

2017 Corporate Responsibility Report

Enabling sustainable progress



Cover

The Mekong River basin is a vital source of life for millions of people. It also has large hydropower potential. In 2017, we sharpened our risk assessment capabilities to determine which dam projects in the region we want to support. You can find out more about how we address sustainability risks in our core business on pages 28–35.



More information online:
reports.swissre.com/corporate-responsibility-report/2017/

In this report

We describe our commitment as a responsible company and the actions we have taken.

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Executive statement



Walter B. Kielholz, Chairman of the Board of Directors



Christian Mumenthaler, Group Chief Executive Officer

Dear stakeholders,

We are pleased to present to you our 2017 Corporate Responsibility Report. With this publication, we want to show you how we understand and live up to our role as a responsible company. “We make the world more resilient” is Swiss Re’s vision. Hence we place particular emphasis on addressing long-term environmental, social and governance issues that may undermine sustainable progress.

A couple of years ago, we reviewed which of these issues are the most relevant for our company and defined them as our Corporate Responsibility Topics. In the current edition, you can find a detailed overview of these topics, showing their links to the UN Sustainable Development Goals and summarising the actions we have taken to meet the internal goals we have set for them.

Climate change remains a top priority among our Corporate Responsibility Topics. This is why we have substantially expanded our Climate-related Financial Disclosures included in our 2017 Financial Report. We invite you to take a look at these in addition to the information presented in this report.

As in previous years, our Corporate Responsibility Report serves as our disclosure document for two ongoing commitments we have made to the United Nations: the UN Global Compact and UNEP Principles for Sustainable Insurance. You will find both documents as fully linked reference tables in the online version of this publication.

The report is organised into chapters focusing on the main activities we carry out to address our Corporate Responsibility Topics: from offering re/insurance solutions for sustainability risks to engaging our people. Below, we would like to briefly summarise what we achieved in these areas in 2017.

In our re/insurance core business, we continued our close collaboration with clients and partners to create various innovative solutions that help them build resilience against natural catastrophe and weather risks (eg floods, windstorms, extreme rainfall and drought) and to cover risks associated with offshore wind farms. We also played a key role in launching the cat bond arm of the Pandemic Emergency Financing facility, a pioneering World Bank scheme designed to prevent diseases developing into fully-fledged pandemics. Furthermore, we carried out a pilot study to assess the social output of our Life Capital Business Unit – a precondition to appraise the general value insurance products create for customers.

In parallel to offering re/insurance protection against a number of environmental and social issues, in our risk management we seek to identify and address risks that may undermine sustainable progress, raise ethical questions and/or increase loss potential. As part of our Sustainability Risk Framework, we have started to develop a carbon risk model to support the worldwide reduction of greenhouse gas emissions and contribute to limiting global warming to 1.5–2°C above pre-industrial levels. The model's initial part takes the form of a thermal coal policy applicable to all our lines of business. We also introduced clearer guidance on

potentially sensitive dam projects in the Mekong River basin. Our public SONAR report again presented our insights on various emerging risks. On the following pages, we present a case study on antimicrobial resistance.

Asset Management is a core part of how we create value, by generating attractive returns when investing the premiums we receive from our underwriting business. While Swiss Re has been a responsible investor for over a decade, we took a key strategic step during 2017 to switch to investment benchmarks incorporating environmental, social and governance (ESG) aspects for our active listed equity and credit portfolios. To provide further insight on this as well as our approach to integrating ESG criteria across the investment portfolio, we launched the publication "Responsible investments – Shaping the future of investing".

Our efforts to make the world more resilient are more effective when we engage in dialogue. "We're smarter together" with you, dear stakeholders, as our clients, partners and other groups in wider society. In 2017, we continued to address several of our Corporate Responsibility Topics through this ongoing dialogue, holding many events and producing a number of new publications. A major initiative looked at the funding sources currently available for our ageing societies and how re/insurers could make a larger contribution. All our dialogue activities now benefit from the Swiss Re Institute, which combines Swiss Re's own expertise with world-class research.

As a responsible company, we are keen to minimise the environmental footprint of our own operations, even though this

SWISS RE FOUNDATION

The Swiss Re Foundation in 2017 – Voices for Change

Adopting a fresh approach, the 2017 edition of the Foundation's Activity Report showcases fewer initiatives in greater depth and lets powerful photography tell more of the underlying story.

is relatively small in comparison with industrial companies. In 2017, we moved into Swiss Re Next, the new office building we constructed at our Zurich headquarters. Sustainability has been a key topic of the project right from the start and is woven into the building's design and performance. As part of our commitment to the RE100 initiative, we also installed a solar plant at our Bangalore office. Last but not least, we celebrated the ten-year anniversary of our CO_{you2} Programme, which offers our employees grants for carbon-friendly acquisitions.

We would like to close by thanking our employees for the strong commitment they have again shown to our company, day in, day out. In this report, you can also read what we at Swiss Re do to create a flexible and inclusive work environment that inspires our people to unleash their full potential. To achieve our vision of "making the world more resilient", we need people from many different backgrounds who feel passionate about the contribution they can make together.

Zurich, 15 March 2018



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. At the end of 2017, we had over 80 office locations in more than 30 countries. Based on “net premiums earned and fee income from policyholders”, our ten biggest markets

in 2017 were: the United States, the United Kingdom, Australia, China, Germany, Canada, Japan, Ireland, Switzerland and France. They accounted for 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 the SIX Swiss Exchange, domiciled in Zurich, and organised under the laws of Switzerland. No other Group companies have shares listed.

OUR GLOBAL PRESENCE

Europe
(including Middle East and Africa)

Net premiums earned
and fee income in 2017
(USD billions)

10.5
(USD 10.9 billion in 2016)

Number of office locations*
as of 31 December 2017

32
(28 in 2016)

Number of employees (regular staff)
as of 31 December 2017

8 630
(8 531 in 2016)

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

Our strategic framework

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

You can get more information on our strategy in the 2017 Business Report at: reports.swissre.com/2017/business-report/our-strategy.html

Systematically **allocate capital** to risk pools/revenue streams

Broaden and diversify **client base** to increase access to risk

Optimise **resources and platforms** to support capital allocation

Emphasise **differentiation**

Americas	Asia-Pacific	Total	
16.1 (USD 15.1 billion in 2016)	7.1 (USD 7.2 billion in 2016)	33.7 (USD 33.2 billion in 2016)	
37 (39 in 2016)	15 (15 in 2016)	84 (82 in 2016)	
3 740 (3 367 in 2016)	2 115 (1 927 in 2016)	14 485 (14 053 in 2016)	

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



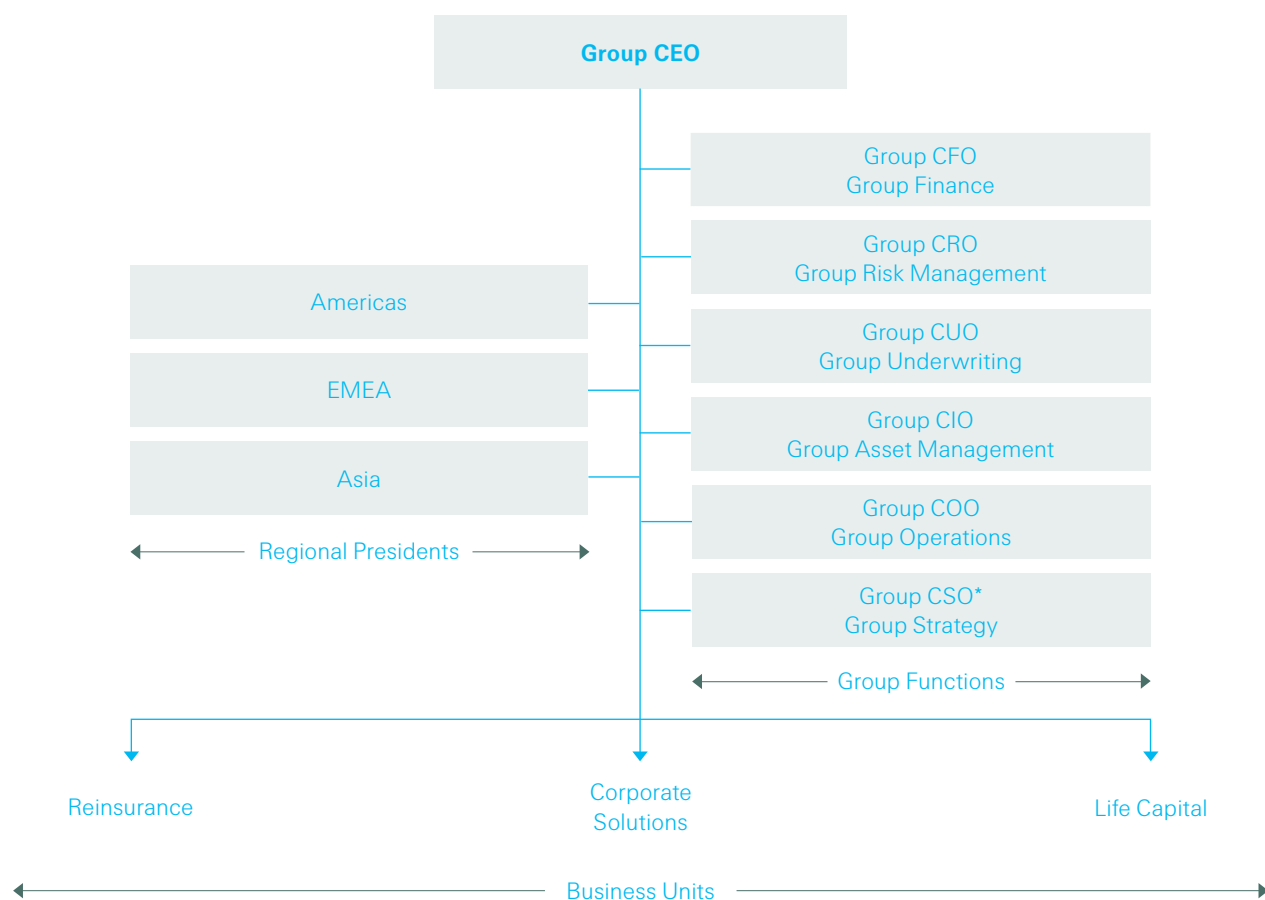
Corporate Solutions provides risk transfer solutions to large and mid-sized corporations around the world. Its innovative, highly customised products and standard insurance covers help to make businesses more resilient, while its industry-leading claims service provides additional peace of mind.

Life Capital



Life Capital manages closed and open life and health insurance books. It provides alternative access to the life and health risk pool, helping to generate stable returns and seize attractive new opportunities.

Operational Group structure



FINANCIAL HIGHLIGHTS

USD millions	2016	2017
Total assets	215 065	222 526
Total investments	155 016	161 897
Total liabilities	179 349	188 232
Total debt	11 351	10 581
Common shareholders' equity	34 532	33 374
Total revenues	43 786	42 487
Premiums earned and fee income	33 231	33 705
- P&C Reinsurance	17 008	16 667
- L&H Reinsurance	11 527	11 980
- Corporate Solutions	3 503	3 651
- Life Capital	1 193	1 407
Total expenses	-39 414	-41 962
Claims and claim adjustment expenses	-12 564	-16 730
Life and health benefits	-10 859	-11 083
Net income	3 558	331

ATTRIBUTION OF GROUP INCOME TO KEY STAKEHOLDERS

USD millions (unless otherwise stated)	2016	%	2017	%
Income before tax and variable compensation	4 773	100%	814	100%
Variable compensation ¹	466	10%	351	43%
Income tax expense	749	16%	132	16%
US GAAP net income attributable to shareholders	3 558		331	
of which paid out as dividend ²	1 559	33%	1 650	203%
of which share buy-back	1 006	21%	1 016³	125%
of which added to retained earnings within shareholders' equity	993	20%	-2 335	

¹ Aggregate compensation for all employees was CHF 2 165 million in 2017. See 2017 Financial Report, page 172.

² FY 2017 is estimated based on average year-to-date CHF/USD FX rates as of February 2018. 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 3 November 2017 and 16 February 2018 as part of the buy-back programme authorised at the AGM 2017. The total amount represents an estimate translated at the 2017 average CHF/USD exchange rate.

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 and shareholders).

Our approach to corporate responsibility

We are committed to being a responsible company. Playing our part in enabling sustainable progress serves as a guiding principle for our actions.

Our commitment to corporate responsibility

Swiss Re has a long-standing commitment to being a responsible company. A key element in our understanding of what this means is the desire to play our part in enabling sustainable progress, for the benefit of our clients and society at large. Taking this long-term view helps us to pursue our vision of making the world more resilient and is embedded in our value framework, which means “doing business the Swiss Re way”.

Importantly, this commitment is also in our own best interest: it strengthens our capabilities to address both risks and opportunities created by longer-term environmental and social challenges and, as a consequence, to retain our licence to operate.

OUR EXTERNAL COMMITMENTS ▼

Based on our commitment to corporate responsibility and enabling sustainable progress, we have signed up to a number of external charters and initiatives:

- EP100: see page 52
- Principles for Responsible Investment (PRI): see page 39
- RE100: see page 52
- Task Force on Climate-related Financial Disclosures (FSB-TCFD): see page 35 and 2017 Financial Report, pages 138–151
- UNEP FI Principles for Sustainable Insurance (PSI): for our Public Disclosure of Progress, see online report
- UN Global Compact: for our Communication on Progress, see online report
- Carbon Disclosure Project (www.cdp.net)
- ClimateWise (www.cisl.cam.ac.uk/)

OUR VISION

We make the world more resilient



Our values mean **doing business the Swiss Re way:**

- Being open, honest and transparent in everything we do.
- Treating everyone with respect – both inside and outside the company.
- Taking the long-term view and playing our part in enabling sustainable progress – for stakeholders and society in general.
- Creating an inclusive culture that encourages diversity of thought and opinion.



Our commitment to corporate responsibility:

“Corporate responsibility” expresses Swiss Re’s commitment to being an open, honest and transparent organisation that treats all its stakeholders – employees, shareholders, clients, government agencies and the general public – with respect and integrity. In particular, we aim to take the long-term view and to play our part in enabling sustainable progress.

Board and senior management responsibility

At Swiss Re's highest governance level, the task of overseeing implementation of our commitment to corporate responsibility has been assigned to a committee of the Board of Directors: It is one of the responsibilities of the Chairman's and Governance Committee to monitor the Group's sustainability principles.

Regarding the development and adoption of relevant policies and strategies, the role of the Board of Directors is to endorse them, while the Group Executive Committee approves them. Group Risk Management is responsible for maintaining a suitable risk policy framework, and the Business Units drive strategic implementation within their respective areas.

On an operational level, various divisions, departments and units are involved in implementing Swiss Re's commitment to corporate responsibility in daily business. The Sustainability, Emerging and Political RM unit drives

the development of Group risk policies and related strategic projects and coordinates communication, dialogue and engagement efforts across the Group. In addition, it is responsible for producing Swiss Re's Corporate Responsibility Report, which is reviewed by senior management and approved by the Board of Directors.

Our Corporate Responsibility Map

A key question for any company that understands corporate responsibility as taking a long-term view and enabling sustainable progress 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 Corporate Responsibility Topics, we use both our internal risk expertise and ongoing dialogue with our stakeholders.



