities on ESG topics, including advances to our leading Sustainable Business Risk Framework, and how we integrate ESG criteria across our investment portfolio.
- We engaged with the NGO Oceana, under the UNEP FI Principles for Sustainable Insurance, and became a signatory committing to the reduction and elimination of illegal, unreported and unregulated (IUU) fishing. To this end, we have appropriate risk management protocols and due-diligence procedures in place to help reduce the risk of insuring vessels or companies that act contrary to agreed international governance frameworks and international law covering IUU fishing.
- Swiss Re's Group Chief Executive Officer, Christian Mumenthaler, was part of the Climate Leaders panel session at the 2019 World Economic Forum, as well as quoted in an article for Reactions magazine. He continues to be outspoken and action-oriented on mitigating climate change, having indicated that speed, industry-wide collaboration and taking a long-term view are key in enabling the critically important transition to a low-carbon economy.

Sustainability Leadership Series – Responsible investing in practice

There is increasing recognition that sustainability can have a significant impact on a company's financial performance, and it is becoming a crucial consideration in the investment decision-making process.

We were among the first in the re/insurance industry to move close to 100% of our Strategic Asset Allocation to environmental, social and governance (ESG) benchmarks. We believe that long-term investors are best equipped to lead the way in embedding sustainability into the conventional investment process, and that bringing key industry participants together to exchange knowledge and experiences is the best way to move the dialogue forward.

With this in mind, on September 12–13, 2019, Swiss Re Institute, together with our

Investor Relations and Asset Management units hosted the "Sustainability Leadership Series – Responsible investing in practice" event, which brought together 80 participants from the investment community, re/insurers, campaign groups, national and international regulatory bodies, academia and policymakers.

The event served as a platform to share first-hand insights on the implementation of responsible investing strategies, discuss policy developments and look at the latest trends in stewardship across a fast-evolving market. During the event, four panels discussed ESG aspects from different perspectives. Participants took stock of lessons learned thus far by asset managers who have taken active steps to integrate ESG into their investment decisions, looking at this by asset class, discussing the view-point of policymakers

and regulators, and finally considering the latest trends and outlook on investment stewardship and shareholder engagement.

The acknowledgement that ESG considerations are not just a "nice-to-have" was reiterated numerous times during the event, with emphasis put on how it makes economic sense to integrate ESG factors into investment decisions. At the same time, there was agreement that all stakeholders need to continue taking action if society as a whole is to achieve the climate goals set in the Paris Agreement.



Panel discussion during the event (left to right): Guido Fürer, Chief Investment Officer, Swiss Re; Lady Lynn Forester de Rothschild, Founder and CEO, Coalition for Inclusive Capitalism; Patrick Odier, Managing Partner, Lombard Odier; Philippe B. Brahms, Head Investor Relations, Swiss Re.

Website

 You can find more information about this event at: www.swissre.com/institute/conferences/sustainability-leadership-responsible-investing.html

Collaboration with (inter-)governmental and academic institutions

In recent years, we have collaborated with various (inter-)governmental and academic institutions both to promote effective approaches to sustainability challenges and to share our expertise on managing specific risks.

Our work with (inter-)governmental agencies to promote effective sustainability responses

- In Europe, we continued our engagement with regulators to highlight the important role insurers play in supporting the transition to a low-carbon, more resource-efficient and sustainable economy in line with the European Green Deal. We provided input to the European Insurance and Occupational Pensions Authority's (EIOPA) Opinion on Sustainability within Solvency II. Swiss Re participated in climate change-focused regulatory roundtables hosted by EIOPA and the UK Prudential Regulation Authority (PRA). In addition, Swiss Re staff attended several leading groups on relevant regulatory topics such as the European Commission Technical Expert Group on ESG benchmarks, PRA/FCA (Financial Conduct Authority) Climate Risk Financial Forum and EIOPA's Technical Expert Group on Cat Risks.
- In the US, we have maintained regular dialogue with the National Association of Insurance Commissioners (NAIC), principally on climate change and natural catastrophes.
- In Japan we are a member of the TCFD (Task Force on Climate-related Financial Disclosures) Consortium, which was established in May 2019. The inaugural TCFD Summit took place in October 2019. In Singapore we were actively involved in the development of a set of environmental risk management guidelines by the Monetary Authority of Singapore (MAS) for the insurance sector. The guidelines are to be issued in 2020 after a public consultation exercise.

Our work with (inter-)governmental agencies to share risk management expertise

- With Public Sector Solutions, we have a team that works strategically with public-sector bodies to improve risk resilience:
 - Directly with sovereigns or sub-sovereigns and their agencies, recently with the Indonesian government to insure its state assets against natural disasters; with the Pacific Alliance (Chile, Colombia, Peru and Mexico) to structure an earthquake cat bond; with the Federal Emergency Management Agency (FEMA) to create a reinsurance cover programme for its National Flood Insurance Program; with the government and prefectures of two Chinese provinces to establish major natural catastrophe insurance schemes, and with the UK government as part of a programme set up to make flood insurance more affordable for homeowners
 - With development agencies such as the United States Agency for International Development (USAID), the UK's Department for International Development (DFID), the Swiss Agency for Development and Cooperation (SDC), the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IADB) and the German Development Bank (KfW)
- We have regularly contributed to platforms such as the World Economic Forum, B20, G20 and G8 to share our insights on key risks, and have supported the United Nations Framework Convention on Climate Change (UNFCCC) process.

Working with academic institutions

Through Swiss Re Institute (find out more on page 49), we build and manage partnerships with world-class academic and research institutions, guide Swiss Re's internal capital allocation and business steering processes, and provide our stakeholders with cutting-edge risk research.

- We support EPFL on its Center for Digital Trust (www.c4dt.org/), which aims to create a technical, legal and ethical framework that delivers strong guarantees and reduces the cost of achieving trust in the digital world.
- With GEM Foundation (www.globalquakemodel.org), we create global, transparent, uniform hazard and risk models, and open-source software for seismic risk assessment.
- With the Institute of Insurance Economics at the University of St. Gallen, HSG (www.ivw.unisg.ch/), we conduct industry-wide studies to better understand market dynamics.
- We collaborate with the Center for Interacting Urban Networks at NYUAD (nyuad.nyu.edu/en/research/centers-labs-and-projects/center-for-interacting-urban-networks.html), which aims at promoting fundamental research that can ultimately be translated into pragmatic ideas for increasing the livability of our cities.
- With the University of Peking in Beijing (www.pku.edu.cn) we carry out an economic analysis on the health status of the middle-aged and elderly in China.
- We collaborate with NNEdPro Global Centre for Nutrition and Health (www.nnedpro.org.uk) to develop knowledge application models which help promoting nutrition to achieve better public health.
- With UC Berkeley (www.berkeley.edu/), we explore how sustainability issues impact financial risk through maximum drawdown.

Take a look at our website for further information on our collaborative projects: www.swissre.com/institute/partnerships.html

Content in the 2019 Financial Report

-  For our participation in the Financial Stability Board's Task Force on Climate-related Financial Disclosures, see page 152.

Reducing our footprint

An aerial photograph showing a dense forest of green trees on the left, transitioning into a bright blue river or stream flowing from the bottom right towards the top left. The river's edge is lined with a mix of green and brown vegetation.

We want to lead by example and work to minimise the environmental impact of our operations. Bringing our CO₂ emissions to net-zero and reducing energy consumption are key targets across the Group.

As a knowledge company in the financial services sector, we do not cause large environmental impacts through our own operations. Nonetheless, we firmly believe that as a company committed to sustainability we should minimise our environmental footprint, thus leading by example.

For our core re/insurance business, climate change represents a key topic. Reflecting this, we have been focusing on our own CO₂ emissions and energy consumption for many years. Our pioneering initiatives include the Greenhouse Neutral Programme and the CO_{you2} Programme. Both are now into their second cycles, running from 2013 to 2020.

Furthermore, we apply sustainability guidelines to our sourcing activities. Extending our efforts beyond our company, we continue to play an active role in the Swiss Climate Foundation.

Management system and certification

We operate an integrated global management system at our Corporate Real Estate & Services (CRES) division, which interlinks quality and environmental management, and ensures that similar processes are seamlessly managed. Through a systematic, Group-wide reporting process, we monitor our environmental performance and implement appropriate improvement measures.

Environmental objectives and targets are defined centrally at our headquarters, but responsibility for implementing improvement measures also lies with the CRES departments in our regions and

individual locations. Some of them define additional environmental targets that reflect specific local conditions and challenges.

Since 2015, our entire CRES division has been certified according to the ISO 14001 environmental management standard (www.iso.org), replacing the location-based approach previously used. This means that all our operations and employees are covered by an ISO 14001-certified environmental management system (EMS).

Complementing the ISO 14001 certification of our Group-wide EMS, we have achieved ISO 50001 certification for the energy management system of our main locations in the EU.

For our recently completed office buildings in New York, Zurich (Swiss Re Next) and Bangalore we have also received the Leadership in Energy and Environmental Design (LEED, usgbc.org/leed) certification, the most widely used green building rating system worldwide to evaluate the overall environmental performance of a building. In addition, we have received certification for our Campus Mythenquai in Zurich as a "2000-Watt site in transformation".

Committing to reach net-zero emissions by 2030

In 2019, we made a major new commitment: to reach net-zero emissions in our own operations by 2030. This is an ambitious goal. It requires us to double down on our efforts to cut emissions and to shift from conventional carbon offsetting to carbon removal. On pages 60 and 62 you can find out more about our net-zero commitment and our early engagement in the nascent carbon removal market.

Website

 You can find out more about our engagement in the Swiss Climate Foundation at:
www.swissre.com/sustainability/footprint/partner-initiative-swiss-climate-foundation.html

Website

 You can find out more about our certification from the 2000-Watt society at:
www.swissre.com/sustainability/footprint/2000-watt-society.html

Website

 You can find out more about our commitment to reach net-zero emissions in our operations at:
www.swissre.com/sustainability/footprint/co2netzero-programme.html

Our Greenhouse Neutral Programme

Climate change has been Swiss Re's most important sustainability issue for some 30 years. It is a key topic for a re/insurer because it leads to more extreme and more frequent weather events. Reflecting this, "Mitigating climate risk and advancing the energy transition" is one of the three ambitions of our enhanced Group Sustainability Strategy (see pages 9–13).

The Greenhouse Neutral Programme has been the principal means to reduce the emissions from our own operations. It combines two commitments: firstly, to reduce our CO₂ emissions per employee (full-time equivalent, FTE); secondly, to offset all the remaining emissions by purchasing high-quality emission reduction credits, thus making our company fully greenhouse neutral.

We originally launched the Greenhouse Neutral Programme in 2003 for a ten-year period. During that time, we gradually reduced our CO₂ emissions by 49.3% per employee (FTE) and compensated all the remaining emissions.

Goals and scope

Seamlessly continuing from the programme's first phase, we launched a second commitment cycle running from 2013 until 2020. However, after almost halving our CO₂ emissions per employee in the previous ten years, the potential for further reductions has now been significantly smaller. Thus, our target until the end of 2020 is to keep our CO₂ emissions per employee stable at the 2013 level. In view of our expansive business strategy, especially in high growth markets, we regard this as an ambitious goal.

10.6%

Total reduction of CO₂ emissions per employee since 2013

CO₂ emissions per employee (full-time equivalent, FTE), Swiss Re Group

		2013 kg/FTE	2018 kg/FTE	2019 kg/FTE	Change in % since 2018	Change in % since 2013
Scope 1	Heating	378	244	210	-13.8	-44.4
Scope 2	Power ¹	824	584	472	-19.1	-42.7
Scope 3	Business travel	3 713	3 892	3 842	-1.3	3.5
	Copy paper	40	16	13	-15.7	-66.3
	Waste	50	33	28	-13.7	-43.1
	Water	12	11	8	-23.7	-30.1
	Technical gases	27	6	52	764.3	92.1
	Commuting ²	1 250	1 000	1 000	0.0	-20.0
Total		6 294	5 786	5 627	-2.7	-10.6

1 Calculation based on a market-based approach taking into account the purchase of renewable energy instruments, with the exception of the UK, where the government requires companies to report an average grid factor (see table at the bottom for our reporting of emissions from electricity).

2 Commuting data are gathered bi-annually by means of a survey. The figures are rounded and fraught with considerable uncertainty.

Underlying environmental data, Swiss Re Group

		2013	2018	2019	Change in % since 2018	Change in % since 2013
Heating	kWh/FTE	1 931	1 190	1 023	-14.0	-47.0
Power	kWh/FTE	4 533	3 405	2 917	-14.3	-35.6
Energy intensity	kWh/FTE	6 464	4 595	3 940	-14.3	-39.0
Business travel	km/FTE	13 492	14 310	14 228	-0.6	5.5
Copy paper	kg/FTE	34	14	11	-19.7	-66.9
Recycling paper	%	71	65	61	-5.8	-13.8
FSC label	%	96	96	97	1.1	1.1
Waste	kg/FTE	181	134	119	-11.0	-34.1
Water	m ³ /FTE	16	14	11	-20.0	-30.0

Indirect emissions from purchased electricity, Swiss Re Group

In line with the Scope 2 Guidance of the Greenhouse Gas (GHG) Protocol, we report the emissions associated with our electricity consumption according to both a location-based approach representing the CO₂ intensity of the grids where we operate and a market-based method taking into account emission reductions from instruments such as Renewable Energy Certificates (RECs) and Guarantees of Origin (GOs).

	Location-based total	Market-based total	Instrument types	Percentage kWh
	t CO ₂ e	t CO ₂ e		
Switzerland ¹	820	300	GOs	33%
US ²	6 659	192	RECs GOs, residual mix	21%
UK ³	5 424	5 424	RECs, GOs, residual mix	19%
Rest of the world ⁴	10 223	1 880		27%
Total	23 126	7 796		100%

1 All Swiss electricity producers are required by law to declare the quality and quantity of the electricity produced. Swiss Re buys 100% green-labelled electricity (naturemade star).

2 In the US, we purchase green-e labelled Renewable Energy Certificates (RECs) for our total power consumption.

3 The UK government claims all green credentials of renewable electricity produced in the country.

Even though over 80% of the electricity we consume in the UK comes with Renewable Energy Guarantees of Origin (REGOs), we report the same emission figures for location- and market-based approaches.

4 Our next biggest power consumption is India with 7% and Slovakia with 4% of the Group's total consumption.

Goals of our Greenhouse Neutral Programme until 2020:

- Maintain the emissions reductions we achieved between 2003 and 2013 regarding power consumption, heating and business travel
- Fully offset the remaining emissions
- Continuously reduce energy intensity (power consumption and heating) by 2% per year (kWh/FTE)
- Obtain 100% of power from renewable sources by the end of 2020

In the current cycle, the programme covers the following emission sources:

- Heating (Scope 1)
- Power consumption (Scope 2)
- Business travel, copy paper use, waste generation, water use, technical gases and employee commuting (Scope 3)

In 2019, our total CO₂ emissions per employee (FTE) decreased by 2.7% and were thus 10.6% lower than in 2013. We achieved this overall reduction mainly by further cutting power consumption at our business locations and moving into more energy-efficient buildings, eg in New York and Zurich (Swiss Re Next).

39.0
%

Total reduction of energy intensity
per employee since 2013

Using renewable power

Purchasing power from renewable rather than conventional sources has been a principal measure of our Greenhouse Neutral Programme. Concluding a gradual build-up that started in 2005, we are now using 100% renewable power at all of the Group's locations where it is available in reliable and trustworthy quality (ie at a total of 30 locations in Europe, North America, Asia and Oceania). This means that approximately 92% of our total power consumption came from renewable sources at the end of 2019.

To assess the quality of the renewable power available in individual locations and select suitable sources, we use a Minimum Standard that clearly states how we define renewable power and what requirements it needs to meet.

We pursue the following impactful green power options, with decreasing preference:

- Direct investments in our own solar plants (eg at Armonk, Swiss Re Next in Zurich)
- Indirect investments via long-term virtual power purchase agreements from newly built plants
- Sourcing of high-quality renewable energy certificates (eg naturemade star in Switzerland and NaturEnergie in Germany)

Reducing energy consumption

In parallel with our switch to using renewable power, we have made continuous efforts to lower the actual amount of energy consumed per employee (FTE) or, in other words, to reduce our energy intensity. Through many small measures to improve energy efficiency and by concentrating back-office tasks in fewer and more energy-efficient buildings, we managed to cut our energy intensity by a total of 46.5% between 2003 and 2013.

For the current phase of our Greenhouse Neutral Programme from 2013 until 2020, our goal is to continuously reduce our energy intensity by 2% per year. At the end of 2019, the total reduction we had reached since 2013 was 39.0%. We partly achieved this by decommissioning existing office buildings and moving into more energy-efficient ones.

RE100 and EP100

At the end of 2019, approximately 92% of the power we purchased across the Group came from renewable energy sources. We are committed to raising this figure to 100%, which is why we helped establish the Climate Group's RE100 initiative in 2014 as a founding member.

The goal of this initiative is to unite the world's most influential companies in a shared commitment to use 100% renewable power by 2020. To achieve this, the RE100 group approaches policymakers and regulators at national and sub-national level to make renewable energy more available. RE100 grew substantially again in 2019 and now includes more than 220 of the world's largest companies.

www.theRE100.org

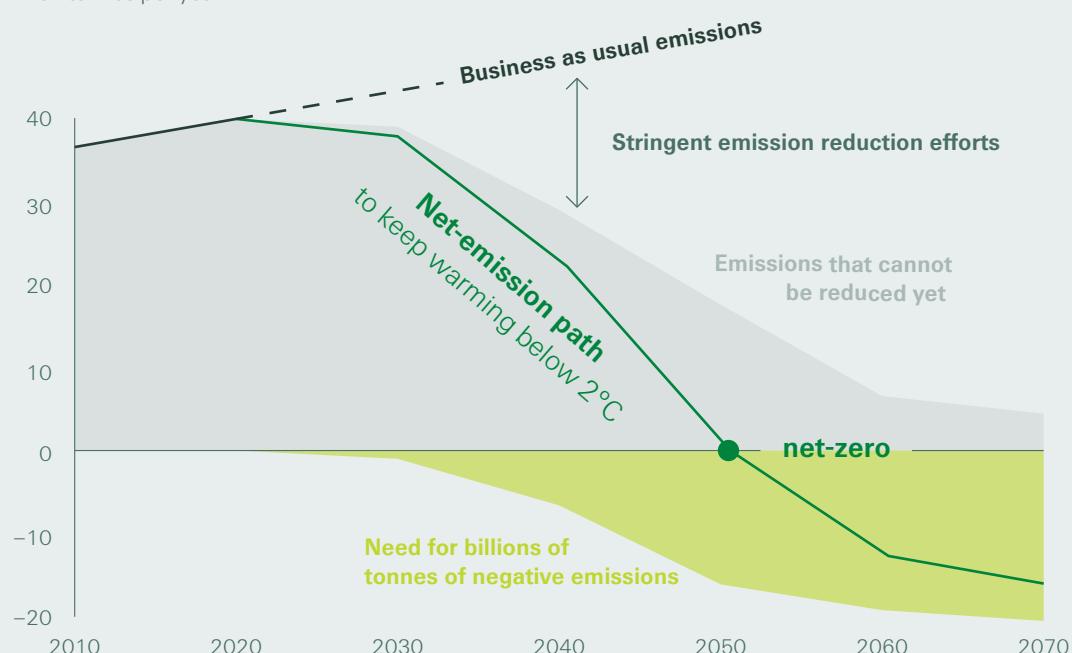
Going beyond these collective efforts, we have recently started to build solar power plants at our own offices.

In 2016, we also signed up to the EP100 initiative, launched by the Climate Group (www.theclimategroup.org) and the EE Global Alliance (eeglobalalliance.org/). This is a shared commitment by leading global companies to double their energy productivity or, in other words, to get more economic output from each unit of energy.

www.theclimategroup.org/project/ep100/

Global CO₂ emissions

Billion tonnes per year



Source: based on a graph published by the IPCC

Committing to reach net-zero emissions in our operations by 2030

Over the years, we have set ourselves ambitious targets to address our own CO₂ footprint. In 2003, we were one of the first large companies worldwide to commit to becoming greenhouse neutral. In 2014, we pledged to cover all our energy consumption from renewable sources by 2020 and, to motivate other companies to do the same, co-founded the RE100 initiative. To see where we stand on this journey at the end of 2019, see page 59.

With these internal measures we have played a pioneering role in the fight against climate change. Today, however, climate scientists clearly state that efforts need to be reinforced: to keep global warming well below 2°C, the world needs to reach net-zero emissions by 2050 (see illustration above). Put simply, net-zero emissions means that for every tonne of CO₂ that cannot be reduced yet, another tonne needs to be removed from the atmosphere and stored permanently through so-called carbon removal

technologies. Scientists further predict that it will take billions of tonnes of negative emissions to keep warming below 2°C – the longer emission reduction efforts are deferred, the more.

Swiss Re has decided to play a leading role again in this accelerated effort to mitigate climate risk. Thus, in 2019 we committed to reaching net-zero emissions in our operations by 2030. This underscores our pledge to reach net-zero emissions by 2050 both in our re/insurance business (see page 33) and in our investment portfolio (see page 47).

To achieve net-zero in our operations, we need to do two things: Firstly, we will double down on our efforts to reduce emissions. As approximately 70% of our CO₂ footprint stems from business travel, we will focus on flight emissions, starting with a reduction target of at least -15% in 2020. Afterwards, further reductions will be incentivised by ramping up our

existing internal carbon price to a stringent carbon steering levy.