ONLINE CONTENT

You can learn more about the internal risk expertise, stakeholder dialogue and process we use to identify material Corporate Responsibility Topics in the online version of the report.

reports.swissre.com/corporate-responsibility-report/2017/cr-report/introduction/our-approach-to-corporate-responsibility/our-corporate-responsibilitymap.html

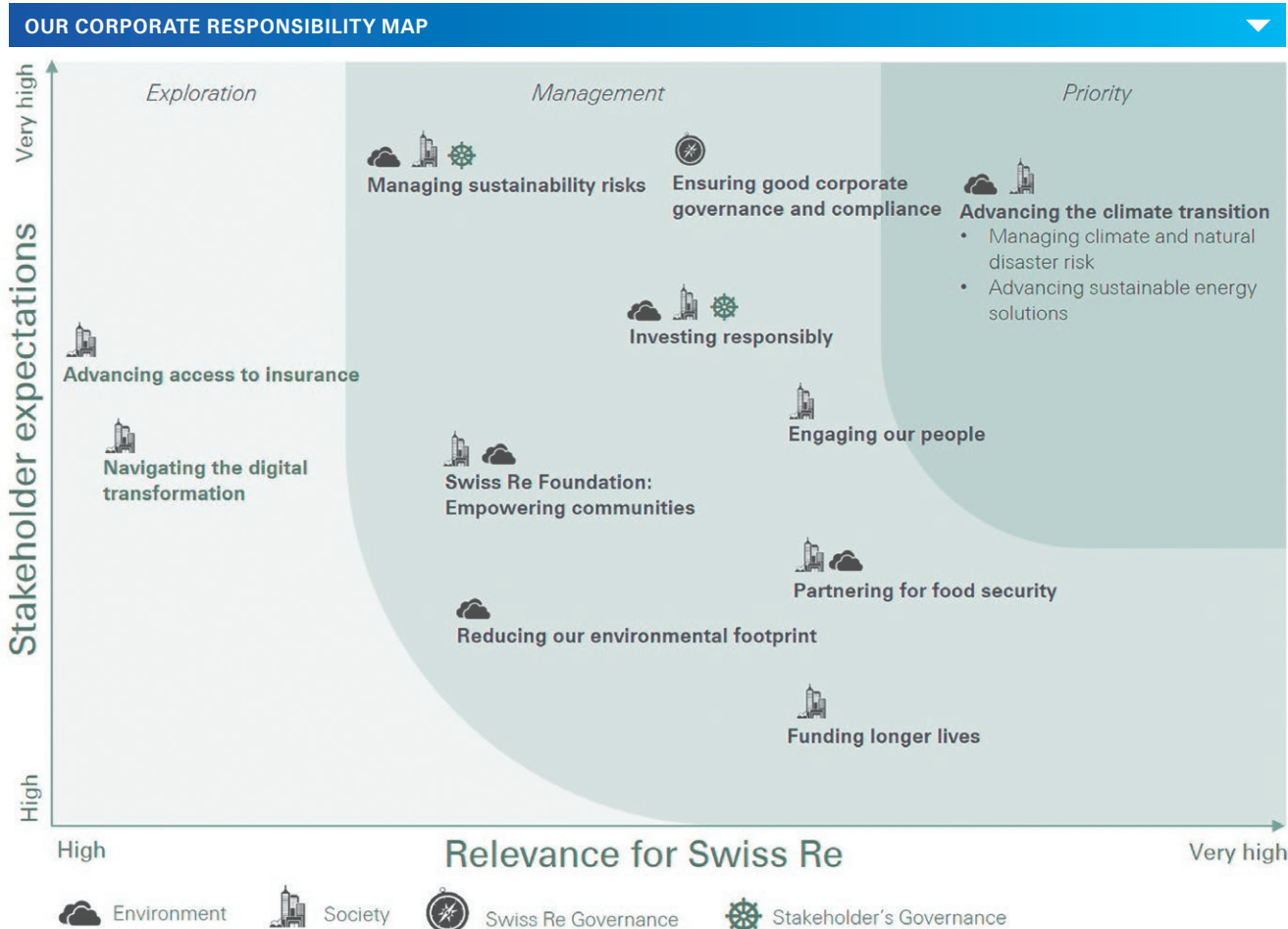
In 2016, we carried out a comprehensive review of the key Corporate Responsibility Topics we are facing as a global re/insurer and, on this basis, developed a graphic Corporate Responsibility Map.

Reflecting our two main insight sources and in line with current best practice, eg the recommendations of the Global Reporting Initiative (www.globalreporting.org), this map is structured along the two axes of “Stakeholder expectations” and “Relevance for Swiss Re” – in terms of the risks as well as opportunities. The topics are positioned within three areas expressing different stages of relevance and maturity:

Priority: Topics with high stakeholder expectations as well as high internal relevance. Require continuous high attention and effort.

Management: Topics recognised as being relevant and for which we have well-established management procedures. Stakeholder interest in them varies, though.

Exploration: Topics with increasing relevance from an internal perspective and an expected increase in stakeholder inquiries. Warrant further analysis.



For all our Corporate Responsibility Topics we have set goals – 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 internal goals we have set for them and what we achieved during the reporting year.

OVERVIEW: OUR CORPORATE RESPONSIBILITY TOPICS, SDG LINKS, GOALS AND KEY ACHIEVEMENTS

OUR CORPORATE RESPONSIBILITY TOPICS

Advancing the climate transition

In December 2015, nearly 200 governments agreed to strengthen the global response to the threat of climate change in the Paris Agreement. The private sector plays a key role in reaching the goals defined in Paris. Swiss Re advances the transition to a low-carbon economy from two angles:

1. Managing climate and natural disaster risk is at the core of what we do. Losses from floods, storms, earthquakes and other natural catastrophes impact the economies of entire countries and are therefore a key driver of the re/insurance business. Such losses are becoming more frequent and severe due to higher insurance penetration and the concentration of assets in exposed areas as well as climate change. By financing disaster risk mitigation and climate adaptation, we can strengthen the resilience of citizens, businesses, local and national economies and societies.

2. Advancing sustainable energy solutions is essential to combat global warming. Reducing greenhouse gas emissions while at the same time satisfying the energy needs of a growing population will be one of the great challenges we face in the coming decades. We continuously invest in our renewable energy research and solutions to help our clients and the global community to develop and establish secure energy supplies for the future.

Partnering for food security

Meeting the demand for food for the growing world population – estimated to reach 9 billion by 2050 – will be challenging, as supply is constrained by such factors as climate change, depleted agricultural soils and the distribution of land, water and energy. Today, about 800 million people – one in 11 – are chronically hungry and malnourished. Swiss Re is a leader in agricultural insurance markets. We use our experience, expertise and financial strength to provide cutting-edge solutions to all stakeholders of the agricultural value chain. By insuring the agricultural sector, we play a vital role in combatting hunger and poverty.

Funding longer lives

People are living longer today than ever before, but the share of the working population is shrinking. The costs of funding retirement income, healthcare and long-term care in old age will increase dramatically. This could have significant financial consequences for individuals, insurers, employer pension funds and society in general. Swiss Re is the world's largest reinsurer of mortality, and life and health reinsurance is part of our core business. We help clients create solutions that better support people across the different phases of ageing and retirement.

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 further 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 Sustainability 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 CR Topics.



OUR CORPORATE RESPONSIBILITY GOALS

PROGRESS ON OUR CORPORATE RESPONSIBILITY GOALS

- For general strategic objectives, see special section on our climate change strategy on page 16.

- Based on our commitment made to the UN, advise 50 sovereigns and sub-sovereigns on climate risk resilience by 2020 and offer them USD 10 billion of re/insurance protection against this risk.

- Use our capacity and technical expertise to provide effective risk covers for complex offshore wind farm projects.

- In cooperation with key stakeholders, create solutions to improve food security by giving farmers protection against natural perils.
- Through our commitment to the Grow Africa Partnership, offer up to 1.4 million smallholder farmers in Sub-Saharan Africa protection against weather risks by 2017.

- Use our capacity, technical expertise and natural offset of our mortality business to offer our clients risk transfer solutions for their longevity risk.

- Consistently identify potential sustainability risks in our business transactions and abstain from them if warranted.
- Increase the effectiveness and efficiency of the Sensitive Business Risk (SBR) process by advancing automation of sustainability risk screening with our proprietary SBR Assessment Tool.
- Engage with clients and industry partners on how to address and reduce sustainability risks in business transactions, especially in high growth markets.

- By the end of 2017, had advised 66 sovereigns and sub-sovereigns on climate risk resilience, offering protection of USD 5.3 billion in total (page 23).

- We were involved in further offshore wind projects, mainstream ones as well as an innovative site set up by the Danish Energy Agency to test more efficient technology (page 26).

- Completed a pioneering transaction protecting Taiwanese aquaculture farms against extreme rainfall risk and made payouts to 14 000 Kenyan herders, saving approximately 70 000 livestock from drought (pages 22–24).
- Met the target of our five-year commitment, helping to bring insurance protection to 1.5 million smallholder farmers in Sub-Saharan countries (page 23).

- Completed a number of longevity transactions in recent years and, in 2017, launched a major campaign on how re/insurers can help fund the “ageing wallet”, with fact sheets on six major markets (page 43).

- Started to develop a thermal coal policy and sharpened our assessments of sustainability risks of dam projects in the Mekong River basin (page 32).
- Due to continuous fine-tuning of the SBR Assessment Tool and increasing underwriter awareness, achieved a further fall of transactions referred for an individual assessment (pages 30–31).
- Following publication of our brochure on the Sustainability Risk Framework in 2016, intensified dialogue with clients and other companies on sustainability risks and related issues (page 45).

OVERVIEW: OUR CORPORATE RESPONSIBILITY TOPICS, SDG LINKS, GOALS AND KEY ACHIEVEMENTS

OUR CORPORATE RESPONSIBILITY TOPICS

Investing responsibly

Institutional investors such as re/insurers are naturally suited to invest responsibly because of their long-term view. Swiss Re systematically integrates environmental, social and governance (ESG) considerations into the investment process through its three pillars 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”. Once a year, we seek feedback from our employees through the Employee Engagement Survey (EES). The EES is an opportunity to hear from our employees what engages them and what ideas they have to improve their experience at Swiss Re.

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 environmental footprint

As a knowledge company in the financial services sector, our environmental impacts through our own operations are limited. Nonetheless, we firmly believe it is important for a responsible company to minimise its environmental footprint, thus leading by example. Tackling our CO₂ emissions and reducing energy consumption are key targets across the Group. Our pioneering initiatives include the Greenhouse Neutral Programme and the CO_{you2} Programme.

Advancing access to insurance

Access to insurance is an important contributor to economic development. However, 60% of the world’s population still remain excluded from appropriate insurance products. We work on advancing public awareness of the societal value of insurance and the role insurance plays in achieving sustainable economic development. We further evaluate our contribution on selected Sustainable Development Goals (SDGs).

Navigating the digital transformation

The digital transformation has the potential to radically transform the insurance industry. New analytical techniques such as smart analytics, Big Data and FinTech boost innovation and modernisation in product design, distribution, claims management and fraud detection. As Swiss Re develops its “digital DNA”, we are also advancing industry awareness of ethical challenges surrounding the digital transformation.

Swiss Re Foundation: 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 four areas – climate, natural hazards, water and society – 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 CR Topics.



OUR CORPORATE RESPONSIBILITY GOALS

PROGRESS ON OUR CORPORATE RESPONSIBILITY GOALS

- Integrate ESG criteria systematically along our overall investment process.
- Meet our investment target for green bonds of at least USD 1.5 billion.

- Made a big step forward by shifting our investment portfolio to ESG criteria and/or ESG benchmarks (pages 36–38).
- By the end of 2017, we were well advanced in meeting our target of holding at least USD 1.5bn in green bonds (page 37).

- Continue to build an organisation of diverse people that have a passion to make the world more resilient.
- Achieve a top-quartile employee engagement score (EES>71%).

- According to EES scores, 84% of our employees feel Swiss Re lives a diverse and inclusive culture. Gender diversity in senior management positions has remained constant since 2016 (page 61).
- Per 2017, achieved an employee engagement score of 69% (page 61).

- Continuously assess our corporate governance against regulatory developments, best practice and new stakeholder demands.
- Regularly update our compliance policies as appropriate, oversee effective implementation thereof and deliver meaningful training and communication to our employees.

- Revised our Corporate Bylaws to anticipate developments and trends, enhanced our conflicts of interest framework as well as Board of Directors educational sessions and trainings (page 70).
- Launched new policy governance framework and policy management tool, and simplified Global Policies architecture. Delivered mandatory compliance trainings for new and existing employees as well as risk-based tailored trainings (page 73).

- 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.
- Obtain 100% of power used for our own operations from renewable sources by 2020.
- Include our tier 1 and tier 2 vendors in the EcoVadis platform by 2020.

- Achieved a reduction of our per-capita CO₂ emissions by 1.9% compared with 2013 (page 51).
- Since 2013, achieved a total reduction of 24.3% (page 52).
- At the end of 2017, covered 84% of our total power consumption from renewable sources (page 52).
- Implementation completed for 13% of our tier 1 and 2 vendors, and ongoing or ready to start for 30% (page 56).

- Advance our understanding of the societal impact of insurance and develop metrics to measure our impact on stakeholders.

- Produced a *sigma* study on the value of re/insurance for development in emerging markets (page 46) and conducted a pilot analysis of the social output of our Life Capital Business Unit (page 27).

- Refine our understanding of societal challenges related to the digital transformation.

- Started a research partnership on “Ethical and Legal Big Data Challenges in the Insurance Industry” with academic partners and contributed to a publication produced by the Chief Risk Officer Forum (page 46).

- Contribute to resilient societies by increasingly engaging Swiss Re employees with their skills and expertise.

- Continuing to create new opportunities for our employees to support the Swiss Re Foundation’s partners with their expertise, 14% of the project portfolio encompassed an employee engagement component at the end of 2017 (see the Foundation’s 2017 Activity Report, pages 26–27).

CLIMATE CHANGE



Climate change has been our most important sustainability issue for many years: For a reinsurer, it constitutes a key topic because it will lead to an increase in the frequency and severity of natural catastrophes such as floods, storms, excessive rainfall and drought. In combination with growing asset concentrations in exposed areas and more widespread insurance protection, this will cause a steady rise in damage. Among our current Corporate Responsibility Topics shown on pages 11–15, two have a direct link to climate change: “Managing climate and natural disaster risk” and “Advancing sustainable energy solutions”.

Since detecting the long-term threat posed by climate change almost 30 years ago, we have been an acknowledged thought leader on the topic. To tackle the issue, we pursue a comprehensive strategy with four pillars:

The four pillars of our climate change strategy

- **Advancing our knowledge and understanding of climate change risks, quantifying and integrating them into our risk management and underwriting frameworks where relevant;**
- **Developing products and services to mitigate or adapt to climate risk;**
- **Raising awareness about climate change risks through dialogue with clients, employees and the public, and advocating a worldwide policy framework for climate change;**
- **Tackling our own carbon footprint and ensuring transparent, annual emissions reporting.**



WEBSITE

For more information see
swissre.com/eca/our_climate_change_strategy.html

Content organisation

Beyond the specific goals we have defined for our Corporate Responsibility Topics, we are committed to addressing them 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 Corporate Responsibility Report:

Business solutions

Within our core business of re/insurance and asset management, 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 environmental, social and governance (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 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.

Operations: 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.

Operations: 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 the 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 current Corporate Responsibility Topics, displayed and described on pages 11–15. (Please note that 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 Corporate Responsibility Topics in 2017 is available in the online version of the report: reports.swissre.com/corporate-responsibility-report/2017/cr-report/introduction/our-approach-to-corporate-responsibility/overview-where-and-how-we-have-addressed-our-cr-topics.html

Report profile

Our Corporate Responsibility Report covers the whole Swiss Re Group as it was organised on 31 December 2017, 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.

All the main chapters of the report have received independent assurance from PricewaterhouseCoopers. Their assurance report is included on pages 76–77.



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/corporate-responsibility-report/2017/cr-report/introduction/our-approach-to-corporate-responsibility-report-profile.html

Reporting frameworks

Our 2017 Corporate Responsibility Report includes Standard Disclosures of the G4 Guidelines of the Global Reporting Initiative, GRI (www.globalreporting.org), as far as is practical for a business-to-business company in financial services. You can find the GRI Content Index in the online version of the report.

The present report also incorporates our 2017 Communication on Progress for the UN Global Compact (www.unglobalcompact.org/). References to the Compact's ten principles are incorporated into the GRI Content Index, in line with UN recommendations.

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 of the report.



ONLINE CONTENT

Global Reporting Initiative (GRI) Content Index with UN Global Compact COP references, and our PSI Public Disclosure of Progress. reports.swissre.com/corporate-responsibility-report/2017/cr-report/introduction/our-approach-to-corporate-responsibility/reporting-frameworks.html

Finally, we provide detailed Climate-related Financial Disclosures, as recently developed and recommended by a task force of the Financial Stability Board (www.fsb-tcfd.org).



CONTENT IN THE 2017 FINANCIAL REPORT

You can view our Climate-related Financial Disclosures in the "Corporate responsibility" chapter, pages 138–151.

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, the MSCI ESG Leaders and MSCI Global Socially Responsible (2017) families. In May 2017, Swiss Re received the AAA rating on the MSCI ESG assessment.

Our most important index listings and ratings are displayed on page 79.

Creating solutions for sustainability

Our re/insurance solutions help address key environmental and social challenges. We focus on natural catastrophes and climate change, food security, renewable energy, funding longer lives and advancing access to insurance.

USD
2.3 bn

Natural catastrophe premiums in our P&C Reinsurance business

(USD 2.5 billion in 2016)

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

Currently, our focus is on the following themes: natural disaster and climate risks, food security, sustainable energy and funding longer lives. 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 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 cat 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 and developing countries. 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 to create the conditions for sustained social and economic development, as they help to safeguard investments, allow governments to stabilise budgets and give people the financial stability required to build and maintain businesses.



A residential area of Houston, TX flooded by Hurricane Harvey. The 2017 North Atlantic hurricane season was the second costliest ever, underlining the importance of understanding natural catastrophe and climate risks.

Natural catastrophes and climate change

Natural catastrophes are a key risk in our Property & Casualty (P&C) business. The damage caused by floods, storms, earthquakes and other natural catastrophes can affect millions of lives and the economies of entire countries. With hurricanes Harvey, Irma and Maria as well as other major catastrophes, the year of 2017 was the costliest ever. Total worldwide economic losses from natural and man-made catastrophes were over USD 337 billion – of these, approximately USD 144 billion were insured.

Over the whole year, Swiss Re's combined estimated claims from large natural catastrophes amounted to USD 4.7 billion.

These figures underline the significant benefits that access to effective re/insurance protection against natural catastrophes creates for our clients and for society at large. In 2017, our clients in P&C Reinsurance paid us USD 2.3 billion of natural catastrophe premiums (for

losses larger than USD 20 million), equivalent to approximately 14% of total premiums in this business segment.

Even before 2017, both economic and insured losses caused by natural catastrophes had steadily increased on average over the past 20 years. The key reasons 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 Special Report on Extremes (SREX, 2012) and the Fifth Assessment Report (AR5, 2014), 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.

NATURAL CATASTROPHE DATA ▼

In our 2017 Financial Report, we provide detailed quantitative information on natural catastrophe perils: the four perils with the highest expected annual losses (page 148) and the liquidity requirements stemming from four extreme loss scenarios ("insurance risk stress tests", page 85).

CLIMATE CHANGE ADAPTATION ▼

Our solutions offering re/insurance protection against extreme weather events and weather volatility help communities adapt to climate change by making them more resilient against such risks.

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 & Casualty business accurately and to structure sound risk transfer solutions, we need to clearly understand the economic impact of natural catastrophes and the effect of climate change. This is why we invest in proprietary, state-of-the-art natural catastrophe models and regularly collaborate with universities and scientific institutions.

While the impact of climate change will increase gradually over the coming decades, most of our business is renewed and repriced annually, and our risk models are refined every few years. Risks are normally covered for 12 months (up to five years for cat 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 described above, our models will gradually factor in this trend.



CONTENT IN THE 2017 FINANCIAL REPORT

In our Climate-related Financial Disclosures, we describe in detail how we identify the risks and opportunities created by climate change and how we manage them (see pages 138–151).

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 our Economics of Climate Adaptation (ECA) studies, free access for our clients to Swiss Re's CatNet® tool and our expertise publications. You can learn more about the CatNet® tool at www.swissre.com/catnet and view a sample of our recent publications on page 49.

In 2017, we agreed to conduct an ECA study for the city of Lishui in China as part of our cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (see page 21).

Strengthening risk resilience: 2017 highlights

In this section, we describe a selection of the innovative transactions and initiatives we were involved in during 2017 to strengthen risk resilience. These transactions help address the following of our Corporate Responsibility Topics, often more than one at the same time:

- Managing climate and natural disaster risk
- Partnering for food security
- Advancing access to insurance

They 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.

Reinsuring flood insurance in the US

In the US, the annual uninsured economic impact from flooding is roughly USD 10 billion, making it one of the most common and costly natural disasters. While the private flood insurance market is developing, the US Government has been offering residential flood coverage since 1968. Today, the National Flood Insurance Program (NFIP), which is managed by the Federal Emergency Management Agency (www.fema.gov), insures five million households. As the power and frequency of floods have been increasing over the last decade, insurance claims have risen beyond the amount that policyholders pay into the programme.

In response to this evolving threat, the NFIP has sought to put the programme on a more sustainable financial path. Along with the establishment of a reserve fund, its strategy includes the creation of a reinsurance programme with partners from the private sector. Swiss Re has been involved in this initiative from the beginning and is one of its three original reinsurance providers.

The programme's purpose is to cover losses from large and unexpected insured events such as severe floods caused by hurricanes. It proved its value in its first year by providing private capital to help homeowners recover from the devastation caused by Hurricane Harvey. This coverage saved US taxpayers USD 1 billion and helped prevent the programme from falling further into debt.

Strengthening disaster resilience in the Philippines

It is estimated that each year an average of 20 typhoons make landfall in the Philippines. The strongest of these storms create significant damage and can cause many fatalities. In 2013, Super Typhoon Yolanda (also known as Typhoon Haiyan elsewhere), which was one of the strongest storms ever recorded at landfall, claimed approximately 6 000 lives and damaged a million homes in nine regions.

In view of the latent typhoon and other natural disaster risks, the Philippine government had already started to change its strategic approach a couple of years earlier in the wake of the 2009 typhoon season, which had caused losses of USD 4.4 billion (equivalent to 2.7% of GDP). It introduced new legislation marking a move from disaster response to disaster risk reduction and preparedness, and started to implement a three-tiered Disaster Risk Financing and Insurance strategy.

The three tiers refer to the national, subnational and household level. At the national level, the government negotiated a contingent credit line with the World Bank to provide immediate liquidity in the aftermath of a natural disaster. In 2017, protection was added at the subnational level for the most exposed provinces. Supported by the World Bank, Swiss Re and other partners, the government bought a parametric earthquake and typhoon cover offering up to USD 200 million of protection to 25 provinces along the eastern edge of the Philippine archipelago. The risk has been fully ceded to local and national re/insurers, including Swiss Re, who will quickly provide provincial governments with liquidity in the event of a disaster.

Protecting aquaculture in Taiwan against extreme rainfall

In Taiwan, we helped develop the first parametric insurance solution for aquaculture, jointly with Taiwan Fire & Marine Insurance. The programme will offer protection against extreme rainfall risk to 120 000 hectares of onshore fisheries in Ping Tung County, which together produce 25 million kilogrammes of grouper annually.

Grouper is one of the expensive fish breeds in Ping Tung County and represents a significant economic asset in Taiwan's aquaculture industry. As the 2009 typhoon season showed, however, fish ponds can suffer badly from extreme rainfall. Flash floods due to typhoons caused many fish ponds to overflow then, destroying nearly 50% of the fisheries in the process and causing large financial losses.

Using meteorological data, this innovative aquaculture insurance solution pays out automatically when there is rainfall of more than 480 mm for two consecutive days. It is the second programme we have helped develop for the Taiwanese agricultural sector, in response to the government's initiative to transfer agricultural risks to re/insurers. Allowing for quick payouts through its index-based trigger, the scheme helps to improve the sector's resilience. It has attracted strong interest and demand from the fish farming community in Taiwan, and it is hoped that it will benefit further Asian countries in the future.

Strengthening risk resilience in Lishui, China

Lishui is a scenic city in Zhejiang province in eastern China, located in a mountainous area close to the East China Sea. Like many other Chinese cities, it has been growing at rapid speed recently and is developing into a regional centre of tourism. Further developing these urban zones is a strategic goal for the Chinese government, but many of them are located in areas facing high natural disaster risks. As they accumulate greater concentrations of people, assets and technology, these cities become even more vulnerable to the potential effects of extreme weather events, a trend further reinforced by climate change.

Swiss Re has been working closely with the Chinese government as well as regional and local authorities, eg in urban Guangdong and rural Heilongjiang, to develop new, innovative insurance solutions that help build resilience against these risks. They typically involve parametric triggers such as cyclone wind speed or the amount of rainfall to determine payouts, ensuring that funds are quickly available to the insured authorities.

In 2017, we agreed with the city authorities of Lishui and our partner GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, www.giz.de/en/) to provide support to an Economics of Climate Adaptation (ECA) study for the city. Swiss Re has many years of experience with these studies, which assess the present and future climate-related risks faced by a location or region and identify cost-effective adaptation measures. The project was formally kicked off towards the end of 2017.

Launching the cat bond arm of the Pandemic Emergency Financing Facility

When the Ebola disease broke out in West Africa in 2014, it took the international community several months to mobilise the resources required to provide effective support to the affected communities. To address this problem, the World Bank (www.worldbank.org) decided to set up a rapid response mechanism called the Pandemic Emergency Financing Facility (PEF) and mandated Swiss Re to help support its development.

The central goal of the PEF is to release emergency funds quickly enough to prevent a disease outbreak from turning into a fully-fledged pandemic, thus potentially saving many lives. Its innovative design combines funding from the re/insurance market (using index-based products) with the proceeds from catastrophe bonds issued by the World Bank. Swiss Re Capital Markets acted as joint structurer and sole book runner for the PEF transaction, which was completed in 2017. It is the first time ever that pandemic risk is being transferred to the capital markets to protect low-income countries.



Herding provides many people in the Greater Horn of Africa region with their livelihoods, but faces serious drought risks. In 2017, the KLIP programme, which we support, made payouts to 14 000 Kenyan herders, thus saving an estimated 70 000 livestock sustaining 100 000 people.

The PEF covers six viruses and protects the world's most vulnerable countries that are eligible for funding from the World Bank's International Development Association. Financing is released on the basis of publicly available health data as reported by the World Health Organization (WHO). The PEF's "insurance window" (re/insurance and cat bonds) will offer total coverage of USD 425 million for an initial period of three years. Donor contributions from the governments of Japan and Germany help finance the cost of premiums.



WEB CONTENT

You can find general information about cat bonds – also called insurance-linked securities (ILS) – at www.swissre.com/investors/ils/

Payouts to Caribbean governments

Caribbean countries are heavily exposed to natural catastrophes such as tropical cyclones, earthquakes and excessive rainfall. Funding initial relief measures and maintaining vital government functions after a disaster creates a significant funding challenge for these small developing economies.

When hurricanes Irma and Maria hit the Caribbean in 2017, they caused significant damage and triggered payouts of USD 30.8 million and USD 23.6 million, respectively, from a regional insurance facility called CCRIF SPC. Originally set up in 2007 by 16 regional governments as the Caribbean Catastrophe Risk Insurance Facility (CCRIF) under the technical guidance of the World Bank, it was the world's first multi-country risk pool. Its objective was to provide governments quick access to emergency funding by using parametric policies that are automatically triggered according to the physical characteristics

of an event. Swiss Re has been acting as the facility's lead reinsurer right from the start.

The original CCRIF structure has seen some important changes over the years. In 2014, coverage was extended from tropical cyclones and earthquakes to include excessive rainfall. The facility was restructured into a segregated portfolio company (SPC) to allow for total risk segregation, and renamed accordingly. In the ten years from its inception until 2017, it has made 36 payouts to 13 member governments, totalling USD 130.5 million. All payouts were made within 14 days of the end of the respective event.

Payout to Kenyan herders affected by drought

Droughts are responsible for approximately 75% of livestock deaths in the Greater Horn of Africa region, repeatedly leaving herders, their families and entire communities destitute. To

USD 5.3 billion

Total amount of
climate protection
offered to sovereigns
and sub-sovereigns
since 2014

(USD 3.9 billion by 2016)

1.5 million

Smallholder farmers
benefiting from
the Grow Africa
Partnership by 2017

(1 million by 2016)

... to the United Nations

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 to 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 2017, we had advised 66 sovereigns and sub-sovereigns on climate risk resilience and offered them a total of USD 5.3 billion in re/insurance protection.

... to the Grow Africa Partnership

In 2012, we made a commitment to the Grow Africa Partnership (www.growafrica.org), an initiative launched by a number of organisations to promote public-private collaboration and investment in African agriculture. As most smallholder farmers in Sub-Saharan Africa have had no access to insurance protection to date, addressing this problem is crucial to protect families' livelihoods, facilitate economic development and reduce poverty.

Our commitment to the Grow Africa Partnership has centred on the following three goals:

- Give farmers in Sub-Saharan Africa access to tools such as weather and yield index insurance products;
- Invest in resources equivalent to about USD 2 million per year to support the development of sustainable agricultural risk management markets;
- Provide agricultural insurance for up to 1.4 million smallholder farmers.

Working together with different partners, we helped to bring weather insurance to 1.5 million smallholder farmers in 12 Sub-Saharan countries by the end of our commitment in 2017. While developing commercially viable schemes continues to face significant challenges, in particular regarding the creation of effective distribution networks and overcoming market fragmentation, we entered into some promising new programmes in 2017.

protect pastoralists against this persistent threat, we helped to launch the Kenya Livestock Insurance Program (KLIP) in 2016, the first-ever government livestock insurance scheme in Africa.

It is an index-based scheme that uses satellite imagery to assess the state of grazing conditions by measuring deviations in the colour of ground vegetation. When a certain threshold is reached, the insured herders automatically receive a lump sum payment, allowing them to provide their livestock with feed and water.

In 2017, six counties suffered drought conditions that triggered the programme. As a result, the government paid out about USD 5.3 million to a total of 14 000 pastoral households, or approximately USD 380 on average. It is estimated that the funds helped save 70 000 livestock, primarily cows, goats and camels, which in turn sustain approximately 100 000 people in the area.

The partners behind the programme include the Kenyan Ministry of Agriculture, Livestock and Fisheries (www.mygov.go.ke), the World Bank Group (www.worldbank.org), several local insurers and the International Livestock Research Institute (www.ilri.org) in Nairobi, with Swiss Re acting as the main reinsurance provider.

Launching our rainX tool

Drought and flood increasingly affect communities and agriculture across the globe, frequently causing substantial damage and destroying livelihoods. What's more, in areas where such events are a recurring phenomenon, the need/burden to finance recovery efforts often falls on taxpayers. This reduces purchasing power and slows down economic activity, thus further aggravating the situation.

To offer governments at the national, regional and local level easier access to protection against these risks, we recently developed and launched Swiss Re rainX, an index insurance tool. In contrast to classical indemnity insurance, which requires policyholders to prove the extent of any losses incurred, index insurance relies on external, verifiable and quantifiable data or parameters.