Secondly, we will start to buy impactful carbon removal certificates, which are significantly more expensive than conventional carbon offsets. The latter cannot be used to substantiate a net-zero emissions claim, though (see page 62). The new carbon steering levy will address both objectives at the same time – cutting emissions from flights that are not absolutely needed and raising funds to support carbon removal projects.

Carbon removal is still a nascent industry. Our early engagement will help it grow and deliver at scale by 2050. It will, however, not be feasible to buy high-quality removal certificates for all our emissions immediately. Any surplus funds generated through the carbon steering levy will be channelled back to our business for sustainability-focused initiatives.

We have also continued our efforts to create more flexible and modern office environments that offer our employees optimal working conditions while, at the same time, using space and resources more effectively. The spread of digital communication and devices makes it possible to work seamlessly across different locations and devices, creating the foundation for a more flexible and informal workplace setup that encourages teamwork. At Swiss Re Next in Zurich, for example, this open-workplace concept is a key feature. Although further reducing our environmental footprint is not the primary driver of these efforts, their potential to lower the energy intensity of our locations is nevertheless substantial.

Minimising business travel

As a result of the substantial cuts we have achieved in CO₂ emissions from power consumption and heating since 2003, business travel easily constitutes Swiss Re's largest emission source today. Since the business trips our employees take are ultimately driven by client needs, they are difficult to influence. However, we have taken several measures to reduce the need for business travel and to curb unnecessary business trips.

For a start, we have built up a dense network of video conferencing equipment across the Group. Recently, we replaced these facilities with state-of-the-art technology, which creates a real-time, life-size virtual meeting experience in specially designed rooms. By the end of 2019, we had a total of 155 video conference facilities worldwide. In total, we hosted 97 743 video calls in 2019, amounting to 71 884 hours.

76 340

Tonnes of CO_{2e} compensated
in 2019, thereof 100 tonnes through
carbon removal certificates

We continuously monitor all travel budgets and collect travel data centrally. Furthermore, we introduced an internal carbon price on air travel in 2014, which uses the "polluter pays" principle. It allocates the costs of the Verified Emission Reductions (VERs) we need to buy to offset our CO₂ emissions to the Group's Global Functions in proportion to their respective share of air travel; previously they had been borne centrally by Group Finance.

Despite these measures, the amount of kilometres travelled per employee and the associated emissions increased for a number of years, mainly driven by our continued expansion in high growth markets. After falling by 6.0% in 2018, the average total distance travelled by each of our employees remained roughly the same in 2019, at 14 228 km/FTE.

As part of our commitment to net-zero emissions, we will replace the existing internal carbon price on air travel through a stringent carbon steering levy (see page 60).

Paper, water and waste

We also calculate and compensate the CO₂ emissions from further sources along our supply chain (Scope 3), ie copy paper, waste generation and water use. The overview of our emissions sources on page 58 shows, however, that these are less relevant in our business than other environmental impacts, which is why we have not set quantitative reduction goals for them.

Furthermore, it is difficult for us to influence water use and waste generation at locations where we rent office space. In the office buildings we own ourselves, however, we ensure that appliances meet high standards of water efficiency.

As paper use is more responsive to managerial action, we have taken a number of measures to reduce the average amount used by our employees in recent years. New IT solutions such as "pull printing" (which eliminates uncollected printouts), web-based collaboration and document management platforms have led to a significant decrease of paper use in all our locations. Average paper use per employee fell strongly again by 19.7% in 2019, resulting in a total reduction of 66.9% since 2013.

Offsetting our remaining CO₂ emissions

The second commitment of our Greenhouse Neutral Programme is to compensate all CO₂ emissions we cannot yet avoid. For the seven emission sources covered by it, we bought and retired Certified Emission Reductions (CERs) as well as a first batch of third-party verified carbon removal certificates for a total of 76 340 tonnes of CO_{2e} in 2019. To meet our commitment to net-zero emissions, we will gradually need to switch from conventional carbon offsetting to carbon removal (see pages 60 and 62).

External verification of our CO₂ reporting

Ever since we first launched our Greenhouse Neutral Programme in 2003, we have disclosed our CO₂ emissions, their principal sources and relative performance over time. The method we use to calculate our emissions is based on the guidelines of the Greenhouse Gas Protocol, the most widely used emissions accounting standard (www.ghgprotocol.org/).

Before our emission figures are published, PricewaterhouseCoopers checks them to verify our calculations. Their complete assurance report for the whole Sustainability Report is included on pages 82–83.

Sustainability in our supply chain

To run our operations, we continuously procure a wide range of goods and services. In line with our overarching Group Sourcing Standard, we select suppliers that offer the best value for money, meet high quality standards and adhere to Swiss Re's Code of Conduct.

Furthermore, as a signatory to the UN Global Compact (www.unglobalcompact.org/), we are committed to honouring all its ten principles. Amongst other things, these prohibit any sort of discrimination or the use of child or forced labour, and require that the freedom of association and the right to collective bargaining be upheld. These principles of the UN Global Compact are incorporated into our Code of Conduct by reference and specifically cover our

35 %

Share of our tier 1 and 2 vendors
ESG-assessed by the end of 2019

(30% by the end of 2018)

Moving from carbon offsets to carbon removal to compensate our unavoided emissions

In 2003, Swiss Re committed to become greenhouse neutral with the intention to compensate any unavoided emissions through the purchase of CO₂ reduction certificates, or carbon offsets. Greenhouse neutrality was a thought-leading concept at the time. Carbon offset markets as we know them today did not yet exist, so Swiss Re invested in a fund specifically set up to help develop CO₂ reduction projects and issue the resulting offsets to its investors. We chose the Community Development Carbon Fund (CDCF) run by the World Bank, as it was the first fund designed not only to generate emission reductions, but also community benefits through the projects it finances: access to clean water, improved health conditions, creation of jobs, women empowerment and more.

By 2008, carbon offset markets had matured to the point where we were able to buy enough offsets to compensate all our outstanding emissions back to 2003. Over time, labels and standards had emerged that guaranteed the quality of

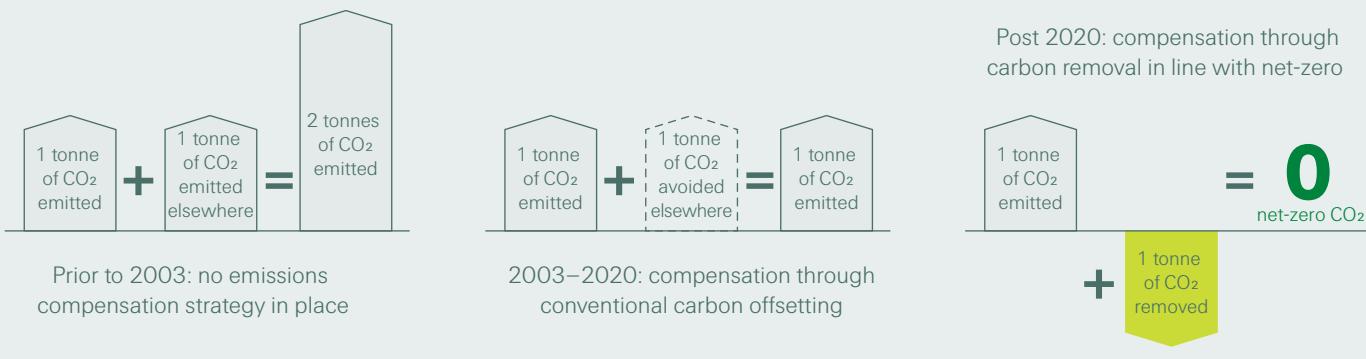
offsets in terms of accountability, social and environmental safeguards etc. We have exclusively supported Gold Standard-certified projects (www.goldstandard.org), which means they have come with the same level of co-benefits as the CDCF projects. To fund our offsetting campaign according to the “polluter pays” principle, in 2014 we introduced a small levy on our employees’ business flights.

In 2019, Swiss Re committed to achieve net-zero emissions in our own operations by 2030 (for details, see page 60). This major new commitment requires us to move away from conventional carbon offsets, where we pay others to avoid their emissions in our place, as this type of compensation is not enough to reach net-zero emissions. Instead, unavoided emissions need to be compensated through carbon removal (see illustration below).

Net-zero emissions is the thought-leading concept of today. Yet the carbon removal industry, let alone a fully fledged market

for removal certificates, is still to emerge. Hence, we find ourselves in a similar situation as in 2003. Through our early engagement we will help develop the carbon removal market by creating demand and by motivating clients and peers to join our commitment.

Living up to this ambition, we seized the opportunity to participate in the very first marketplace for sellers and buyers of carbon removal certificates – the Finnish start-up Puro (puro.earth/). In their inaugural auction held in May 2019, Swiss Re secured a first batch of 100 carbon removal certificates generated by a biochar project in Tampere. Biochar locks away the CO₂ that plants have removed from the air to grow their biomass. Mixed with soil, biochar endures for hundreds of years and improves soil quality by retaining moisture and nutrients.



relationships with external service providers under the headings of human rights, labour conditions, environmental impacts and anti-corruption.

The procurement of all goods and services from external vendors is conducted in accordance with our Group Sourcing Standard, which also incorporates these headings from the UN Global Compact. When selecting new products and suppliers, we examine whether they comply with these

requirements as part of the overall evaluation process. We take a fresh look at existing strategic suppliers in our periodic contract reviews and visit individual suppliers to inspect them onsite. Internally, we hold regular awareness trainings with our sourcing staff.

For some sourcing categories, we have also developed Minimum Standards that further specify our requirements. Besides power (see page 59) and paper (see page 61),

they cover cleaning services and agents, refrigerant agents and building materials.

In 2016, we signed up for EcoVadis (www.ecovadis.com), a collaborative platform for sustainable supply chain management, which covers a wide range of screening criteria across the topics of environmental impacts, human rights, labour practices, ethics and sustainable procurement. This allows us to assess the sustainability performance of our suppliers



Biochar production is a promising method to remove CO₂ from the atmosphere. Mixed with soil, biochar particles endure for centuries and improve plant growth by retaining moisture and nutrients.

more systematically with the help of key performance indicators and to engage them in improvements. It also helps us reduce and manage potential sustainability risks in our supply chain.

For our tier 1 and tier 2 vendors (who account for approximately 80% of our outsourced spending), we have set ourselves the goal of having all of them ESG-assessed by the end of 2020. At the end of 2019, the assessment had been completed for approximately 35% of these vendors. In addition, due to expired scorecards we had to re-assess approximately 50% of our assessed tier 1 and tier 2 vendors during 2019.

From 2020 we will take a multi-layered and integrated approach to sustainable supply chain management, using various solutions to assess and screen suppliers and supply networks against sustainability criteria.

The CO_{you2} Programme

Reducing our own carbon footprint is an important part of our efforts to tackle climate change. In 2007, we launched the CO_{you2} Programme because we wanted to make our commitment more tangible for our employees and help them become more

aware of climate change. The programme offers subsidies for a range of investments through which our employees can reduce their private carbon footprints. To our knowledge, it was the first global corporate initiative of its kind at the time.