Our rainX tool offers customised protection against two types of risk: heavy rain and subsequent flooding, and lack of rain (also called meteorological droughts). To feed the tool, we use daily rainfall data with a high spatial resolution provided by a number of independent and public satellite sources. The threshold values that trigger a payment are calculated on the basis of historical values as well as forward-looking modelling.

The rainX tool enables us to offer our clients such solutions quickly and effectively, and allows for scalability of coverage and payout patterns.



Offshore wind farm technology keeps evolving. Swiss Re Corporate Solutions is continuously enhancing its understanding of the associated risks and, in 2017, agreed to provide insurance protection to a Danish pilot project set up to test more cost-effective foundations and other innovations.

Sustainable energy solutions

Sustainable energy sources play a crucial role in reducing CO₂ emissions and securing future energy supplies. Given our strategic focus on climate change, we are keen to support energy generation from renewable sources. But as sustainable energy projects increase in scale and complexity, so do the risks associated with them. However, innovative risk transfer solutions can help reduce these risks and drive investment in the sector.

Offshore wind is considered one of the most promising renewable energy sources. But like renewable energy in general, it presents very complex risks. Unlike traditional lines, there is no long loss history to refer to. Underwriting such risks is therefore challenging from an insurance perspective.

Swiss Re Corporate Solutions takes a special interest in offshore wind as it has both the large capacity and the technical expertise to help manage the associated risks. We are continually enhancing our understanding of these risks and share our insights with our clients as well as other insurers. As a result, we are now considered a “lead market” for offshore wind risks. In the last five years, Swiss Re Corporate Solutions has participated in numerous offshore wind projects, including wind farms, standalone offshore substations and standalone export cables.

In 2017, we were involved in a number of new offshore wind farm projects, including the two described below:

Nisum Bredning Vind Offshore Wind Farm

This is a innovative 28 MW project in northwestern Denmark, close to the harbour of Thyborøn. It was set up by the Danish Energy Agency (www.ens.dk) as a pilot project to test new offshore technologies and integrated design. Its two developers are Nisum Bredning Vindmøllelaug (www.nbvind.dk) and Jysk Energi (www.jyskenergi.dk), who had placed the winning bid following the Danish Energy Agency's tender.

A key innovation tested by the project is a new "gravity jacket foundation" concept developed by Siemens. Foundations generally account for 20–30% of an offshore wind project's construction costs, and this new technology allows to reduce these. The project also features a new cable and turbine concept with a higher voltage of 66kV, which will result in lower costs for cabling and reduced transmission losses. The DEA expects that, together, the innovations to be tested at Nisum Bredning will bring significant savings regarding both construction and operating costs, and have a positive impact on the levelised cost of electricity (LCoE).

Trianel Windpark Borkum II

Swiss Re Corporate Solutions also supports phase 2 of Trianel Windpark Borkum II, the first purely communal wind farm in the North Sea (www.trianel-borkum.de/en/twb-ii/). It is located around 45 kilometres north of the German island of Borkum. With a planned capacity of 203 MW generated by 32 turbines, it is expected to power more than 140 000 homes and save 290 000 tonnes of CO₂ per year. The owners include 17 German municipalities as well as the electric utility of the City of Zurich (www.ewz.ch). Construction of the windpark was decided in 2017 and is expected be completed in 2019.

Life & health insurance and funding longer lives

Life and health (L&H) insurance products play a crucial role in creating stability for individuals and society. They provide financial security in the event of death or illness, give access to medical treatment and offer dependable income in retirement. We help primary L&H insurers and other clients from the private and public sector to manage such risks efficiently, thanks to our specialist knowledge of mortality, morbidity and longevity trends.

Longevity and health insurance remained two of our strategic priorities in the L&H business. The demand for longevity solutions is expected to grow further as demographics shift. We keep investing in research and development to improve our ability to predict mortality and longevity trends.

Demand for commercial health insurance solutions has also been growing, driven by several major demographic and socio-economic trends. These include: the greater healthcare needs of ageing societies; rising healthcare expectations of the new middle class, especially in growth markets; and healthcare finance reform, particularly in mature markets. We offer a variety of health reinsurance solutions to meet these needs, from short-term protection against the risk of volatility in medical expenses for insurers or employers to very long-term protection against the financial impact of disability or critical illness.



CONTENT IN THE 2017 BUSINESS REPORT

Learn more about a partnership we entered in the UK to help recovering cancer patients, pages 34–37.

Longevity solutions

With life expectancy rising, pension schemes face the risk that they will not be able to meet all their commitments. Longevity transactions cover this risk by insuring the schemes' liabilities in case their members live longer than expected. In previous Corporate Responsibility Reports, we have described a number of landmark longevity transactions completed in recent years with different clients in the UK:

- The Scottish & Newcastle Pension Plan (19 000 members)
- The Aviva Staff Pension Scheme (19 000 members plus partners)
- One of AkzoNobel's pension funds (17 000 members)
- The LV= pension fund (more than 5 000 members)
- The Royal County of Berkshire Pension Fund (11 000 members).

In 2017, we completed further longevity transactions but, for confidentiality reasons, are unable to publish any details on them. You can read more about our recent efforts to raise the topic's public profile on page 43.

Social output analysis for Life Capital

Increasingly, stakeholders are asking companies to provide information on their social output, impact and social value. In response to this development, we launched a pilot project to assess the "social output" of our Life Capital Business Unit, which is responsible for developing Swiss Re's primary life and health business. Looking at the results of particular activities such as policies sold and number of people reached, social output analysis sets the preliminary stage for measuring "social outcome" (which is defined by the changes achieved in the target population's lives) and, ultimately, "social impact", or the progress made towards pre-defined goals.

The analysis showed that Life Capital scores well on several output indicators as it is growing, eg in terms of employment and partnership opportunities created, number of policyholders and claims paid. Research conducted by third parties also showed that Life Capital protects a certain number of customers that belong either to a "financially stretched" or "urban adversity" socio-demographic group. In the two books assessed, these groups represented approximately 30% of the total. Providing insurance to them is likely to help reduce the risk of falling into the poverty trap.

Building on this data, we plan to establish a methodology to assess social impact, ie the overall value that insurance creates for individuals – socially vulnerable ones, in particular – and to apply this where possible.

Extending our risk intelligence

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

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.

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 2017 Financial Report, pages 68–69 and 75–91).

Sound risk management is essential for a re/insurer. Tight control of our 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 responsible company to pay attention to further significant risks we may be exposed to, especially in the longer term.

Sustainability, political, regulatory 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 the specific risks we think we should avoid – because of their potential to increase losses, for ethical reasons, or both.

Our Sustainability Risk Framework

In a market environment, profitable business activities create economic value. Occasionally, however, they may also adversely affect 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 specific 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.



Mines can potentially have serious consequences on the environment and local communities. A dedicated policy of our Sustainability Risk Framework clearly states when our underwriters need to carry out due-diligence checks on such risks.

Our Sustainability Risk Framework is an advanced risk management instrument specifically 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.

The Sustainability Risk Framework consists of:

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

Policies and guidelines

Our Sustainability 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 seven sectors or issues in which we perceive major sustainability risks: the defence industry; oil and gas (including oil sands and hydraulic fracturing); mining; dams; animal testing; forestry, pulp & paper and oil palm; and nuclear weapons proliferation.

We regularly review all the policies and guidelines of our Sustainability Risk Framework to ensure they stay abreast of relevant new risk developments and stakeholder expectations (for recent refinements, see page 32).

OUR MAIN CONCERNS IN KEY SECTORS

Respecting human rights and protecting the environment

- Human rights violations and abuses such as murder, torture, deprivation of liberty, forced labour or harmful child labour;
- Countries that lack an operational, effective and internationally recognised government;
- Companies that are causing ongoing, severe and unmitigated damage to the environment, flora and fauna of a particular place and biodiversity in general, especially in industries and activities that have had a problematic track record in this area in the past.

Defence industry

- Particularly cruel weapons that inflict indiscriminate harm to humans and the environment, often after a conflict has ended;
- The provision of certain services by private security companies.

Oil and gas

- Human rights abuses;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted.

Mining

- Human rights abuses;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted;
- Poor occupational health & safety record and risk of increasing HIV penetration.

Dams

- Human rights abuses;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages (in particular, indigenous people) are impacted;
- Non-involvement of relevant stakeholders;
- Non-involvement of affected neighbouring states.

Animal testing

- Unethical and inhumane treatment of animals.

Forestry, pulp & paper and oil palm

- Illegal logging;
- Uncertified logging and timber/oil palm processing in sensitive regulatory environments;
- Greenhouse gas emissions from peatland conversion, timber processing activities and/or forest clearance using bushfires;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted.

Nuclear weapons proliferation

- Activities associated with nuclear energy or similar in countries that are outside the established framework and international regime of global non-proliferation efforts.

The Sensitive Business Risk process

Each of the two umbrella policies and seven sector guidelines of our Sustainability Risk Framework contains criteria and qualitative standards which define precisely when a transaction may present a “sustainability risk”. We assess such transactions through our Sensitive Business Risk (SBR) process, which consists of two due diligence mechanisms – the SBR online assessment tool and the SBR referral tool.

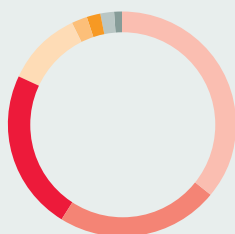
The online tool stores the relevant sustainability risk information for these sectors and is regularly updated to reflect new risk developments. It thus provides our underwriters with an efficient means to check the potential impact of their transactions on human rights, labour rights and the environment. 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 targeted 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.

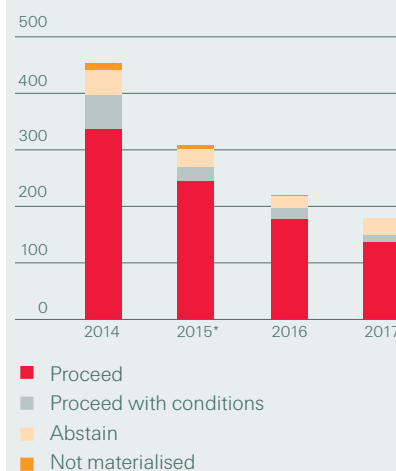
We first introduced the online SBR assessment tool midway through 2015 and have continuously fine-tuned it since, gradually strengthening our underwriters’ ability to integrate sustainability risk assessment into their decision-making. This has resulted in a steady decrease of SBR referrals to our in-house sustainability experts, from 454 in 2014 to 178 in 2017. Of those

SENSITIVE BUSINESS RISKS REFERRED TO OUR EXPERT TEAM IN 2017, BY SECTOR/ISSUE



- 36% Oil and gas
- 23% Mining
- 23% Dams
- 11% Other: human rights
- 2% Other: environmental protection
- 2% Defence
- 2% Forestry, pulp & paper and oil palm
- 1% Animal testing

NUMBER OF SENSITIVE BUSINESS RISK REFERRALS AND DECISIONS TAKEN



* Starting in mid-2015, we have refined our SBR process, which has led to a steady decrease in the number of referrals

178

Sensitive business transactions referred to our team of sustainability experts

(219 in 2016)

transactions, we issued negative recommendations in 29 cases and positive recommendations with conditions attached in 12 cases.

Company exclusions

Our Sustainability Risk Framework policies 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 international trade controls (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 Sustainability 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 are our principal means to ensure compliance with the UN Global Compact in our core business.



WEBSITE

You can read more about the international declarations and principles underpinning our Sustainability Risk Framework at www.swissre.com/library/archive/sustainability_risk_framework_sustainable_business_is_good_business.html

Recent refinements to our Sustainability Risk Framework

Development of a carbon steering mechanism and a thermal coal policy

Swiss Re supports the worldwide reduction of greenhouse gas emissions and contributes to limiting global warming to 1.5–2°C above pre-industrial levels. To this end, we continually review further measures to support the transition to a low-carbon economy.

After a range of such measures we have taken over the years in our product development, risk management and operations, we recently started to develop a carbon risk steering mechanism that will help guide our business towards a low-carbon world and assist our clients in their transition.

The first part of this carbon steering mechanism will take the form of a thermal coal policy, to be integrated in the Sustainability Risk Framework by mid-2018. It will apply across all lines of business on the direct, facultative and treaty sides. This transition will take some time and constructive dialogue with our clients.

Sharpening our dam assessments

In 2017, we also undertook research to enhance our assessment capabilities for the specific environmental and human rights challenges potentially encountered in the Mekong River basin. The Mekong is the world's 12th longest river, traversing six Asian countries over a distance of 4 350 km. It supports the world's second largest aquatic biodiversity and wild fisheries worth USD 2 billion.

At the same time, the whole Mekong basin is estimated to have hydropower potential of up to 30 000 megawatts. Extensive dam construction in such an important ecosystem harbours significant sustainability risks, though, eg resettlement, affected hydrology and fishery regimes, and falling agricultural productivity in downstream areas.

We analysed these and other risks for both existing and planned dams in the Mekong basin. The results have enabled us to determine which of the projects are compliant with the policies of our Sustainability Risk Framework and to update our SBR assessment tool accordingly.



As part of our efforts to support the transition to a low-carbon world, we have developed a thermal coal policy, to be implemented in our Sustainability Risk Framework by mid-2018.

Training

Ever since we introduced our Sustainability Risk Framework, 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.

In 2016, 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 2017, a total of 2 388 employees completed this mandatory training course.

Complementing this eLearning course, we provided instructor-led training personally or via web-based conference to approximately 190 experienced underwriters and graduates.

Emerging risks

Re/insurers operate in a rapidly changing and increasingly complex risk landscape. New demographic, economic, technological, socio-political, regulatory and environmental developments are all capable of changing risks or creating 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 gives rise to "emerging risks" – newly developing or changing risks that are difficult to quantify and whose potential impact on our business is not yet sufficiently taken into account.

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 the industry.

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 steps. The first is an interactive intranet platform which enables our employees to share and discuss risk notions based on developments in the re/insurance landscape, allowing for bottom-up identification and peer reviews. While many of the risk notions – or "early signals" – flagged on the SONAR will never turn into emerging risks, others may well do so. However, as we cannot anticipate which signals will become emerging risks, we scan the horizon quite broadly before concentrating on those with the highest impact potential on the re/insurance business.

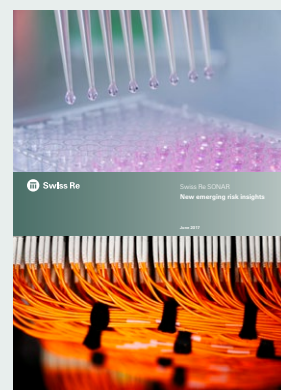
Our emerging risk specialists periodically cluster and further assess these risk notions for their potential impact on our business. Finally, in-depth investigations are carried out on selected topics.

You can learn more about one of these topics – antimicrobial resistance – in the case study on page 34.

To share some of our key insights on these emerging risks with external audiences, we published the fourth edition of our comprehensive Swiss Re SONAR report in 2017.

SWISS RE SONAR; NEW EMERGING RISK INSIGHTS

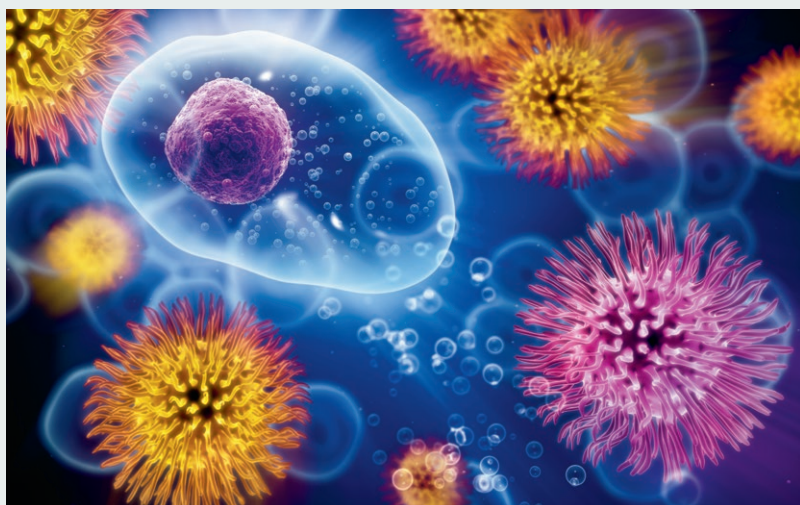
The Swiss Re SONAR report features emerging risk themes that have the potential to impact the re/insurance industry. These topics derive from our SONAR process and have been assessed by our emerging risk management experts in recent years. media.swissre.com/documents/SONAR_publication_2017.pdf



EMERGING RISKS

We define emerging risks as newly developing or changing risks that are difficult to quantify and whose potential impact on our business is not yet sufficiently taken into account.

EMERGING RISKS CASE STUDY: ANTIMICROBIAL RESISTANCE



Antimicrobial resistance (AMR) obstructs the effective treatment of an increasing range of infections. Most prominent among these are bacterial infections, which are treated by antibiotics.

Inappropriate, ie excessive and/or wrong use of antibiotics is prevalent in human medicine and features prominently in animal farming, too. In fact, the proliferation of antimicrobials in the production of livestock and in aquaculture is a key factor in the spread of global AMR. Overuse of antimicrobial drugs favours the selection of resistant strains, thus accelerating the emergence and spread of AMR.

The global increase of meat consumption and the shift in high growth markets from extensive to more intensive livestock husbandry and aquafarming is amplifying this development.

While some countries have initiated restrictions and regulations, others remain reluctant to take effective action. Furthermore, the surveillance and monitoring of antimicrobial resistance varies significantly between different regions and is insufficient from a global perspective.

As a result, a comprehensive and coordinated response to this emerging risk is currently lacking. This is needed, though, as antimicrobial resistance represents a typical “commons” or “public good” problem: a resource open to all risks to be overused by particular parties, with detrimental effects for everyone. Seen from a re/insurance perspective, it could, for example, exacerbate the impacts of a pandemic by further increasing mortality rates.

We have covered aspects of antimicrobial resistance repeatedly in our recent publications. The 2015 SONAR report put the spotlight on the interconnections between regulatory issues, the development of new antibiotics and human health effects. The 2017 edition highlights the issue with a particular focus on animal farming.

Further activities on emerging risks identified in the past

The emerging risks we previously examined in more detail and featured in our 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

Since we first identified these emerging risks, we have followed up on several of them together with our stakeholders. Recent examples include the following:

References to further activities

Cyber attacks

Improving the measurement of digital security incidents and risk management
institute.swissre.com/events/Measurement_digital_security_incidents.html

Expert Forum on Cyber Risk:
Reducing vulnerability to attack
institute.swissre.com/events/Expert_Forum_Cyber_Risk_2016.html

“Financing resilient energy infrastructure – managing cyber risks”
www.swissre.com/library/partner-publication/world_energy_perspective_the_road_to_resilience_financing_resilient_energy_infrastructure.html

Smart grids / The Internet of Things
Risk approach to electricity grid storage innovations,
institute.swissre.com/events/Risk_approach_to_grid_storage_innovations.html

Risk talk on smart homes
institute.swissre.com/events/Risk_Talk_on_smart_homes.html

Strategic risk initiatives

Identifying and addressing emerging risks can be challenging. Their novelty and interconnectedness makes it difficult to determine when a particular risk notion must be considered an emerging risk. Timing is of crucial importance. If measures to exclude a particular risk are taken too early, we may not be able to offer our clients 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/rethinking/emerging_risks/strategic_risk_initiatives.html

Political risks

In today's increasingly integrated world, political risks are key determinants of the business landscape. We need to be aware of any relevant political developments, actions and decisions that may affect our business. Within our risk management organisation, we have a team of specialists who look at a wide range of political risks at global, country and business transaction levels.

These specialists identify, assess and monitor political risks on an ongoing basis, so the Group understands their implications and can initiate appropriate mitigation measures if required. Covering both developed and high growth markets, they pay attention to domestic risks such as political instability, terrorism or social unrest as well as cross-border issues, for example international trade, energy and armed conflicts.

Our understanding of political risks is also highly relevant to ensuring sustainable business operations in line with ESG principles. Several of the sectors and issues covered by the

umbrella guidelines and policies of our Sustainability Risk Framework (see pages 28–32) have a significant political dimension. Implementing these policies, both through SBR assessments and exclusion policies, thus requires a solid grasp of political risks. This is particularly true with regard to human rights violations, the proliferation of armaments in conflict areas and the identification of areas prone to civil unrest.

Furthermore, we seek to raise awareness of political risk within the re/insurance industry and among the broader public, and engage in dialogue with our clients and other stakeholders. We also distil our ongoing assessments of political risks into country ratings which support our risk control frameworks.

Regulatory risks

Swiss Re is strongly engaged in the regulatory debate, striving to mitigate potentially negative impacts while supporting reforms that could enhance the overall health of the sector, facilitate convergence of regulatory standards or generate business opportunities.



CONTENT IN THE 2017 FINANCIAL REPORT

You can find information about our engagement in the general regulatory debate in the "Risk and capital management" chapter, pages 88–89.

Climate risk and sustainability

Reflecting our commitment to enabling sustainable progress, we closely monitor regulatory developments in connection with climate change and sustainability and contribute to selected initiatives. These issues are gaining traction among policy makers, regulators and standard-setters.

At present, two main areas of activity can be identified. The first concerns a shift from voluntary to mandatory disclosure of environmental, social and governance (ESG) information, eg carbon and climate, diversity and human rights. These efforts seek to create more transparency about how ESG issues affect organisations' businesses, strategy and financial planning.

The second area of activity revolves around efforts to reduce capital requirements for ESG and long-term investments. This is mainly promoted by the re/insurance industry as a way to facilitate its role as a long-term investor. Especially in the EU, regulators are sympathetic to these arguments as they see them as a way to meet the commitments made as part of the Paris Agreement on climate change.

Recently, we have participated in the Financial Stability Board's Task Force on Climate-related Financial Disclosures (FSB-TCFD, www.fsb-tcfd.org). Starting from the premise that climate change creates physical, liability and transition risks, the initiative's goal has been to develop a set of voluntary financial disclosures that allow stakeholders to properly assess the climate risks faced by companies and to take appropriate action.

The FSB-TCFD's final recommendations report was published in December 2016 and has received broad public support, with more than 100 business leaders and their companies committing to support the recommendations. Swiss Re supports the work of the task force and has been one of its members since its launch. We started to integrate the recommended disclosures in the 2016 Financial Report and have significantly expanded our disclosures in the 2017 edition.



CONTENT IN THE 2017 FINANCIAL REPORT

You can view our Climate-related Financial Disclosures in the "Corporate responsibility" chapter, pages 138–151.

We also provided input to the European Commission's High Level Panel on Decarbonisation Pathways, a group of nine renowned climate experts established in late 2016. The task of this panel is to support cost-effective climate action towards a low-carbon future by delivering science-based, policy-relevant advice, thus helping to implement the Paris Agreement in the European Union. Our input focused on such aspects as data sharing on weather extremes and variability, research on the economics of climate adaptation, transparency on contingent liabilities and facilitating viable infrastructure investments.

Being a responsible investor

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

“We make the world more resilient” is Swiss Re’s vision. About ten years ago, our Asset Management unit embarked on a journey to not only invest the premiums we receive from our underwriting business to 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 contributed 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 is a significant step forward from considering ESG as an “add-on” approach. We are convinced that taking ESG criteria into account has a positive impact on the performance of our investment portfolio in the long term.

Responsible investment approach

The cornerstone of our investment philosophy continues to be asset-liability management (ALM). To meet future claims and benefits, we invest the premiums generated by our underwriting activities in assets whose cash flows match the durations and currencies of our re/insurance liabilities. Therefore, we generally invest more in higher-quality fixed income securities with stable long-term returns. At the end of 2017, such investments accounted for 80% of our total assets under management¹ (see graph on page 38).

We are convinced that including ESG criteria into the investment process makes economic sense, especially for long-term investors, because it improves risk/return profiles and hence reduces downside risks.

We consistently integrate ESG considerations along the three pillars Enhancement, Inclusion and Exclusion, of which Enhancement is strategically the most meaningful pillar for Swiss Re.

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



“Inclusion” is one of the three pillars of our responsible investment approach: by making thematic investments in renewable infrastructure and green bonds, we seek to support the transition to a low-carbon economy.

Enhancement

This pillar refers to the systematic integration of ESG criteria along the investment process, from portfolio definition to monitoring and reporting. As part of our active risk management, we announced in 2017 that we had switched to ESG benchmarks.

These have been adopted in our investment mandates and consist of better-rated companies from an ESG perspective. This 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 rule is applied to our mandates. For actively managed mandates, external managers have limited leeway to invest into securities they deem to have a positive ESG trend but are not included in the benchmark yet.

Executing our shareholder rights is another part of Swiss Re’s commitment to being a responsible investor. To reflect this pledge in our voting behaviour, we have defined principles in our Asset Management Voting Policy. See: www.swissre.com/about_us/about_our_business/asset_management/Responsible_Investments__Shaping_the_future_of_investing.html

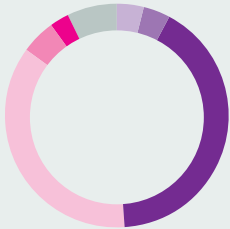
Inclusion

Thematic investments are an ideal approach to tackle specific sustainability topics. We mainly target investments that contribute to a low carbon economy.

An effective way to do this is by investing in infrastructure renewables and green bonds. As the latter is more of a concept than a specific investment class, we use the Green Bond Principles (GBP) from ICMA as guiding principles for our investments. We are well advanced in meeting our publicly committed investment target for green bonds of at least USD 1.5bn.

OVERALL INVESTMENT PORTFOLIO

USD 131.7 bn, as of 31 December 2017



- 4 % Cash and cash equivalents
- 4 % Short-term investments
- 41 % Government bonds
- 36 % Credit
- 5 % Equities¹
- 3 % Mortgages and other loans
- 7 % Other investments incl. policy loans

¹ Includes equity securities, private equity and Principal Investments

In our 2017 Financial Report, we further disclose information on our climate change-related investment risk exposure (pages 138–151).

Exclusion

We apply a number of pre-defined criteria and qualitative standards that may lead to the exclusion of a company or a country from our investment scope if they do not meet these criteria and qualitative standards.

Swiss Re's Group Sustainability Risk team develops and updates the Group-wide exclusion lists of countries and companies based on the Sustainability Risk Framework. Further information is available at:

media.swissre.com/documents/Sustainability_Risk_Framework_Brochure_en.pdf

In order to mitigate the risk of stranded assets in light of an accelerating transition to a low-carbon 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.

Responsible investment governance framework

Our Asset Management runs under a well-defined framework. Strong governance is key to bringing ESG considerations into the investment process in a structured and controlled way. Our approach to responsible investment is based on clear principles, procedures and responsibilities.

The Swiss Re Responsible Investing Policy defines our approach to responsible investing, specifies roles and responsibilities in the organisation, implementation and monitoring of 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 Policy, which provides guiding principles that apply to all our voting activities.

Swiss Re's Head Responsible Investing (Head RI) develops and coordinates the implementation of the ESG strategy within the unit. As part of this role, 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 Asset Management Investment Committee reviews and discusses Swiss Re's responsible investment approach and advises the Group Chief Investment Officer on related decisions and improvements.

The overall responsibility for our ESG approach lies with the Group Chief Investment Officer who signs off investment decisions within the Group's Strategic Asset Allocation.

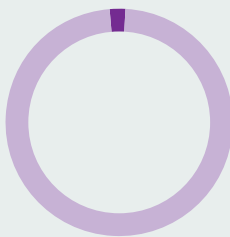
How we engage

Voting

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 investment. We review our constitutive voting principles periodically to keep them aligned with best practice.

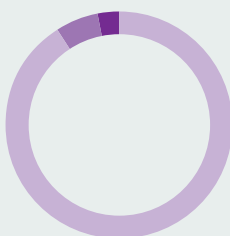
In the case of internally managed equities, we make use of our influence as a responsible shareholder by directly exercising our voting rights. For the externally managed portfolios, we work with the relevant portfolio managers to execute our proxy votes and related engagement activities.

OUR VOTING ACTIVITIES IN 2017



- 98 % Votes cast
- 2 % No votes cast

OUR VOTING BEHAVIOUR IN 2017



- 91 % Voted with management
- 6 % Voted against management
- 3 % Abstained



Because of their long-term view, institutional investors such as re/insurers are naturally suited to focus on responsible investing. There are still various hurdles on the way towards a broadly accepted, standard approach to integrating ESG into the investment process. Close collaboration between the private and public sectors would help to overcome these obstacles and contribute to a more resilient world.

media.swissre.com/documents/ZRH-17-11623-P1_Responsible%20Investments_WEB.PDF

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 activities conducted on Swiss Re's behalf.

In 2017, we exercised 98% of our voting rights of our listed equity portfolio.² We voted on 4 923 voting items through our external managers. We voted in line with the respective management resolution recommendation in 4 504 cases (91%) and against it in 295 cases (6%). In 124 cases (3%), we abstained from voting.

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 for all investors in accordance with the fund managers' 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, for example with a keynote speech held by our Group CIO at the CFA/PRI event in New York in late 2017.

As an active member of the OECD's long-term investor network, we also engage in the development of policy proposals with regard to sustainable infrastructure and ESG.

Knowledge sharing is another key aspect of promoting responsible investments. We offer all Asset Management employees various internal ESG training opportunities to ensure consistent know-how across the board. Furthermore, we are in an ongoing dialogue with other industry participants to develop ESG as a standard investment approach.

To provide further insights on our switch to ESG benchmarks, we launched the publication "Responsible investments – Shaping the future of investing" in 2017. It shares our experience and methodologies relating to further promoting the development of best practice frameworks (see box on the left).

Swiss Re first formalised its commitment to responsible investing in 2007 by signing the UN Principles for Responsible Investment (PRI). In 2012, we signed the Principles for Sustainable Insurance (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 investment framework. All PRI signatories are required to provide in-depth reporting on their responsible investment activities. For the second time in a row, we received the highest score for our overarching ("Strategy and Governance") approach to responsible investing in 2017. The reports are available on the PRI website at www.unpri.org/signatory-directory/

Our consistent integration of ESG criteria resulted in an award in the category "Best ESG Programme" at the 2017 Institutional Investor Swiss, German & Austrian Peer-to-Peer Awards.

We also became a member of the ICMA Green Bond Principles in 2017. This reflects 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.

² We vote in all countries, with the exception of a few where voting process and regulatory obligations require a high level of administrative coordination.

Exploring and shaping the risk landscape

We engage in regular dialogue with our stakeholders. By sharing expertise and know-how, we help society develop effective responses to key risks.

Our re/insurance solutions help our clients and partners to cope with the risks they face. This in turn helps create stability and enables economic growth. But 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.

This is why we attach great importance to ongoing dialogue with our stakeholders. Drawing on the expertise from our core business, we identify key risk topics and take an active role in discussions about them. We share and exchange knowledge through many channels, eg our renowned publications including the *sigma* series, international dialogue platforms, events hosted at the Centre for Global Dialogue and cooperation with governments and academic institutions. This exchange gives us valuable feedback and new insights for risk management and product development. Since its establishment on 1 March 2017, the Swiss Re Institute plays a key role in our stakeholder dialogue (see page 47).