The investment options we offer for subsidies are clearly specified in the programme. Some of them are supported at all our locations, while others vary to account for regional differences in climate, living conditions etc. Our subsidies cover 50% of the investment amount up to a locally determined maximum allowance. All regular employees are entitled to apply and new employees can submit subsidy requests after three months following their hire start date.

In 2019, we granted a total of 3 436 subsidies spread across three product categories: home appliances, home infrastructure and mobility. Over the past six years, electricity-powered mobility has become more prominent, with 1 000 subsidies for e-bikes, e-motorbikes, e-cars and plug-in hybrid electric cars.

Among the larger Swiss Re locations, uptakes per employee were highest in Slovakia and India. Our office in Slovakia has witnessed particularly strong growth in

recent years. Many new employees there have made use of the opportunity to claim subsidies, eg for highly energy-efficient fridges and washing machines as well as bicycles for their daily commute to work. In Europe, in general, mobility remains a popular category, with bicycles the most common type of subsidy.

In our Asian locations, energy-efficient home appliances were particularly popular. In the Americas region, both home appliances and home infrastructure subsidies were sought-after subsidy categories.

3436

CO_{you2} subsidies granted to our employees in 2019

(2924 in 2018)

Engaging our people

We are an organisation where diverse talents come together globally to apply fresh perspectives and knowledge to make the world more resilient.



Our vision is to offer our employees meaningful work with a clear purpose in an attractive, flexible and inclusive work environment where everyone can contribute. Our organisation is constantly looking for new ways to improve the wellbeing of society and prepare for the changing needs of the future, drawing on the know-how and experience of a diverse, multigenerational group of employees. We look to collaborate in the spirit of "Let's be smarter together", convinced that only by doing this we can maximise our full potential. We are passionate about building an environment of trust, respect, collaboration and responsibility, in which *how* we achieve results is every bit as important as *what* we achieve.

Swiss Re is a global company with a presence in all major markets and more than 30 countries. As of 31 December 2019, we employed 15 401 people (regular staff) from 115 nationalities, equalling 14 737 full-time equivalents. 62.1% work in Europe, the Middle East and Africa (EMEA), 22.2% in the Americas and 15.7% in the Asia-Pacific (APAC) region.

This represents growth of 3% compared to 2018, mainly in the EMEA and APAC regions, and a reduction in the Americas. It is in line with the evolution of our business and our focus on growth in new markets. The fastest growing locations are our shared service centres in Bratislava, Slovakia and Bangalore, India, which provide us with access to new talent pools.

We have seen an increase in voluntary attrition in the last few years and witness higher attrition rates in markets such as Bangalore and Bratislava where generation Y employees represent 86.7% and 84.7% of the workforce, respectively. The average tenure of Swiss Re employees remains high at slightly more than seven years, testament to the engaging and fulfilling work environment we seek to offer. (For detailed geographical data on attrition rate and tenure, see table to the right.)

Employee data, Swiss Re Group

	2017	2018	2019	Change in % 2018–2019
Headcount				
Regular employees	14 485	14 943	15 401	+3.1
EMEA total	8 630	9 099	9 565	+5.1
Switzerland	3 369	3 303	3 274	-0.9
Slovakia	1 337	1 537	1 651	+7.4
EMEA (without Switzerland/Slovakia)	3 924	4 259	4 640	+8.9
Americas total	3 740	3 624	3 418	-5.7
Asia-Pacific total	2 115	2 220	2 418	+8.9
India	983	1 088	1 224	+12.5
Asia-Pacific (without India)	1 132	1 132	1 194	+5.5
Temporary employees	355	252	297	+17.6
Attrition rate				
EMEA total	7.2%	7.6%	8.6%	
EMEA total	7.4%	7.5%	8.6%	
Switzerland	4.7%	6.0%	5.7%	
Slovakia	13.3%	12.1%	12.1%	
EMEA (without Switzerland/Slovakia)	7.8%	7.1%	9.5%	
Americas total	4.5%	6.0%	7.4%	
Asia-Pacific total	11.3%	10.4%	10.6%	
India	12.9%	11.0%	13.0%	
Asia-Pacific (without India)	10.1%	9.9%	8.3%	
Average tenure regular staff (in years)				
EMEA total	7.1	7.3	7.2	
EMEA total	7.6	7.5	7.5	
Switzerland	9.4	9.8	9.9	
Slovakia	3.5	3.6	4.0	
EMEA (without Switzerland/Slovakia)	7.3	7.2	7.0	
Americas total	7.6	8.0	8.3	
Asia-Pacific total	4.7	4.9	4.9	
India	4.0	4.1	4.1	
Asia-Pacific (without India)	5.3	5.7	5.8	

Website



You can learn more about working at Swiss Re at:
www.swissre.com/about-us/diversity-inclusion-in-Swiss-Re/our-people.html

Website



You can learn more about job opportunities at Swiss Re at:
careers.swissre.com/

The Swiss Re employee experience

Swiss Re has a clear People Strategy that sets out what we want to achieve in order to create an environment that enables each of our employees to give their personal best. We regard our People Strategy as our “North Star”: It provides us with clarity and direction, it is embedded in everything we do and defines our ambition for the future of Swiss Re.

The strategy has four core themes:

- **Lead and develop:** We aim to be known in the market for both our technical expertise and our leadership capabilities. Our employees inspire and engage each other across all levels through honest, constructive and timely dialogue and feedback. We invest in the career development of our people, which we see as a shared responsibility, with leaders investing their time and resources and employees taking ownership to drive their development.
- **Empower and collaborate:** We empower and enable our people to make decisions and drive performance, while at the same time ensuring that we maintain an appropriate risk culture. We encourage all employees to work together and collaborate across organisational and geographical boundaries for the wider benefit of Swiss Re.
- **Drive the business:** We want our employees to operate with a truly commercial mind-set and a clear sense of accountability. They should all take accountability proactively and hold each other responsible for performance in terms of both results and behaviour. We ensure reward is fair and competitive, although this should not be the main reason why people want to work for our company.

• **Build for the future:** At Swiss Re, we embrace and build a diverse workforce that brings together the best of multiple generations, cultures, skill sets and thinking. Our aim is for our employees to live a flexible, inclusive and open culture where all perspectives are valued. We create meaning for our employees by connecting our work to the core purpose of our company: to make the world more resilient.

Swiss Re is committed to collecting and responding to employee feedback, as it helps us understand where we are on the journey to bring our People Strategy with its four core themes to life. This is one way in which we measure progress, but we also use a set of key performance indicators to provide us with a comprehensive picture.

Below we describe key actions we took in 2019 across these four core themes.

Lead and develop

In our People Strategy, we put a strong focus on developing our leaders, our leadership pipeline and our employees at all levels. In addition, we offer various programmes to young adults moving into the workforce, the most prominent being our award-winning graduates@swissre programme.

Investing in our leadership and a strong pipeline

The Swiss Re employee experience is very much dependent on our leaders. They serve as role models and play an important role in the growth and development of our people whilst being focused on delivering results. We recognise that being a good leader is not easy. We therefore strengthen the leadership capabilities of our line managers and prepare them to meet the challenges of a rapidly changing work environment. We do this through targeted skills programmes that strengthen our leaders' skills both in people and general management.

In addition, we regularly review and adapt our leadership development programmes. In 2019, we put a special focus on embracing agility. The goal is to equip our leaders at all levels to cope with challenges such as creating joint movement amongst employees, responding faster to business changes and empowering everybody to take a leadership role.

For senior leaders, we launched the new CEO-sponsored Pathfinder Experience Programme to build a community of change catalysts who will reinforce the agile, forward-looking principles described above. We also developed the Explorer Programme for our leadership talents, which enables them to take on additional leadership responsibilities and to lead in an ambiguous and dynamic environment.

Developing our employees

In a world where the ability to learn and adapt quickly is increasingly crucial, the effective development of our people is key for our enduring success.

We firmly believe in the 70/20/10 approach to learning. It advocates a blended approach to learning, consisting of actions that reflect “on-the-job experiences”, eg rotations and stretch assignments (70%), “learning from others”, eg mentoring and coaching (20%) and structured learning (10%).

In 2019, we introduced our new learning experience platform called LearningOne. It is a one-stop shop aimed at making the learning experience more effortless for all our employees, by enabling them to easily access all the learning offerings they require. It finds the required content wherever it is hosted – inside or outside the company – while artificial intelligence personalises the learning offering for every individual. This supports the democratisation of learning because experts working for our company can now share their learning quickly and widely and be credited for their contributions. All this is helping us in our journey to become more agile.

Classroom and inhouse eLearning data, Swiss Re Group

	2017	2018*	2019
Total learning hours	234 609	165 440	174 420
Learning hours per employee	15.0	11.0	10.8
Learning costs per employee (in USD)	785	513	434

* In 2018 we began changing Swiss Re's learning landscape with LearningOne, adopting a new learning philosophy that gives our employees access to bite-sized learning nuggets at their personal convenience. We no longer track these learning hours, which explains the significant drop from 2017 to 2018.



NASSCOM award for “Excellence in Learning & Skills Development” in India

With more than 1100 employees, largely millennials, our Bangalore team has adopted a holistic approach to continuous learning, while putting a special focus on early leadership development initiatives, including a social responsibility programme. Ensuring that all its employees understand Swiss Re’s value chain and helping them to be “future ready” has been enabled through different trainings and by encouraging job rotations

and job movements across regions and functions. Our ambition to truly live “diversity and inclusion” has translated into offerings such as gender intelligence workshops, female mentorship programmes and LGBTI+ integration.

In a bid to tap into the best re/insurance talent in the country, Swiss Re Bangalore has signed Memorandums of Understanding with some of India’s

In 2019, our Global Business Solution Centre Bangalore was recognised for “Excellence in Learning & Skills Development” at the NASSCOM Global Capability Centres Conclave.

leading academic institutions such as the National Insurance Academy (niapune.org.in/) in Pune and BIMTECH – Birla Institute of Management Technology (www.bimtech.ac.in/) in Noida. Through these partnerships, we also get an opportunity to shape and build the academic curricula, as well as raise awareness of the talent potential in re/insurance.

Through the introduction of LearningOne, we have reduced classroom training (see table to the left), but continue to offer courses on topics where the focus is more on practising than on knowledge transfer. These topics include sales, negotiation and presentation skills, emotional intelligence and interpersonal effectiveness, change management and leadership skills.

Our innovative approach to learning has been recognised externally through multiple awards. We are especially proud of the NASSCOM award we received in India, one of our fastest growing locations where learning is crucial to our success (see above). NASSCOM (www.nasscom.in/) is the premier trade body and chamber of commerce of the tech industry in India and comprises over 2800 member companies, including Indian as well as multinational organisations with a presence in India.



Our graduates@swissre programme offers university graduates from across the globe the opportunity to discover the exciting world of a leading global re/insurer. In 2019, the programme won an award from TheJobCrowd for the fourth year in a row.