Our Top Topics

Combining insights from our internal risk expertise and from our stakeholders, we identify topics that are strategically important to us, our clients and society at large. These Top Topics denote the global challenges we want to help address and form an important focus for our global stakeholder dialogue.

Swiss Re's Reputation Management Committee coordinates the content of this stakeholder dialogue across all our Business Units, functions and regions in order to optimise its effectiveness. The Committee comprises representatives from across the Group, ie our three Business Units, Investor Relations, Group Risk Management, Group Communications and – since 1 March 2017 – the Swiss Re Institute.

We have focused on five Top Topics for a number of years:

- Advancing sustainable energy solutions
- Funding longer lives
- Managing climate and natural disaster risk
- Partnering for food security
- Supporting financial resilience



“Partnering for food security” has been one of our Top Topics for many years. As part of our recent dialogue activities, we devoted an issue of our agro insurance hotspot series to Bolivia, where one in three of the working population is employed in agriculture.

In 2017, we continued to work on these Top Topics with many partners from the public and private sectors. In the following sections we introduce each topic, explain why we consider it to be important and give examples of our activities.

Advancing sustainable energy solutions

Cutting back greenhouse gas emissions while meeting the energy needs of a growing population remains one of the biggest challenges of our times. In recent years, there have been signs that the transition towards a low-carbon future is gathering pace.

2017 was no exception: the year saw a record number of renewable energy installations, falling costs of renewable energy sources and, in more instances, a successful de-coupling of economic growth and emissions. But as sustainable energy projects continue to broaden in scale and complexity, so do their attendant risks.

Innovative risk transfer solutions help attract investment in the sector by reducing risk to investors. Building on our long-standing commitment to sustainability, we have intensified our renewable energy research and established key partnerships to help our clients – and indeed the wider global community – develop and secure the energy supplies of the future.

Our notable achievements in 2017:

- We initiated a new phase in our successful partnership with the World Energy Council (www.worldenergy.org) and Marsh & McLennan Companies (www.mmc.com) on the topic of “financing resilient energy infrastructure”. Building on the three reports published in 2016, we started to develop a series of real-life case studies shedding light on the risks faced by the energy industry from extreme weather and cyber threats;
- Following completion of our new two-megawatt solar power plant at Swiss Re Americas’ headquarters in Armonk, New York, former US President Bill Clinton and Eric Smith, President and CEO of Swiss Re Americas, inaugurated the facility, one of the region’s largest, in a high-profile public ceremony addressing a range of stakeholders;
- Under the title “The value of hedging: New approaches to managing wind energy resource risk”, we launched a seminal new study with partners from the European wind industry that looks into the potential impact on energy companies of hedging the cash flow volatility associated with wind production.

Funding longer lives

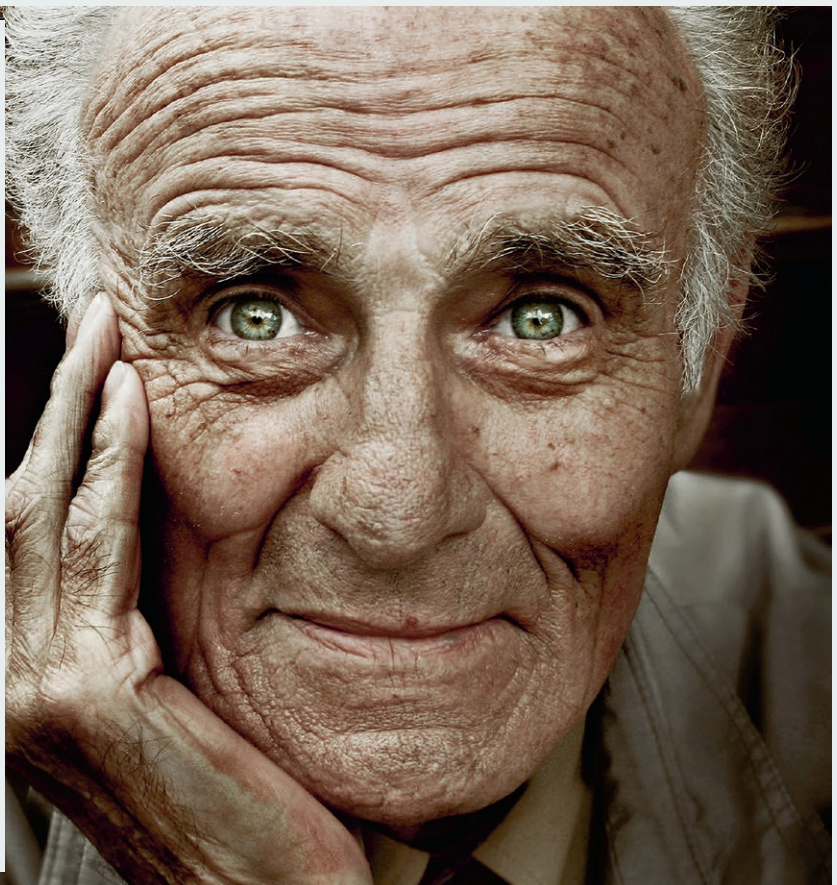
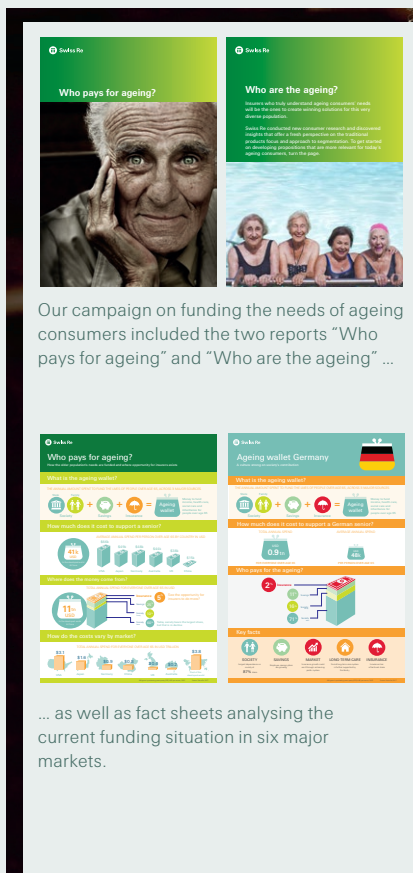
Global ageing is going to change socio-economic structures and expectations as people work longer, face greater risks of disease and require more care. How we identify and address the very diverse needs of the elderly is a key concern for citizens, governments and the financial sector. This is especially true as the share of the working population continues to shrink in proportion to the ageing population and more of the financial responsibility shifts from public to private balance sheets.

For re/insurers, ageing still bears substantial uncertainties connected to underwriting the right risks, pricing them adequately or managing claims effectively. Reducing these uncertainties could give Swiss Re access to new risk pools and provide new ways to set apart the solutions we can bring to clients. Advanced technology is also opening new ways to improve the health and lives of seniors. Insurers who can successfully tap into this will have more opportunities to develop creative, successful solutions.

Today, the financial services industry has many products that help people address risk in the “accumulation” phase of life, but better solutions are needed to help smooth uncertainties in the “decumulation” phase – this is the space where we want to help create new opportunities.

Our notable achievements in 2017:

- As part of a major campaign launched in 2017, we first published “Who pays for ageing?”, a report that looks at the ageing wallet to identify where the money comes from today and where the opportunities are for insurers to help (see special section on page 43);
- We followed this with a second report, “Who are the ageing?”. Based on interviews with more than 9 000 consumers, it analyses what consumers really want, thus laying the groundwork for solutions that are more relevant and more likely to be purchased;
- We shared this research and advanced the topic around the globe via social media, keynote presentations at client events, participation in regional campaigns and numerous media interviews, for example in The Economist.



Funding the needs of ageing consumers: what re/insurers can do to help

As part of our Top Topic of “funding longer lives”, we recently launched a major strategic initiative focusing on how re/insurers can help ensure our ageing populations are financially protected. Our “ageing wallet” analysis looks at the different funding sources for income, health, care and inheritance of people aged over 65 in six major markets (Australia, China, Germany, Japan, UK and US).

The analysis shows that, currently, re/insurance contributes only 5% to the global ageing wallet of USD 11 trillion. In all these markets, state funding remains the key funding source, although there are significant national differences.

Growing life expectancy, increasing health and care needs combined with declining state support will make it difficult for current funding systems to meet the needs of seniors in future. Thus, there is a growing role and opportunity for the re/insurance industry to develop solutions offering financial protection to senior citizens.

However, we emphasise that it is not enough for re/insurers to merely compete for market share with existing funding sources. In order to develop affordable, accessible solutions people want to buy, it is necessary to develop a good understanding of the various pathways to older age and the many different needs individuals have on that journey.

We have presented our research in two reports and eight fact sheets, and have conducted a comprehensive media campaign around them.

Following up on our research, we have tested a number of prototype solutions with consumers and are now looking for opportunities to develop marketable solutions together with our clients, leveraging our in-depth understanding of ageing consumers.



Storm surges are a key source of destruction unleashed by tropical cyclones, yet information on this risk has been limited so far. Our Global Storm Surge Zones tool closes this gap, helping our clients address the storm surge risks they may face.

Managing climate and natural disaster risk

Losses from floods, storms, earthquakes, wildfires and other natural disasters can have a dramatic impact on the citizens and economies of entire countries. Insurance helps people, businesses and societies get back on their feet after disaster strikes.

In 2017, the hurricanes in the Caribbean and the US, the typhoons in Australia and Asia, winter storms and flooding in Europe, wildfires in California and Europe, and two earthquakes in Mexico proved the point again. Total economic losses from natural and man-made catastrophes were more than USD 337 billion for the full year. Insurance payouts helped many to restore their lives, but even more were left with nothing once they could return to what was their home. This shows that there remains a large need to reduce the negative effects of natural disasters – let alone to assure the funds needed to rebuild affected communities after an event.

In the future, these negative effects will become even more severe. We expect extreme weather events like hurricanes and floods to increase as a result of climate change. Moreover, higher concentrations of assets in exposed areas will also result in higher losses, in particular in the world's rapidly growing cities.

By financing measures to mitigate disaster risks and adapt to climate change, we can strengthen the resilience of citizens, businesses, local and national economies and societies. As insurance puts a price tag on risk, it helps create incentives to invest in prevention measures.

Understanding natural catastrophe risks and how they develop is critical to cost our business accurately and to structure sound risk transfer solutions. By sharing this knowledge, we can help our partners to identify cost-effective protection measures. In addition, we provide solutions to cover the residual risk that cannot be avoided.

Our notable achievements in 2017:

- Storm surges triggered by tropical cyclones are a main force of destruction. In 2017, we released our Global Storm Surge Zones, the industry's first service that helps stakeholders plan for these events. It is accessible via our CatNet® tool at www.swissre.com/catnet;
- Our Economics of Climate Adaption (ECA) studies help decision makers determine cost-effective measures that protect their communities against climate risks. In 2017, we launched a partner publication on the ECA study we had carried out for the city of Barisal in Bangladesh. For residual risk we developed rainX, an index insurance tool covering heavy or lack of rain (see page 24);
- Through the Swiss Re Institute, we held our 2017 *sigma* event on "Catastrophes – Protecting the uninsured. Solutions for a resilient world" (see page 47). It focused on what the re/insurance industry can do to help close the protection gap by creating solutions tailored to customers' needs.

Partnering for food security

About 800 million people – one in 11 – are chronically hungry and malnourished on the planet today. By 2050, the world's population is expected to grow to an estimated 9 billion people, which will further aggravate the situation. Meeting this increasing demand for food will be particularly challenging, because supply is constrained by factors such as climate change effects, depleted agricultural soils and the distribution of land, water and energy.

Small-scale subsistence farmers who feed their families and sell a small surplus at local markets still provide food to the majority of people on the globe. Recently, the urban population exceeded the rural one for the first time ever. This means that cities are becoming increasingly dependent on the remaining farmers for their food.

The surplus that subsistence farmers currently produce will not be enough to feed growing urban populations. Smallholder farmers need to make the transition to commercial agriculture to feed the world. For this, they need

access to credit so they can buy tools, seeds and fertilizer. Lending will remain restricted, however, if banks fear that farmers are unable to pay back their loans in the event of a lost harvest due to flood, drought or other disasters. Here, insurance can play the same role in the developing world as it already does in developed countries: protecting farmers against the perils of nature to keep them in business, even if disaster strikes.

Our notable achievements in 2017:

- We launched opti-crop, an app that enables farmers to track their fields in real time using high resolution satellite data. The increased transparency helps speed up the insurance uptake and supports the development of affordable insurance products;
- We continued to provide data and information about agricultural insurance through our fact sheet series, with new issues on Bolivia and Pakistan. We also launched a new series for Central America and the Caribbean that shows how agriculture can become more resilient in a region hit by hurricanes in 2017;
- Numerous stakeholders assembled at our agricultural conferences in Merida, Mexico and Kunming, China to discuss how farmers' open roof business can be made more resilient against natural perils.

Supporting financial resilience

Re/insurance supports financial resilience by acting as a shock absorber and promoting growth through its core businesses. This is particularly important in a challenging and volatile macroeconomic environment.

However, unconventional monetary policies implemented by central banks following the financial crisis of 2008 – 2009 present a challenge for our industry. These policies have contributed to an environment that is not conducive to sustainable economic growth.

As long-term investors, re/insurers could play a pivotal role in bridging the emerging infrastructure financing gap, which, in turn, would contribute to a healthier economic environment. But for that to happen, the right framework needs to be put in place. Standardisation of infrastructure investments would

be an important step forward, while infrastructure debt as a tradable asset class would make this more attractive for long-term investors.

Swiss Re is striving to influence these developments by actively participating in and contributing to the global and local financial reform dialogue. Ultimately, we want to ensure that long-term investors can act – not only think – on a long-term horizon to achieve greater financial resilience.

Our notable achievements in 2017:

- We continued to take an active role in the debate on the consequences of financial repression for savers and long-term investors as well as the broader implications for financial resilience;
- We published a short video on the importance of resilient energy infrastructure and the need for an appropriate framework that enables long-term investors to provide capital for infrastructure projects;
- Our joint research project with the London School of Economics and Political Science (www.lse.ac.uk) on long-term investing and monetary policy continued.

Dialogue on further Corporate Responsibility Topics

In 2017, we also engaged with our stakeholders on further Corporate Responsibility Topics:

Managing sustainability risks

As part of our efforts to manage sustainability risks, we regularly engage with clients and industry partners to help promote best practices within the re/insurance industry.

In 2017, our team of sustainability experts decided in 12 Sensitive Business Risk assessments to proceed with conditions (see page 31). In most cases, these conditions required the particular underwriter to engage with the client on specific questions about human rights issues or environmental protection, in line with the requirements of the Ruggie Framework. In addition, we engaged with strategic clients that have a comparatively low sustainability

SIGMA STUDY: ADVANCING ACCESS TO INSURANCE



media.swissre.com/documents/sigma4_2017_en.pdf

performance. This open dialogue allowed us to explain our own positions on human rights and environmental protection, and draw attention to specific practices we consider problematic.

To support our dialogue with clients and industry partners about sustainability risks, we updated and expanded our publication on the Sustainability Risk Framework in 2016. During the reporting year, we had exchanges on this topic with a number of global re/insurance companies as well as corporate clients. Frequently, they approached us with questions about the SBR assessment tool and our internal due diligence process. Further discussion topics were sustainability risk management in general and climate change strategy, including the “Climate-related Financial Disclosures” of the Financial Stability Board (FSB), which we have helped develop as a member of the FSB’s respective task force (www.fsb-tcfd.org).



CONTENT IN THE 2017 FINANCIAL REPORT

You can view our Climate-related Financial Disclosures in the “Corporate responsibility” chapter, pages 138–151.

On an industry-wide basis, we have played a major role in establishing and advancing the Principles for Sustainable

Insurance (PSI) introduced in 2012 by the UN Environment Programme Finance Initiative, UN EPFI (www.unepfi.org/psi). We were one of the initiative’s original signatories and currently act as one of its board members. (Our Public Disclosure of Progress for 2017 is included online.)

We also continued our involvement in the Swiss Sustainable Finance (SSF) association (www.sustainablefinance.ch), as one of its board members. With over 90 members from the private and public sector, SSF aims to strengthen Switzerland’s position in the global marketplace for sustainable finance.

Advancing access to insurance

“Advancing access to insurance” is a Corporate Responsibility Topic we newly established in 2016. While many of our innovative solutions target underinsured communities and risks (see examples on pages 20–24), it is a fact that 60% of the world’s population remain excluded from appropriate insurance products. This is why we seek to advance public awareness of the societal value of insurance and the role insurance plays in achieving sustainable economic development.

In 2017, an issue of our *sigma* publication series (4/2017) took a detailed look at “Insurance: adding value to development in emerging markets”. The publication first presents the empirical evidence on the positive link between insurance and economic development and then describes the existing barriers for insurance solutions, emphasising that emerging markets are heterogeneous and present different supply- and demand-side barriers.

The publication argues that a better understanding of these barriers is key to developing effective new approaches. In particular, greater availability of data about insureds makes it easier to recognise their actual behaviour and needs. In combination with innovation, technological progress and new approaches, such as microinsurance schemes and public-private partnerships, this enables the creation of products suitable to local conditions. Selected case studies from around the world illustrate how insurers, policy-makers etc. can work together to achieve this.

Navigating the digital transformation

The digital transformation has the potential to radically transform the re/insurance sector. The huge growth in the range and volume of electronic data from various devices makes it possible to personalise insurance policies to a greater extent and to cover previously excluded risks. At the same time, Big Data raises questions concerning data protection and solidarity. The digital transformation is a research focus of the Swiss Re Institute (institute.swissre.com/campaigns/digital_transformation_campaign.html) and one of Swiss Re’s Corporate Responsibility Topics.

Among our activities to navigate the potential and the risks of the digital transformation, we contributed to a research project on “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 receives funding from Switzerland’s National Research Programme 75 on “Big Data” (www.nfp75.ch/en/projects/module-2-societal-and-regulatory-challenges).

The project analyses how re/insurers, in particular, are affected by the ethical and legal challenges arising from the digital transformation and can address them. Furthermore, it examines whether legislation and regulations are fit to address them, and aims to propose a Big Data handling standard for the sector.

We also contributed to the publication “Big Data & Privacy: unlocking value for consumers” published by the CRO Forum (www.thecroforum.org). The publication looks at some of the potential challenges that may arise from using Big Data to improve insurance protection while ensuring data privacy and protection – in particular, in the context of the EU General Data Protection Regulation (GDPR), to be implemented in May 2018.

For Swiss Re’s in-house data protection policies and standards, please refer to the “Code of Conduct” section on page 73.

The Swiss Re Institute

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

It was in this spirit that we launched the Swiss Re Institute in March 2017. The Institute functions on three levels. It builds and manages partnerships with world-class academic and research institutions (find out more on page 48), guides Swiss Re's internal capital allocation and business steering processes, and provides our stakeholders with cutting-edge risk research.

The Swiss Re Institute incorporates successful Swiss Re brands, such as the *sigma* publication series and the Centre for Global Dialogue. The Institute further acts as a coordination point for research output from research-focused business lines within Swiss Re and from external partners. Lastly, the Institute seeks opportunities to collect and curate novel data, as well as cultivate new data-analytic and machine-intelligence solutions.

Based on these activities, the Swiss Re Institute also supports Swiss Re's commitment to corporate responsibility. We help highlight emerging risk trends, engage in dialogue with clients and stakeholders, provide capacity building sessions and seminars to governments and subnational governments in different parts of the world and seek to identify sustainable risk solutions. Highlights among our many conferences and publications of 2017 include:



WEBSITE

You can find more information at
institute.swissre.com

SELECTED CONFERENCES OF 2017 ▼

13th CRO Assembly: Our Changing Risk Landscape

[institute.swissre.com/
events/13th_CRO_Assembly_
changing_risk_landscape.html](http://institute.swissre.com/events/13th_CRO_Assembly_changing_risk_landscape.html)



sigma event 2017: Catastrophes – Protecting the uninsured.

Solutions for a resilient world
[institute.swissre.com/events/
Sigma_Event_2017.html](http://institute.swissre.com/events/Sigma_Event_2017.html)



Swiss Re Institute Symposia (EMEA) – The impact of technology on the risk and insurance landscape

[institute.swissre.com/events/
Swiss_Re_Institute_Symposium_
EMEA.html](http://institute.swissre.com/events/Swiss_Re_Institute_Symposium_EMEA.html)



SELECTED PUBLICATIONS OF 2017 ▼

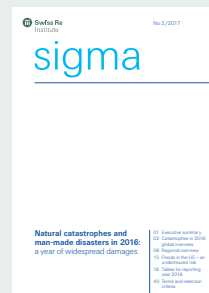
Moving on dangerous grounds – wind power and earthquake exposures in China

[swissre.com/library/expertise-
publication/moving_on_
dangerous_grounds.html](http://swissre.com/library/expertise-publication/moving_on_dangerous_grounds.html)



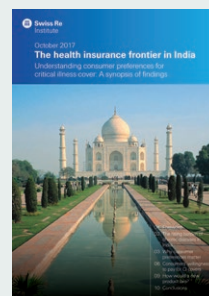
sigma 2/2017: Natural catastrophes and man-made disasters in 2016: a year of widespread damage

[institute.swissre.com/research/
overview/sigma/2_2017.html](http://institute.swissre.com/research/overview/sigma/2_2017.html)



The health insurance frontier in India

[institute.swissre.com/research/
library/The_health_insurance_
frontier_in_India.html](http://institute.swissre.com/research/library/The_health_insurance_frontier_in_India.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 increased our engagement activities on the important role insurers play in mitigating climate risk, engaging closely with the European Commission's work on climate adaptation and risk prevention and participating in several focus groups. To coincide with the European Commission's work on the role of insurance in climate adaptation, we hosted a high-level conference in Brussels (see below). We also continued to use our trade association memberships (eg in the Reinsurance Advisory Board and Pan European Insurance Forum) to promote our key messages on this topic.
- In the US, we have maintained regular dialogue with the National Association of Insurance Commissioners (NAIC), principally on climate change and natural catastrophes.
- For our participation in the Financial Stability Board's Task Force on Climate-related Financial Disclosures, see page 35.

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

- With Global Partnerships, 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 Federal Emergency Management Agency (FEMA) to create reinsurance cover program for its National Flood Insurance Program, as partner of the World Bank with the Philippine government to develop an earthquake and typhoon cover for exposed provinces, 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 the United Nations' International Strategy for Disaster Reduction (UNISDR) in a consulting role;
 - 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 support the United Nations Framework Convention on Climate Change (UNFCCC) process.

Working with academic institutions

Through the Swiss Re Institute, we build and manage partnerships with world-class academic and research institutions (find out more on page 47), guide Swiss Re's internal capital allocation and business steering processes and provide our stakeholders with cutting-edge risk research.

- We support the ETH Zurich Risk Center (www.riskcenter.ethz.ch/), which aims to advance a holistic, scientific approach to assessing and managing risks and educating a new generation of researchers;
- We support oasis (oasislmf.org/), an open source cat modelling platform free to use by anyone. It is owned by the re/insurance industry, with more than 40 re/insurance companies as members;
- 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.

Take a look at our website for further information on our collaborative projects: institute.swissre.com/research/collaborations/in_focus/

CONFERENCE "INSURING NATURAL CATASTROPHE RISK: HOW PUBLIC-PRIVATE PARTNERSHIPS COULD MAKE EUROPE MORE RESILIENT"



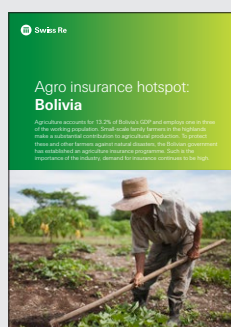
This conference hosted by Swiss Re in Brussels brought together representatives from the insurance industry and the public sector to debate what action is needed to improve how EU citizens are protected from natural disasters. The discussion focused on what kind of natural catastrophe schemes are already successfully in place and what learnings from other regions in the world could be transferred to Europe.

As a follow-up to the event, Swiss Re published a conference report to reiterate the event's key messages and highlight examples of where pre-emptive action to tackle the exposure to natural disasters has helped to reduce the protection gap.

Selected media products of 2017

The publications and other media we produce in-house or in cooperation with our partners play an important role in our efforts to help clients and society form effective responses to key risks. Listed below are publications and videos mentioned in this chapter.

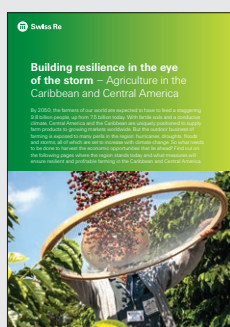
Swiss Re publications



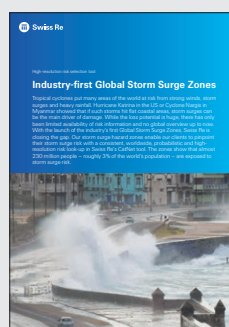
Agro insurance hotspot:
Bolivia



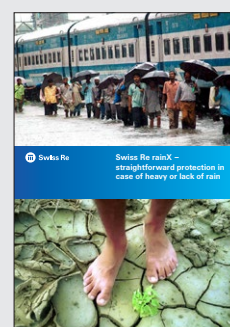
Agro insurance hotspot:
Pakistan



Building resilience in
the eye of the storm –
**Agriculture in the
Caribbean and Central
America**

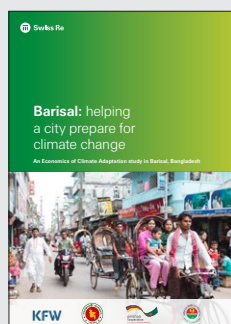


Industry-first
**Global Storm Surge
Zones**



Swiss Re rainX –
**straightforward
protection in case of
heavy or lack of rain**

Publications with partner organisations



**Barisal: helping a city
prepare for climate
change**



The value of hedging:
New approaches to
managing wind energy
resource risk

Videos

▶ **opti-crop**
[www.youtube.com/
watch?v=K7TQn6bPsMI](http://www.youtube.com/watch?v=K7TQn6bPsMI)

▶ **Financing resilient energy
infrastructure**
[www.youtube.com/
watch?v=4iYzU2Poh1Q](http://www.youtube.com/watch?v=4iYzU2Poh1Q)



WEBSITE

You can find more of our publications at
www.swissre.com/library/

Reducing our environmental footprint

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

1.9%

Total reduction of CO₂ emissions per employee since 2013

As a knowledge company in the financial services sector, we do not cause large environmental impacts through our own operations. Nonetheless, we firmly believe it is important for a responsible company to minimise its 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 and construction 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 (GMS) 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.

Complementing the Group-wide ISO 14001 certification of our overarching environmental management system, we frequently seek additional regional or local recognition for particular environmental aspects. For example, since 2015 we have achieved ISO 50001 certification for the energy management system of our main locations in the European Union.

In 2017, some of our office locations also received certificates for their overall environmental quality: LEED Platinum for our office in Mumbai and LEED Gold for the one in Shanghai. The Green Building Council of Australia certified us with the 6 Star Green Star Interiors rating (signifying "World Leadership") for our new Sydney office. (For Swiss Re Next, see page 57.)

CO₂ EMISSIONS PER EMPLOYEE (FULL-TIME EQUIVALENT, FTE), SWISS RE GROUP ▼

		2013 kg/FTE	2016 kg/FTE	2017 kg/FTE	Change in % since 2016	Change in % since 2013
Scope 1	Heating	378	305	264	-13.4	-30.2
Scope 2	Power ¹	824	877	651	-25.8	-21.0
Scope 3	Business travel	3 713	4 109	4 126	0.4	11.1
	Copy paper	40	24	17	-29.2	-57.5
	Waste	50	41	34	-17.0	-32.0
	Water	12	12	12	0	0
	Technical gases	27	21	21	0	-22.2
	Commuting ²	1 250	1 150	1 050	-8.7	-16.0
Total		6 294	6 539	6 175	-5.6	-1.9

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	2016	2017	Change in % since 2016	Change in % since 2013
Heating	kWh/FTE	1 931	1 478	1 286	-13.0	-33.4
Power	kWh/FTE	4 533	3 790	3 606	-4.9	-20.5
Energy intensity	kWh/FTE	6 464	5 268	4 892	-7.1	-24.3
Business travel	km/FTE	13 492	15 065	15 224	1.1	12.8
Copy paper	kg/FTE	34	20	15	-25.0	-55.9
Recycling paper	%	71	72	64	-11.1	-9.9
FSC label	%	96	96	94	-2.1	-2.1
Waste	kg/FTE	181	144	130	-9.7	-28.2
Water	m ³ /FTE	16	17	17	0	6.3

INDIRECT EMISSIONS FROM PURCHASED ELECTRICITY, SWISS RE GROUP ▼

In line with the new 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 t CO ₂ e	Market-based total t CO ₂ e	Instrument types	Percentage kWh
Switzerland ¹	1 031	377	GOs	35%
US ²	8 798	254	RECs	24%
UK ³	6 722	6 722	GOs, residual	20%
			mix	
			RECs, GOs, residual	
Rest of the world ⁴	8 063	2 902	mix	22%
Total	24 614	10 255		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 in Slovakia with 3.1% and in India with 2.9% of the Group's total.

Our Greenhouse Neutral Programme

Climate change has been a strategic priority for Swiss Re for almost 30 years. It is a key topic for a re/insurer, because it is likely to cause more extreme and more frequent weather events. Our strategy to tackle climate change rests on four pillars, one of which is our pledge to reduce our own CO₂ emissions (see page 16).

Our Greenhouse Neutral Programme is the principal means to achieve this goal. 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.



WEBSITE

You can read more about the first phase of our Greenhouse Neutral Programme at www.swissre.com/corporate_responsibility/greenhouse_neutral.html

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 is now significantly smaller. Thus, our target until 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.

RE100 AND EP100

In a number of countries where we want to grow our business, there is a lack of renewable energy supplies in reliable quality. At the end of 2017, approximately 84% 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 2017 and now includes more than 120 of the world's largest companies.

Going beyond these collective efforts, we have recently started to build solar power plants at our own offices. You can read about our latest initiative in Bangalore on page 53. www.theRE100.org

In 2016, we also signed up to the EP100 initiative, launched by the Climate Group (www.theclimategroup.org) and the Global Alliance for Energy Productivity (www.globalproductivity.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/

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 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 2017, total CO₂ emissions per employee (FTE) decreased by 5.6% and were thus 1.9% lower than in 2013. We achieved this reduction mainly by switching to renewable power in some of our Asian locations (see page 53) and by further cutting our energy intensity, eg through more efficient heating.

24.3%

Total reduction
of energy intensity
per employee
since 2013

Using renewable power

Purchasing power from renewable rather than conventional sources has been a key measure of our Greenhouse Neutral Programme. Concluding a gradual build-up that started in 2005, we are now using 100% renewable power at all the Group's locations where it is available in reliable and trustworthy quality (ie at a total of 25 locations in Asia, Europe, North America and Oceania). This means that approximately 84% of our total power consumption comes from renewable sources.