Award from TheJobCrowd – for the fourth year in a row

In 2019, our graduates@swissre programme again won an award from TheJobCrowd (www.thejobcrowd.com), with first place in the Banking & Finance category. TheJobCrowd is a popular job review website for graduates in the UK.

To determine the ranking, our graduates were asked to complete a survey about working for Swiss Re. The survey included questions such as: What are the best things about your company? What attracted you to the company? How do

you rate the work/life balance, training and ethical/environmental balance? The results from our graduates were overwhelmingly positive.

Website

 You can learn more about the graduates@swissre programme at: careers.swissre.com/go/Careerstarters/2744101

Engaging the next generation: graduates@swissre

Every year, our award-winning graduates@ swissre programme provides entry positions for university graduates and offers an excellent opportunity for young talents to discover the exciting world of a leading global re/insurer.

Over a period of 18 months, the graduates receive on-the-job training in their respective functions. We have recently introduced a modern learning experience and encourage

more on-the-job learning. These training sessions are specifically designed for the programme and focus on Swiss Re's core business areas. The programme was first launched in 2007, and we still have 380 graduates working for Swiss Re from this 12-year period.

Our graduates recognise our strong focus on their development, which helped us win an award from TheJobCrowd for the fourth year in a row (see above).

Empower and collaborate

We empower and enable our people to make decisions and drive performance. In a global company such as Swiss Re, employees need to collaborate across the organisation and different geographies. In this context, our employees tell us that our Own the Way You Work programme makes a noticeable difference. We also have high hopes that applying agile methods will further improve the way we can empower our people and enable them to collaborate even more.

Owning the way we work

Our trademarked programme Own the Way You Work is a cultural initiative which gives our managers and employees autonomy to decide how, when and where they carry out work, in compliance with the applicable laws, rules and regulations of their particular region. Coupled with cutting-edge technology and flexible workplace solutions, the programme shapes an ambitious and creative company culture, where everyone can perform at their best.

Experimenting with agile methods

Swiss Re has been an early mover with regard to agile working methods and created cross-functional teams by market and for key clients many years ago, bringing together roles like client management, underwriting, claims handling and technical accounting to deliver value to our clients as one. Recently, further units have started to implement agile organisational structures, removing traditional hierarchies and experimenting with agile methods (eg Scrum). We expect these units to have a role model effect for others.

Website

 You can find out more about our Own the Way You Work programme at: www.swissre.com/about-us/diversity-inclusion-in-Swiss-Re/own-the-way-you-work.html

Content in the 2019 Financial Report

 Further information on Swiss Re's approach to compensation can be found in our 2019 Financial Report (pages 120–149).

Drive the business

Our employees work hard to fulfil our vision of making the world more resilient, and we hold each other accountable for performance in this context. The way we have evolved our approach to managing performance and, consequently, reward our people supports this.

Managing performance

Our performance management approach supports our aim for a high-performance culture in which our individual and team goals, as well as behaviours, are aligned to our firm's purpose and business strategy. We want our employees to reach their potential and be fully supported in their work, which also links back to our approach to learning (see section "Lead and develop").

Our Leadership Imperatives are fully embedded in our performance management approach, focusing both on *what* people achieve and *how* they achieve their goals. Including these behaviours in performance and feedback discussions allows for robust, forward-looking conversations, better performance differentiation and transparent pay-for-performance.

Following the encouraging results from the Performance Management Pilots conducted over two years with over 2000 employees, we are now moving ahead with Continuous Performance Management, which will remove year-end ratings and focus on the qualitative aspects of performance management. We are committed to making Swiss Re a more commercial, nimble and agile company by enabling our employees to adapt quickly and smartly to changing business needs.

Together, we are moving Swiss Re towards a culture of continuous performance dialogue by placing more emphasis on frequent conversations between employees and their managers that provide forward-looking, ongoing and timely feedback.

Rewarding our people

Our compensation framework is designed to attract, motivate and retain the qualified talent the Group needs to succeed globally and to create a tangible link between performance and pay. The aim is to provide compensation that is competitive in local labour markets and to ensure that our employees focus on delivering outstanding results while supporting appropriate and controlled risk-taking.

For most employees, total compensation comprises base salary and the Annual Performance Incentive (API), which is linked to both individual and company performance.

Swiss Re has several incentive programmes that reflect the long-term nature of our business: both the Value Alignment Incentive Plan (VAI), as the deferred part of the API, and the Leadership Performance Plan (LPP) aim to reward sustained business performance rather than short-term results. This helps align shareholder and employee interests more closely. The VAI applies to employees who have a total API in excess of a defined threshold, and the LPP is awarded to our senior management and select key employees.

We also encourage our employees to own Swiss Re shares by providing opportunities to participate directly in the long-term success of the Group through the Global Share Participation Plan.

The balanced compensation package is generally complemented by competitive pension plans and other employee benefits. Such benefits include, for example, the Continuous Contribution Award, which recognises the loyalty, commitment and continuous contribution of our employees by offering them opportunities at defined milestones to enjoy additional paid time-off. Health benefits and financial protection in case of ill health are a further important part of many of our packages. We provide medical, life and disability insurance in excess of state provisions in most locations. Furthermore, we support employees in accumulating retirement benefits to supplement any state provisions.

In addition, the CO_{you2} Programme has continued to offer our employees subsidies for a range of climate-friendly investments they want to make in their private lives (see page 63).

Further information on Swiss Re's approach to compensation and benefits can be found in our 2019 Financial Report (pages 120–149).

Build for the future

At Swiss Re, we embrace and build a diverse workforce that brings together the best of multiple generations, cultures, skill sets and thinking. We can only unleash the motivation and creativity of our employees if they can all be who they are and feel included. An inclusive culture is key to our business success: in today's fast-changing world we can only thrive with a culture that celebrates diverse teams, encourages fresh perspectives and fosters innovative thinking to create smarter solutions for our clients. A commitment to inclusiveness is therefore fundamental to our organisational performance and to reaching the goals set out in our People Strategy. Throughout the year, we continued with several inclusion initiatives.

Promoting an inclusive culture

We know that our employees' lives and experiences are unique, and we believe in championing that uniqueness. Uniqueness in leadership and in thought – in fact, in every way we work together and live our values. A key aspect of our People Strategy is to prevent stereotyping of individuals based on any dimension of diversity. The philosophy of managing and attracting diverse talent is fully embedded in our development offering for managers.

Swiss Re is committed to provide an equal and safe work environment for LGBTI+ (lesbian, gay, bisexual, transgender, intersex) employees, and is a signatory to the United Nation's Free & Equal Standards of Conduct to tackle discrimination against LGBTI+ people. In the last two years, we have equalised our leave (parental & bereavement), gift and insured (medical, death & critical illness) benefits for our employees and their partners: all of these benefits now extend to LGBTI+ partners as well as unmarried heterosexual partners across our locations globally – for the few locations where a significant cultural or legal barrier still exists, we continue to work on solutions.

Website

 You can find out more about our efforts to foster an inclusive culture at:
www.swissre.com/about-us/diversity-inclusion-in-Swiss-Re/inclusive-culture.html

Website

 You can find out more about our efforts to improve gender balance at:
www.swissre.com/about-us/diversity-inclusion-in-Swiss-Re/gender-balance.html

Our global Together with Pride employee network comprises over 1 000 allies and LGBTI+ employees and has active local chapters in Australia, Brazil, Canada, Germany, India, Mexico, Slovakia, Switzerland, the UK and the US. To honour Pride Month, we decorated our buildings in different locations with rainbow colours to show our support for the LGBTI+ community.

In the US, the new employee resource group Mosaic was launched to promote an inclusive environment for people of colour, with the aim of enhancing their professional and personal development. Nearly 500 colleagues across the Americas joined the event virtually and in-person to engage on the topic of allyship as a driver of inclusion.

Achieving gender equality at Swiss Re

At Swiss Re, we believe that increasing gender balance in leadership is a strategic imperative critical to our future business success. Swiss Re is a signatory to the UN Global Compact and deeply committed to the UN Sustainable Development Goal #5: "To achieve gender equality and empower all women and girls". We are proud to have been included in the Bloomberg Gender-Equality Index (GEI, www.bloomberg.com/gei) for the second year in a row, an achievement which underscores our strong commitment to gender-related topics and an inclusive work environment.

We recognise that women continue to be underrepresented at executive/senior management levels, as shown in the table below. The figures have been improving but not as fast as we had hoped. Our Group Executive Committee (Group EC) members are committed to driving this change, and closely monitor the talent flows in their respective units and locations to actively improve the situation.

Women in management positions, Swiss Re Group (in %)

	2017	2018	2019
Total workforce	47.3	47.9	48.4
Executive/senior management positions*	23.3	24.5	26.7
All management positions**	33.3	34.2	35.4

*"Executive/senior management positions" comprises the management levels of Director/Senior Vice President upwards.

**"All management positions" refers to Vice President and above.

We are also focused on increasing the number of women who join Swiss Re at all levels, ensuring diverse candidate slates as well as diverse selection panels. “Gender Promotion Ratio” is a key internal performance metric for each of our Group EC members: It compares the ratio of female promotions into middle management and above with the ratio of women in the “donor pool”. Whilst we are doing well here, we recognise the need to do more overall to address imbalances in the gender composition of our workforce.

Our global Female Sponsorship Initiative started in 2017 and came to a successful close in March 2019 with very encouraging results. In that, we identified a pool of sponsors and sponsoredees and paired them for an engagement that lasted 18–24 months, with the aim of preparing the sponsoredees for leadership positions and strengthening our female talent pipeline. We are committed to following up on the career steps of these women as part of our overall talent pipeline and on integrating the concept of sponsorship into our talent development programmes.

Listening to our employees

We foster a culture of open dialogue and frequent feedback at all levels, where employees and managers engage in regular, personal exchange. In particular, we want to assess our progress in fostering an engaging work environment and an agile, commercial culture, which are both key to our present and future success.

For the past five years, we sought feedback from all our employees in a more formal manner through an annual Employee Engagement Survey (EES), run by our external provider Aon, now known as Kincentric (www.kincentric.com/). Besides helping to foster an open culture, it has also enabled us to measure progress against the objectives of our People Strategy.

A key feedback received from our line managers, which is supported by external trends, is the need to become more flexible in our survey approach. Acting on this, we have shifted from an annual survey to a pulse check approach: shorter, more regular and lighter surveys on themes important to evolve our organisation. This also enables us to act more quickly on the results and take targeted actions.

The first of these pulses carried out early in 2019 focused on the topics of engagement and agility, while also measuring progress on specific priorities such as talent, pay and leaders creating excitement for the future.

As with our annual surveys in previous years, we experienced high response rates for our pulses: 80% in May and 69% in November. Our Group Employee Engagement score established in the May pulse was 64%, 2 percentage points lower than in 2018 and slightly below Aon's GlobalFinance & Insurance industry average. The Engagement score is calculated based on how employees speak about their organisation, on their desire to work for it and their motivation to contribute to business success. We continue to compare our results with external benchmarks.

One question was whether our employees have plenty of good things to say about Swiss Re, another whether they recommend Swiss Re as an employer. We are pleased that both questions scored excellent results: 72% (2 percentage points higher than in 2018) and 74% (1 percentage point higher), respectively.

Given our desire to build a more agile culture, we place special emphasis on measuring our progress in this respect. One of Swiss Re's biggest strengths has been reconfirmed by our employees – that we have an environment that is open to and inclusive of individual differences (68%). We also continue to focus on speed as an opportunity. When, in November, we checked the pulse on whether our employees are experiencing progress on agility, 59% of them responded positively, which is encouraging.

Employee relations

Many of our locations have active employee groups. These employee representatives play an important part in the company's success by contributing valuable perspectives and by helping us identify employment-related challenges. We support and appreciate the cooperation with these groups.

These bodies are elected by local employees and have clearly defined information and consultation rights. Although there are significant local differences in the applicable legislation, their rights typically concern: working conditions, benefits, reorganisation and restructuring, redundancies, disciplinary actions and conflict cases.

At our Zurich headquarters, where almost a quarter of our total workforce is employed, we work closely with the Personnel Committee (PECO). Representing the interests of our Swiss-based employees, PECO aims to create and maintain a positive working environment. It is involved in changes or adaptations to the General Working Conditions or other important policies, such as the Social Plan. PECO also seeks to ensure the de-facto equality of men and women, and places special emphasis on the challenges faced by employees with family obligations.

In the UK, similar activities are conducted by the Employee Liaison Group (ELG), and at our Munich office we have a works council with clearly defined codetermination rights in several areas. Other offices in Europe (eg in France, Italy, Luxembourg and Denmark) also have works councils or staff delegates, depending on the size of the branch and local regulations.

Website



You can learn more about the Swiss Re Alumni Network at:
www.swissre.com/about-us/sr-alumni-network.html

Caring for the wellbeing of our employees

We appreciate that today's fast-moving and demanding work environment can pose challenges to the health of our employees and we do our best to provide them with support. In our efforts, we consider a healthy mind to be as important as a healthy body. We offer free, locally available Employee Assistance Programmes, through which our employees can get confidential, impartial and professional assistance on issues of a personal or work-related nature. To help our people stay physically fit, we provide onsite fitness centres and classes, for instance in Switzerland and Bangalore.

Pathways, our mental health network, has the mission of allowing employees to bring their whole selves to work, to allow them to feel accepted and included and to reduce the stigma potentially surrounding mental health issues. Since 2017 the network has been instrumental in raising awareness and a better understanding by creating a network of mental health champions and organising first aid trainings, lunch & learns, talks and educational videos available to all. A few highlights from 2019 activities include: a mental health TEDx co-organised by Swiss Re in Bangalore; a session on mental health awareness and stress at work in Armonk; a mental health awareness week in Folkestone and London; stress management seminars in Bratislava; and mindfulness practice sessions in Zurich.

We monitor absences due to illness (see table below showing sick leave days in Switzerland, Slovakia and India over the last three years) and respond to negative trends when they occur.

Being a parent at Swiss Re

At Swiss Re, we understand that having children and bringing them up is a source of great joy and that one's life takes on a new quality that shapes day-to-day routines. We want to help our employees balance their career and family responsibilities, allowing them to always put their families first. To this effect, we offer a range of programmes and support services.

In general, our employees can count on diverse options, such as additional family allowance, one-off childbirth allowance, additional paid maternity and paternity leave, or the option to take unpaid leave. These benefits are tailored to the local needs of our workforce and therefore differ from region to region.

In Switzerland, for instance, we have extended our parental leave regulations and now offer our fathers and secondary carers the possibility to extend their leave by up to six weeks to a total of eight weeks, made possible by a 50/50 cost-sharing arrangement between employees and Swiss Re.

In Bratislava – one of our high growth locations – we have honoured the concept of "maternity buddies" since 2015: Every mother on maternity leave has a maternity buddy who informs her about current activities in the team, news concerning the organisation as well as open positions to encourage their return. To enable parents to concentrate on challenges at work – knowing that their children are in good hands and being properly cared for – we started partnering with the TwinCity Kindergarten, a day care provider located in the same premises as Swiss Re.

Employee health data: Sick leave data for Switzerland, Slovakia and India, regular staff*

Country	Measurement	2017	2018	2019
India	Average number of sick days per head	8.9	8.8	8.7
	Average number of active employees	935	1039	1181
	Number of employees who have recorded absence due to illness	999	1094	1261
Slovakia	Average number of sick days per head	5.3	5.2	5.6
	Average number of active employees	1116	1276	1431
	Number of employees who have recorded absence due to illness	958	1110	1295
Switzerland	Average number of sick days per head	4.4	4.7	4.2
	Average number of active employees	3348	3239	3165
	Number of employees who have recorded absence due to illness	1881	1834	1824

* excludes staff of subsidiaries

Ensuring good corporate governance and compliance

Environmental, social and governance (ESG) issues have grown in importance and become the key focus areas in Europe, the US and other jurisdictions.



Corporate governance

Environmental, social and governance (ESG) issues dominated the corporate governance discussions in key jurisdictions during 2019. There is an understanding that corporate actions do not take place in a vacuum, but within a dynamic landscape of evolving ESG issues and risks. ESG issues are linked to a variety of areas, for which the boards already have oversight, therefore they cannot be viewed in isolation. It is not surprising that many of the main corporate governance trends in 2019 such as diversity, scrutiny of executive remuneration and workforce and stakeholder engagement are to some extent related to the wider discussion around ESG issues.

We expect the ESG trend to intensify further over the next few years. One reason for the increased focus on ESG issues is the greater transparency with respect to corporate reporting in general and with respect to ESG

disclosures in particular. Companies are increasingly asked about their approach to sustainability and corporate social responsibility. They recognise that a good reputation, including an elaborated response to ESG matters, can be a strategic asset. A failure to respond appropriately to ESG issues can be a long-term and strategic risk. Employees, in particular millennials, contribute to the focus on ESG issues as they expect their companies to reflect their values. Finally, investors are also increasingly focusing on ESG issues.

In our Sustainability Report, we provide a short overview on Swiss Re's corporate governance framework. For full details, please see our 2019 Financial Report, pages 80–117.

Corporate governance framework

Swiss Re's corporate governance framework ensures sustainability, fosters transparency and a quality assessment of the Swiss Re Group's organisation and business.

The Board of Directors has the ultimate responsibility for the success of Swiss Re Ltd (SRL) and the Swiss Re Group within a framework of effective and prudent controls. It is responsible for the overall direction, supervision and control of SRL and the Swiss Re Group and of the Group Executive Committee (Group EC) as well as for supervising compliance with applicable laws, rules and regulations. Such responsibilities are non-transferable and rest with the entire Board. At least three-quarters of the members of the Board of Directors must be independent members. SRL defines independence in line with best-practice corporate governance standards. The Board of Directors has delegated the management of SRL and the Swiss Re Group to the Group EC.

Content in the 2019 Financial Report

 Comprehensive information on Swiss Re's corporate governance is available on pages 80–117.

Swiss Re's Code of Conduct provides key principles that guide Swiss Re in making responsible decisions and achieving results using the highest ethical standards (see section "Compliance: Code of Conduct" to the right).

Swiss Re's Corporate Governance Guidelines provide Swiss Re's harmonised governance principles and standards ensuring a consistent and tailored corporate governance approach across the Swiss Re Group.

The Articles of Association define the legal and organisational framework of SRL as the Group's holding company. The Bylaws define the governance framework of SRL and the Group, including the responsibilities and authorities of the Board of Directors, Chairman, Vice Chairman, Lead Independent Director, Board committees, Group EC, Group CEO and of the other individual Group EC members including the Regional Presidents, as well as the relevant reporting procedures. The Board Committee Charters outline the duties and responsibilities of the six Board Committees: Chairman's and Governance Committee, Nomination Committee, Compensation Committee, Audit Committee, Finance and Risk Committee and Investment Committee.

Compliance: Code of Conduct

Our Code of Conduct (Code) is one of the key documents governing the management of risks and driving the culture within our company. It sets the framework and defines the basic compliance and integrity principles we adhere to globally. The Code is built on the five Swiss Re values, which guide us in making responsible decisions and achieving results using the highest ethical standards: integrity, team spirit, passion to perform, agility and client centricity.

The Code also offers practical guidance and examples for deciding the appropriate course of action and solving ethical dilemmas. It further sets out how all employees should react when they observe a possible breach of the principles in the Code. All employees are obligated to uphold both the letter and spirit of the Code, policies, standards and the Group's corporate governance principles in their daily business activities, and to respect and obey applicable laws and regulations in all jurisdictions where we do business.



By adhering to the highest standards, we ensure behaviour across the Group that is compliant and demonstrates integrity.

We regularly review and update the Code to reflect changes in regulations and principles. The Code was overhauled in 2016 to include real-life examples and clearer guidance for day-to-day business situations. In 2019, updates were made to the Code, among others to reflect Swiss Re's commitment to deliver products and services that create long-term value. The Code is supported by detailed policies and standards that document Swiss Re's requirements in line with applicable laws and regulations. It is available to our employees in eight languages: English, French, German, Italian, Japanese, Portuguese, Slovak and Spanish.

Assurance

Assurance activities to monitor adherence to the Code are a core part of our Compliance Programme. Compliance performs independent risk-based monitoring to ensure the adherence and the efficiency of processes and controls mitigating our key

Website

You can learn more about our approach to compliance and integrity at: www.swissre.com/about-us/corporate-governance/Compliance.html

Our Code of Conduct

[files.swissre.com/
codeofconduct/index.html](http://files.swissre.com/codeofconduct/index.html)



compliance risks across Swiss Re. In 2019, we implemented new data analytics technology to set the foundation for continuous monitoring and will continue to further develop and roll out our continuous monitoring capabilities in 2020.

Policies

Our Code addresses the following key compliance topics under two headings, "Our responsibility towards one another and Swiss Re" and "Our responsibility towards our business partners and society":

Our responsibility towards one another and Swiss Re

- Business information and information technology
- Communication
- Conflicts of interest
- Diversity & inclusion and fair and equal treatment
- Fraud
- Health, safety and security
- Intellectual property

Our responsibility towards our business partners and society

- Bribery and corruption
- Data protection
- Inside information
- Fair competition
- International trade controls and economic sanctions
- Licensing and permanent establishment
- Money laundering
- Sustainability and human rights

Below we present additional information on some key topics in the Code:

Bribery and corruption

The Code addresses our position on bribery and corruption. It clearly states that “we conduct business fairly without accepting or offering benefits intended to improperly influence decision-making”.

Our Global Framework on Anti-Bribery and Corruption, supported by a Global Policy on Financial Crime and our Global Standard on Anti-Bribery and Corruption, emphasise that bribery, facilitation payments and hospitality where the giver is not present are always prohibited, and provide guidance on how to deal with public officials and on other procedures to be followed. Tools to support employees in carrying out their anti-bribery responsibilities in accordance with the framework are also in place. For example, a gift and hospitality register exists for employees through which they can request approval for gifts, hospitality, sponsorships, charitable and political contributions above thresholds specified in the policy and standard.

Our gift and hospitality threshold requirements are set in the context of our industry, regulatory requirements and risk exposure. In 2019, the Global Standard was updated to apply stricter thresholds for hospitality, sponsorships and charitable contributions following the performance of an industry benchmarking. Lower thresholds applicable to public officials’ gifts & hospitality, including donations, remained unchanged. Also, in 2019, we released a new data analytics dashboard built on Tableau to support assurance activities by improving monitoring capabilities of the framework. The dashboard provides an overview of gift and hospitality register entries and supplements other existing reports.

Data protection

We could not work successfully with our business partners, clients and individual consumers around the world without maintaining their trust regarding the data they provide to us. The Code highlights that we need to handle personal data with the greatest care and use it only for legitimate business purposes.

Website



You can learn more about our global approach to data protection and privacy at: www.swissre.com/about-us/data-protection-brochure.html

Our Global Framework on Data Protection, with a global policy and standard as well as targeted standards, addresses our commitment to protecting personal data and respecting privacy rights across our operations. We use internationally recognised data protection and privacy principles that ensure compliance with a complex and constantly changing set of laws and regulations, and we provide proper training and awareness sessions to our employees. Procedures for reporting security incidents and notifying on data breaches are established.

We also contribute thought leadership on data protection by conducting expert sessions during insurance industry events and by hosting events through the Swiss Re Institute that look at the future of regulations, new technologies, digitalisation, cross-border data processing, big data and innovation in life and health insurance. We offer additional information about our global data protection and privacy approach on our public website.

Money laundering

The Code draws attention to the risk of becoming involved in money laundering and emphasises the importance of due diligence.

Our Global Framework on Anti-money Laundering, supported by a Global Policy on Financial Crime and our Global Standard on Anti-money Laundering sets out in detail key requirements and guidance in relation to our anti-money laundering and counter-terrorism financing efforts, including due-diligence obligations concerning “know your counterparty”, counterparty and politically exposed persons (PEP) screening, and the reporting of any suspicious activities.

In 2018, the Global Standard on Anti-money Laundering was updated to align process requirements of the framework to Swiss Re’s business operating model. The Global Framework on Anti-money Laundering was updated to distinguish between key requirements described in the Global Standard on Anti-money Laundering and related processes described in the Global Anti-money Laundering Process Document. Updates to anti-money laundering process documents for specific business operating units were also performed to further support the framework.

Sustainability and human rights

The Code includes our formal commitment to sustainability and human rights, providing a guiding principle for our efforts to act as a responsible company.

Whistleblowing

Swiss Re is strongly committed to maintaining a culture in which employees feel free to voice their concerns and report suspected misconduct. Accordingly, Swiss Re explicitly prohibits any retaliatory action against employees who report suspicions of misconduct in good faith and has implemented processes to support good faith reporting.

There are several ways in which alleged violations of the Code can be reported, both by internal and external sources. For our employees, the options are described in the Code and include an external, independently operated whistleblowing hotline, which can be used anonymously (where legally permitted). Our whistleblowing hotline is also available to externals via our public website. The hotline includes translation services into numerous languages and is available globally.

All investigations of alleged Code violations involving either an employee or external contractor are handled by the Investigation Coordination Process (ICP). ICP, which is managed by the Compliance function, serves as a central coordinating unit across all Swiss Re offices globally and ensures that all investigations are handled in a consistent and fair manner. If, following an investigation, the allegations are substantiated, ICP will issue recommendations regarding any appropriate disciplinary or non-disciplinary actions that should be taken. ICP also ensures that any such actions are applied consistently across the Group.

Misconduct cases are systemically presented and discussed with executive management, as well as with legal entity boards as part of the reports to board audit committees. In 2019, ICP cases reflected the following indicators:

- 93 cases were investigated by ICP in 2019, and 74 were closed.
- Of the 74 cases closed in 2019, 64% were substantiated and 36% were not substantiated.
- The reporting intake methods for the ICP cases that were investigated in 2019 were: through internal channels, including reporting directly to Compliance, via line managers and via Human Resources (67%), from external sources (15%), the whistleblowing hotline (14%) and process detection (4%).
- The categories of ICP cases investigated in 2019 included external Fraud (31%), Discrimination and Harassment (including bullying) (20%), internal Fraud (15%), Insider Trading (accidental trading within a close period) (11%) and various Other Code of Conduct Violations (23%) – none of these other violations individually exceeded 10%.
- Of the 93 cases that were investigated, 31% were due to the actions of external actors and 69% were due to the actions of internal personnel.
- Disciplinary actions, including termination, written warnings, verbal warnings and performance rating adjustments, were taken in 38% of substantiated cases. The relatively low percentage of such actions should not be taken as an indication of a weak Compliance culture. It is important to note that each investigation is fact- and circumstance-specific. There are certain circumstances where disciplinary actions are nearly always imposed, such as where active employees are found to have engaged in intentional misconduct. However, there are also circumstances where allegations would be considered substantiated but may not lead to disciplinary action, such as cases involving unintentional breaches, cases where the perpetrator(s) cannot be identified, and

cases involving external Fraud. In these cases rather than disciplinary action, other forms of resolution are mandated such as: additional training activities or increased supervision.

- In each case, regardless of the outcome, we ensure that any lessons learned from the investigation are communicated within the Compliance function as well as to any relevant stakeholders. In addition, we ensure that training and communications are updated, and controls and processes are adapted as necessary.

Training

All new permanent and temporary employees joining Swiss Re must undergo mandatory eLearning training. In June 2019, a new Compliance eLearning for all new employees was launched. The eLearning focuses on the Code and additional ethical behaviour in accordance with Swiss Re's values. It also includes individual modules on the following compliance topics:

- Anti-bribery and corruption
- Anti-money laundering and terrorist financing
- Conflicts of interest
- Data protection
- Fraud
- Fair competition
- Insider trading
- International trade controls and economic sanctions
- Licensing

Completion of the training is tracked and instances of non-completion are escalated until resolution.

In March 2019, a new annual attestation process was launched to all permanent and temporary employees to acknowledge personal accountability for complying with specific requirements related to the Code of

Conduct and Global Compliance Policies and Standards which includes, for the avoidance of doubt, responsibility for Conflict of Interest and Gift and Hospitality Register disclosures.

In addition, we deliver mandatory global eLearnings to remind and increase understanding of our key compliance risks and policy requirements. Last year, global eLearnings were delivered on Fraud Awareness and Anti-money Laundering and Terrorist Financing. We also conducted global eLearnings on the following compliance risks over the period from 2016 to 2019:

- Anti-bribery and corruption
- Fair competition
- Conflicts of interest
- Licensing and permanent establishment
- Data protection
- International trade controls and economic sanctions

In addition, local compliance officers regularly provide needs-based training on compliance risks tailored to their respective locations and/or areas of business.

Training on Code topics falling outside the Compliance mandate is managed similarly by the responsible functional areas.

In 2017, we enhanced the mandatory training escalation process for all Group-wide Compliance eLearnings to enable timely completion of assignments. Employees not complying with their mandatory eLearning assignments on time without valid reasons are subject to potential disciplinary action. For 2019, we achieved 100% completion of all mandatory eLearning assignments including new hire and refresher training.

Validity for third parties

Third parties representing Swiss Re – such as consultants, intermediaries, distributors and independent contractors – should be carefully selected and need to comply with the Code and relevant policies. When we work with such third parties, we provide them with information about the relevant requirements and, in the event of any infringements, take appropriate action, up to and including terminating a contract.

Policy governance

A Policy Management Tool serves as a central place for finding Swiss Re policies and standards. Eight Global Policies contain more detailed principles all employees have to be aware of, supporting the principles set out in the Code. Where necessary, underlying Global Standards are in place to provide additional detail on the specific requirements.

Providing transparency

On some specific topics, we provide transparency by publishing full policies or statements on our website.

Data Protection and Privacy Compliance at Swiss Re

www.swissre.com/about-us/data-protection-brochure.html

Swiss Re Modern Slavery Act Transparency Statement

www.swissre.com/about-us/modern-slavery-statement.html

Swiss Re Tax Policy

www.swissre.com/about-us/tax-policy.html

Swiss Re's Policy Engagement

www.swissre.com/sustainability/transparency-policy-engagement.html

The Swiss Re Foundation

We want to build resilient societies.

Who we are

The Swiss Re Foundation reflects Swiss Re's social and humanitarian values. Our vision is to help societies build capacity to mitigate health, environmental and economic risks, as well as to recover quickly from setbacks. We do this in emerging countries and where Swiss Re has office locations.

Together with our partners we aim to achieve measurable and sustainable impacts. We support them not only through evidence-based grant funding, but also by giving them access to the broad expertise of Swiss Re's employees, allowing them to learn, prototype and scale effective solutions. In this way, we strive to foster resilient societies and support Swiss Re's sustainability objectives.

Our ambition

2019 was a year of transformation for the Swiss Re Foundation, as we began to put our strategy for 2019–2021 to the test. We strengthened our resilience-building in three areas, which are aligned with Swiss Re's 2030 Sustainability Ambitions: natural hazards and climate risk management, access to health and income opportunities, and innovation to build societal resilience. To further reinforce our contribution, we phased out water as a focus area and will wind down the ReSource Award programme in 2020.

Our 2019 activities focused on healthcare access. For example, we teamed up with the digital health pioneer Living Goods and dedicated our Entrepreneurs for Resilience Award to digital innovations that make healthcare more easily accessible to underserved communities. For the first time, we also supported a randomised controlled trial of the University of Zurich to inform our future activities: Researchers will test the impacts of a health insurance product designed for unprotected low-income families in Kenya.

At the Swiss Re Foundation we are able to amplify our impact by inspiring Swiss Re's employees to support our partners with their time and know-how. By participating in our skills-based volunteering initiatives and Community Days, they can experience resilience-building outside their daily business in hands-on situations.

Website



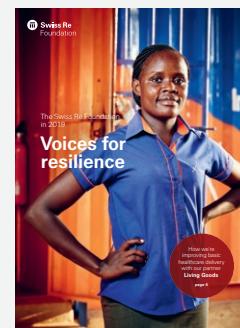
You can find detailed information about the Swiss Re Foundation at: www.swissrefoundation.org

Our achievements 2019





For the 2019 Swiss Re Foundation Entrepreneurs for Resilience Award, we chose Kenya-based CarePay as the winner. CarePay has developed a mobile wallet that lets people save, pay for and manage healthcare using a single app.



Foundation Report

The Swiss Re Foundation in 2019

Illness and disease are universal, whilst access to healthcare is not. The Swiss Re Foundation is partnering with Living Goods, a pioneer in digital health solutions, to strengthen healthcare delivery in poor, rural areas of Kenya by recruiting and training community health workers who bring quality healthcare right to people's doorsteps.

Independent Assurance Report on the Swiss Re 2019 Sustainability Report

To the Executive Management of Swiss Re Ltd, Zurich (Swiss Re)

We have been engaged to perform a limited assurance engagement on the consolidated CO₂ emissions reporting and sustainability topics and sections disclosed with the Swiss Re 2019 Sustainability Report ("2019 Sustainability Report") as well with the Swiss Re 2019 Financial Report.

Scope and subject matter

Our engagement focused on the following data and information disclosed in the 2019 Sustainability Report and 2019 Financial Report of Swiss Re and its consolidated subsidiaries, for the financial year ended 31 December 2019:

- The management and reporting processes with respect to the consolidated sustainability reporting as well as the control environment in relation to the aggregation of data and information;
- The organizational measures and internal key controls in place at the corporate level regarding aggregation of information obtained from the subsidiaries and reporting functions;
- The consolidated data and information disclosed in the 2019 Sustainability Report in the sections "Creating solutions for sustainability" on pages 22–31, "Extending our risk intelligence" on pages 32–39, "Being a responsible investor" on pages 40–47, "Engaging in dialogue with our stakeholders" on pages 48–55, "Reducing our footprint" on pages 56–63, "Engaging our people" on pages 64–73 and "Compliance: Code of Conduct" on pages 76–78;
- The consolidated CO₂ emissions 2019 (Scope 1, 2 and 3 in adherence with the Greenhouse Gas Protocol) in the tables of the 2019 Sustainability Report entitled "CO₂ emissions per employee (full-time equivalent, FTE), Swiss Re Group" on page 58, "Underlying environmental data, Swiss Re Group" on page 58 and "Indirect emissions from purchased electricity, Swiss Re Group" on page 58 in the 2019 Sustainability Report covering the reporting period from 1 October 2018 to 30 September 2019;

- The retirement of 76 340 tonnes of CO_{2e} (CO₂ equivalents) described on page 61 of the 2019 Sustainability Report.
- The consolidated data and information disclosed in the 2019 Financial Report in the sections "Climate-related financial disclosures (TCFD)" on page 152, "Climate governance" on page 153, "Climate strategy" on pages 154–161, "Climate risk management" on pages 162–163, "Climate metrics and targets" on pages 164–167.

Criteria

The management reporting processes with respect to the sustainability reporting 2019 were assessed against the internal and external policies and procedures as set forth in the following:

- "Internal Environmental Performance Indicators for the Financial Industry" published by the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (VfU) published in 1997 and 2011;
- "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" published in 2004 by the World Resources Institute and the World Business Council for Sustainable Development;
- DEFRA Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting. AEA for the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (DEFRA);
- The framework document "Environmental Performance Indicators (EPI) Reporting at Swiss Re", version 1.1 from December 2015 including Annex; and
- The defined internal guidelines, by which sustainability data and information are internally gathered, collated and aggregated.

Inherent limitations

The accuracy and completeness of environmental indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with Swiss Re's internal guidelines, definitions and procedures on the reporting of its sustainability performance.

Swiss Re's responsibility

The Executive Management of Swiss Re is responsible for both the subject matter and the criteria as well as for selection, preparation and presentation of the selected information in accordance with the criteria. This responsibility includes the design, implementation and maintenance of related internal control relevant to the calculation of the sustainability indicators that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified sustainability indicators are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) and ISAE 3410 involves assessing the suitability in the circumstances of Swiss Re's use of applicable criteria as the basis for the preparation of the sustainability data and information, assessing the risks of material misstatement of the sustainability data and information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of sustainability data and information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures selected depend on the assurance practitioner's judgement.

Our independence and quality controls
We are independent of the Swiss Re in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the work performed

Our assurance procedures included, amongst others, the following work:

- **Evaluation of the application of Swiss Re's sustainability reporting guidelines**

Assessing whether the methodology applied by Swiss Re is in line with the reporting criteria;

- **Interviews and management inquiry**

Evaluating the sustainability reporting and underlying performance indicators by performing analytical procedures and interviewing selected key contacts to assess whether the internal Environmental Performance Indicators Reporting guidelines and sustainability guidance were consistently applied by the selected locations; Performing inquiries of personnel responsible for internal sustainability reporting and data collection at the Swiss Re corporate level to evaluate the reporting and aggregation process and to assess its appropriateness;

- **Reconciliation of CO₂ emissions data**

Reconciling the CO₂ emissions data for energy consumption, business travel, copy paper, waste, water, technical gases and commuting and sustainability data and information to the data used for the internal sustainability reporting of the selected locations;

- **Assessment of the key figures**

Performing tests on a sample basis of evidence supporting selected sustainability data and information (natural catastrophes and climate change, the commitment to the UN, the commitment with Women's World Banking, sustainable business risk transactions referred to the team of sustainability experts, responsible investments, CO₂ emissions and reductions, energy consumption for heating and electricity, business travel data, sustainable supply chain data, the CO_{you2} programme, HR data and information, diversity and inclusion, employee health data) to assess their completeness, accuracy, adequacy and consistency;

- **Review of the documentation**

Reviewing the relevant documentation on a sample basis, including Swiss Re's sustainability-related policies, the management of reporting structures, the documentation and systems used to collect, analyse and aggregate reported sustainability data and information;

- **Assessment of the processes and data consolidation**

Reviewing the appropriateness of the management and reporting processes for sustainability reporting; and assessing the processing and consolidation of data at Swiss Re's Group level; and

- **Review of certified emission reductions and removals**

Reviewing the retirement of 76 340 tonnes of CO_{2e}: 57 600 certified emission reductions (CERs) with additional Gold Standard label, 18 640 CERs from the Community Development Carbon Fund, 100 CORCs (verified CO₂ Removal Certificates from the puro.earth marketplace).

We have not conducted any work on data other than outlined in the subject matter as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the sustainability data and information outlined in the scope and subject matter section has not been prepared, in all material aspects, in accordance with suitable criteria.

Zurich, 19 March 2020
PricewaterhouseCoopers AG

Paul de Jong Konstantin Meier

Memberships, commitments and index listings

Listed here is a selection of Swiss Re's most important memberships, commitments and index listings with regard to corporate responsibility.

Memberships and commitments

CDP

CDP is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
www.cdp.net

Chief Risk Officer (CRO) Forum

The CRO Forum is a group of professional risk managers from the insurance industry that focuses on developing and promoting industry best practices in risk management. The Forum consists of Chief Risk Officers from large multi-national insurance companies.
www.thecroforum.org

ClimateWise

ClimateWise supports the insurance industry to better communicate, disclose and respond to the risks and opportunities associated with the climate-risk protection gap. This is the growing divide between total economic and insured losses attributed to climate change.
www.cisl.cam.ac.uk/business-action/sustainable-finance/climatewise

European Commission's Technical Expert Group on Sustainable Finance (TEG)

The TEG assists the European Commission in the development of a unified classification system for sustainable economic activities, an EU green bond standard, methodologies for low-carbon indices, and metrics for climate-related disclosure.
https://ec.europa.eu/info/publications/sustainable-finance-technical-expert-group_en

FSB Task Force on Climate-related Financial Disclosures

The Financial Stability Board (FSB) is an international body that monitors and makes recommendations about the global financial system. Its Task Force on Climate-related Financial Disclosures (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders.
www.fsb-tcfd.org

Insurance Development Forum (IDF)

The IDF is a public/private partnership led by the insurance industry and supported by international organisations. It aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks. In 2019, we endorsed IDF's commitments to increase insurance protection in climate-exposed countries.
www.insdevforum.org

Klimastiftung Schweiz (Swiss Climate Foundation)

The Swiss Climate Foundation is a voluntary initiative by business for business. The Foundation's mission is to promote climate protection and strengthen Switzerland and Liechtenstein as business locations. Swiss Re is one of the foundation's members and is sponsoring its managing director.
www.klimastiftung.ch/en/

Net-Zero Asset Owner Alliance

The Net-Zero Asset Owner Alliance is an international group of institutional investors delivering on the commitment to transition their investment portfolios to net-zero GHG emissions by 2050, showing united investor action to align portfolios with a 1.5°C scenario. Swiss Re is a co-founder of the Alliance.
www.unepfi.org/net-zero-alliance/

Paris Pledge for Action

By joining the Paris Pledge for Action, businesses, cities, civil society groups, investors, regions, trade unions and other signatories have promised to ensure that the ambition set out by the Paris Agreement is met or exceeded to limit global temperature rise to less than 2°C.
www.parispledgeforaction.org

Principles for Responsible Investment (PRI)

The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.
www.unpri.org

Principles for Sustainable Insurance (PSI)

Launched at the 2012 UN Conference on Sustainable Development, the UNEP FI Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities.
www.unepfi.org/psi/

RE100 and EP100

Led by The Climate Group in partnership with CDP, RE100 is a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity.
theRE100.org/

In partnership with the Alliance to Save Energy, The Climate Group's EP100 initiative brings together a growing group of energy-smart companies committed to improving their energy productivity and doing more with less.
www.theclimategroup.org/project/ep100

Swiss Sustainable Finance (SSF)

By shaping and informing on best practice and creating supportive frameworks and tools, SSF supports its members and cooperates with other actors in order for the Swiss financial centre to achieve a leading position in sustainable finance.
www.sustainablefinance.ch

The Climate Group

The goal of The Climate Group is a world of no more than 1.5°C of global warming and greater prosperity for all. It brings together powerful networks of businesses and governments, which shift global markets and policies, towards this goal.
www.theclimategroup.org

UN Global Compact

The UN Global Compact supports companies to do business responsibly by aligning their strategies and operations with its ten principles on human rights, labour, environment and anti-corruption; and to take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

In 2019, we signed the UN Global Compact Business Ambition for 1.5°C.
www.unglobalcompact.org

UNEP Finance Initiative (UNEP FI)

UNEP FI is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development. It works with more than 300 members – banks, insurers, and investors – and over 100 supporting institutions to help create a financial sector that serves people and the planet while delivering positive impacts.
www.unepfi.org

WEF Alliance of CEO Climate Leaders

The Alliance of CEO Climate Leaders is a global network of chief executive officers who see the business benefits of bold and proactive action to ensure a smooth transition to a low-carbon and climate-resilient economy.
www.weforum.org/projects/alliance-of-ceo-climate-leaders

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MSCI AAA rating (July 2019)



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Bloomberg Gender-Equality Index



Ethibel Sustainability Index (ESI), Excellence Global



Euronext Vigeo Eiris indices: Europe 120



FTSE4Good Index Series



ISS QualityScore Environmental, Social & Governance



ISS ESG Prime



Contact details

Contact address

Sustainability, Emerging and
Political Risk Management
Martin Weymann
Telephone +41 43 285 9555
Martin_Weymann@swissre.com

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Swiss Re Ltd
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland

Telephone +41 43 285 2121
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