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. At our Zurich headquarters, for example, we only buy "naturemade star" electricity (www.naturemade.ch), which meets high ecological quality standards in its production beyond those required by environmental legislation. In Munich, we purchase our electricity from NaturEnergie (www.naturenergie.de), one of Germany's premier suppliers of renewable energy.

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 2017, the total reduction we had reached since 2013 was 24.3%. We partly achieved this by decommissioning existing office buildings and moving into more energy-efficient ones.



A solar power plant is being constructed on the roof of our new Bangalore office. We have recently stepped up such internal efforts as part of our Group-wide commitment to cover 100% of our power consumption from renewable sources by 2020.

Solar power plant at our new Bangalore office

84%

Share of total power
consumption from
renewable sources
in 2017

Bangalore is blessed with over 300 days of sunshine a year. So when we decided to consolidate our two existing offices in Bangalore, we looked for a building that would allow us to set up a solar plant on the rooftop.

The Fairwinds building where we now have our offices fits the bill perfectly. Offering over 2 800 m² of rooftop space, it has enabled us to build a solar power plant the size of ten tennis courts, comprising 1 058 individual solar panels.

Over a full year, the installation will produce about 500 000 kWh of electricity. This translates into savings of INR 4.55 million (approx. USD 70 000) per year. With an estimated payback period of about 4 to 4.5 years, it is thus an economically

viable investment with a stable long-term cash flow.

The solar plant will also help save around 8 000 litres of diesel every year because the office will no longer need to use back-up generators when there are power cuts, which happens quite frequently in Bangalore.

Finally, the panels help to cool down the temperature of the space immediately below the roof by 2 to 4 degrees Celsius. This will bring down the air conditioning load, thereby further reducing energy consumption and costs.

All in all, we expect the solar power plant to save approximately 550 tonnes of CO₂ emissions each year.

Reducing our environmental footprint

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 set-up that encourages teamwork. At Swiss Re Next, 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 emissions 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 partly replaced these facilities with state-of-the-art telepresence technology, which creates a real-time, life-size virtual meeting experience in specially designed rooms. By the end of 2017, we had a total of 157 video presence facilities worldwide.

We continuously monitor all travel budgets and collect travel data centrally. Furthermore, we introduced an internal carbon levy on air travel in 2014, which uses the "polluter pays" principle. It allocates the costs of the Voluntary Emissions 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. This internal price on carbon heightens awareness of travel costs among our managers and employees and creates a further incentive to reduce air travel, in addition to flight costs.

Despite these measures, the amount of kilometres travelled per employee and the associated emissions have been rising in recent years. A key driver is our continued expansion in high growth markets, which has brought an increase in teams distributed across different locations. In 2017, the total distance each of our employees travelled on average increased by 0.4%.

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 all our emissions sources on page 51 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, though, 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 by 25% in 2017, mainly as a result of introducing pull printing at our US and UK locations, leading to a total reduction of more than 50% since 2013.

Offsetting our remaining CO₂ emissions

The second commitment of our Greenhouse Neutral Programme is to compensate all CO₂ emissions we cannot avoid. For the seven emissions sources covered by it, we bought and retired VERs for a total of 80 780 tonnes of CO_{2e} in 2017.

We are keen to ensure that the VERs we buy are of a high environmental standard and have developed a set of criteria to select the projects generating certificates. In particular, we give priority to those which create strong social side effects and benefit the poorest regions. You can read more about the compensation projects we selected in 2017 on page 55.

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 Corporate Responsibility Report is included on pages 76–77.

80 780

Tonnes of CO_{2e}
compensated
in 2017



WEBSITE

You can find out about our engagement in the Swiss Climate Foundation at www.swissre.com/corporate_responsibility/Partner_initiative_Swiss_Climate_Foundation.html



Renewable biomass is being fed into the kiln of a ceramic factory in rural Brazil, replacing firewood as the primary source of fuel and thus substantially reducing CO₂ emissions. We have supported this project through the Voluntary Emissions Reductions we have bought.

Switch to renewable biomass at ceramic factories in Brazil

When selecting compensation projects for our CO₂ emissions, we require them to be of the highest quality and to have tangible social benefits. In 2017, we chose “Gold Standard” projects that support small ceramics factories in Brazil to switch to fuel from renewable biomass.

Deforestation is the largest source of greenhouse gas emissions in Brazil and illegal logging for firewood is a primary cause of this. Ceramics factories, for example, have long been using native wood to fire their kilns. This not only produces CO₂ emissions, but also places the country’s native forests under significant threat of deforestation.

The Ceará and Balsas Renewable Energy Projects combat both climate change and deforestation by replacing the ceramic factories’ primary source of fuel – deforested wood – with renewable energy won from agricultural and industrial residues.

This biomass would have been discarded as waste otherwise, so the fuel switch transforms residues into something useful. In addition, it enables many local residents to earn an income by supplying biomass waste directly to the factories.

Switching to biomass fuel also benefits the employees’ health and working conditions in a number of ways. The employees no longer need to carry heavy wood to the factory. Before the switch, they were also exposed to extreme heat and air pollution when firing up the kilns

with wood. In both projects, the factories have had new equipment such as automatic feeders installed, which allow for an efficient use of the biomass and improve working conditions.

The factories of the Ceará project have also adopted a system to reuse industrial wastewater, a crucial step in a region afflicted by severe droughts. At the Balsas factory, finally, ceramic houses have been built for employees and their families, with utility costs included.

Together, the two projects have managed to avoid approximately 41 860 tonnes of CO_{2e} emissions annually. Over the course of the last ten years, they have helped to save about 2 730 hectares of forest from being logged, the equivalent of more than 2 180 football pitches.

13%

Share of our tier 1 and 2 vendors included in the EcoVadis platform by end of 2017

Sustainability in our supply chain

As a re/insurance company, Swiss Re does not have an extensive supply chain. Our core business does not require us to buy intermediate inputs like a manufacturing company. However, to run our operations, we need a range of goods and services.

When we make these purchases, we apply general and individual criteria. In line with our overarching Group Sourcing Policy, we select suppliers that offer the best value for money, meet high quality standards and adhere to the UN Global Compact. As a signatory to the Compact, 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.

We consider environmental criteria relating to materials and ingredients, production methods, recycling and waste. For some sourcing categories, we have developed “minimum standards” that further specify our requirements. Besides power (see page 52) and paper (see page 54), these cover cleaning services and agents, refrigerant agents and building materials. Each standard lists objectives, ecological aspects, ecological minimum standards, exceptions, controlling and labels.

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 we visit individual suppliers to inspect them onsite. Internally, we hold regular awareness trainings with all our sourcing staff.

In 2016, we signed up for EcoVadis, 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 and impacts on society. This will allow us to assess the sustainability performance of our suppliers more systematically with the help of key performance indicators and to engage them in improvements, thus also reducing potential sustainability risks in our supply chain.

We have started to implement the platform in our Corporate Real Estate Sourcing category, which covers more than 50% of our expenditure in this area. Going forward, we plan to fully incorporate the platform into our sourcing processes across all sourcing categories. We have set ourselves the goal of including all our tier 1 and tier 2 vendors in the EcoVadis platform (www.ecovadis.com) by 2020. By the end of 2017, implementation was completed for 13% of these vendors and in progress or ready to be started for 30% of them.

Swiss Re Next

Our company has over 80 office locations in more than 30 countries. For new buildings or renovation work, we apply a number of principles, one of which is sustainability.

In 2017, we completed Swiss Re Next, our new office building at the Group's headquarters in Zurich. Right from the start of the project in 2009, sustainability was defined as a key topic and subsequently integrated into its planning, construction and operation, as well as the demolition of the former *Neubau* building.

Key sustainability features of Swiss Re Next:

- Two spacious atria and the glass facade bring daylight into the building and thus greatly reduce power consumption.
- A solar plant on the roof delivers 5–7% of our power consumption for the building. For the rest we buy certified "naturemade star" electricity from renewable sources.
- The innovative ceiling heats, cools and ventilates the building, thus creating a pleasant office climate with good acoustics.
- Heat pumps using water from nearby Lake Zurich heat and cool the building.
- Wherever possible, we have used recyclable materials, including more than 50% of the concrete.
- The building meets the tough standards of both the MINERGIE-P-ECO® and LEED Platinum certificates.
- Peripheral steel columns at maximum distance allow for open internal spaces, providing optimal flexibility for our interactive workplace concept.

➤ **Together, these and further measures help reduce energy consumption at Swiss Re Next by 60% compared with the previous building, and by 80% per workspace.**

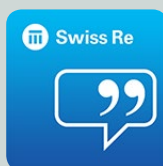


The lakeside facade of Swiss Re Next, our newly completed headquarter building in Zurich. Right from the project's start in 2009, sustainability has been embedded in its planning, design and performance.



WEBSITE

You can find more information on sustainability at Swiss Re Next, including a graphic overview, at next.swissre.com/en/#sustainability



Our walls are talking!

Hear what they are saying: Download the Talking Walls app from the App Store or Google Play and discover bite-sized stories about Swiss Re Next, its sustainability features, workplace concept and artworks.

2 528

CO_{you2} subsidies
granted to our
employees in 2017

(2 449 in 2016)

The CO_{you2} Programme

Tackling our carbon footprint is one of four pillars of our climate change strategy (see page 16). In 2007, we launched the CO_{you2} Programme because we wanted to make our commitment more tangible for our employees and help them to 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.

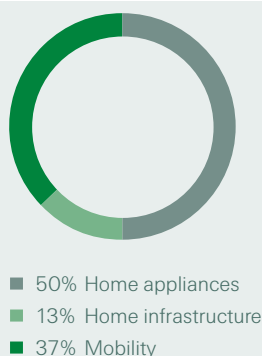
The investment options we offer for subsidies are clearly specified in the programme. Some of them are supported at all our locations, while others vary to account for regional differences in climate, living conditions etc. Our subsidies cover 50% of the investment amount up to a locally determined maximum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

In 2017, we granted a total of 2 528 subsidies spread across three product categories: home appliances, home infrastructure and mobility. Over the past four years, electricity-powered mobility has become more prominent, with 555 subsidies for e-bikes, e-motorbikes, e-cars and plug-in hybrid electric cars.

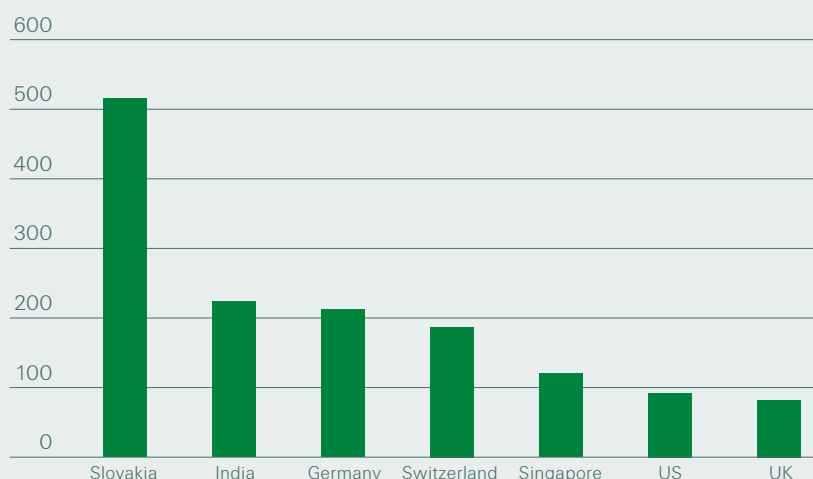
Amongst the larger Swiss Re locations, uptakes per employee were highest in Slovakia and India. Our office in Slovakia has witnessed particularly strong growth in recent years. Many new employees there have made use of the opportunity to claim subsidies, eg for highly energy-efficient fridges and washing 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.

CO_{you2} PAYOUTS IN 2017, BY CATEGORY



NUMBER OF CO_{you2} PAYOUTS IN 2017, PER 1000 EMPLOYEES



Ten years of the CO_{you2} Programme

In 2017, our successful CO_{you2} Programme had its ten-year anniversary. Between its launch in 2007 and the end of 2017, it chalked up the following impressive statistics:

- **Over 15 000** Swiss Re employees and their families took part in the programme, investing in advanced green technology and renewable energy products;
- In this way, they helped avoid roughly **70 000 metric tonnes of CO₂ emissions**;
- This amount is equivalent to an average passenger car driving **over 265 000 000 kilometres**, enough to **circle the Earth 6 620 times**;
- It is also equivalent to the carbon sequestration effect of growing **1 800 000 trees for ten years**.

Celebrating the programme's ten-year anniversary, we held a competition for our employees. We asked them to create a personal message on how they have made use of the programme and to provide a photograph, video or other illustration.

Below you can read two of the winning entries:



Alvaro Leiva Rincon, Bratislava

In April, I injured my knee playing football for the Swiss Re team. 1st diagnostic: surgery. 2nd option: get the leg very strong and avoid surgery. Thanks to the CO_{you2} Programme I bought a new bike... The result: I avoided the surgery. On average, I do three weekend trips per month, covering more than 200 km on each. Of course, I also go to the office by bike.

**CO_{you2} Programme =
Bikes > cars**



Thomas Artho, Zurich

Since yesterday, we have been proud producers of clean energy. CO_{you2} has supported me and (indirectly) my small family in our aspiration to live without a car. Besides being more environmentally friendly, we were also able to save up some of our own money, which we have now invested in harvesting the power of the sun. A big THANK YOU from myself, my wife and my little daughter who will hopefully grow up in a more sustainable future.

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 and inclusive work environment. We aim to collaborate in the spirit of “Let’s be smarter together”, because we can maximise our full potential only if we work together. 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 aspire to be a place where a flexible and inclusive culture is the norm and

where everyone can contribute. 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 29 countries. As of 31 December 2017, we employed 14 485 people (regular staff) from over 110 nationalities: 59.5% work in Europe, the Middle East and Africa (EMEA), 25.8% in the Americas and 14.7% in the Asia-Pacific region.

EMPLOYEE DATA, SWISS RE GROUP

	2015	2016	2017
Total headcount regular employees	12 767	14 053	14 485
Full-time*	11 652	12 960	13 395
Part-time*	973	1 093	1 090
Temporary employees	376	330	355
Turnover rate (incl. company sales)	10.6%	9.7%	10.7%
Voluntary	6.8%	6.7%	7.2%
Involuntary	3.8%	3.1%	3.5%
Average tenure regular staff (in years)**	7.2	7.0	7.1

* The 2015 numbers for full-time and part-time employees do not add up to the total headcount, because employees on unpaid leave were not included in the calculations. As from 2016, employees on unpaid leave are included in the figures.

** In 2017, we changed our reporting method for average tenure. The numbers for 2015 and 2016 have been restated accordingly.

The Swiss Re employee experience

Swiss Re has a clear People Strategy which sets out what we want to achieve in order to create an environment that enables each one of us to give our 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.

Four core themes bring our strategy to life:

- **Lead and develop:** We aim to be known in the market both for 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 the appropriate risk culture. We encourage all employees to work together and collaborate across organisational and geographical boundaries for the wider and ultimate benefit of Swiss Re.
- **Drive the business:** We envision that our employees operate with a truly commercial mind-set and 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.

Embedding the behaviours we need for the future

We believe that everyone at Swiss Re personally contributes to the future of our company by delivering to our clients, adding value to Swiss Re in the best way possible, and by creating an environment where teamwork is the norm. Our Personal and Leadership Imperatives set out the behaviours we need and expect from our leaders and employees to support our strategy and values. We aspire to achieve exceptional performance by embedding these imperatives into our culture and human capital processes, such as recruiting, our performance management practices and leadership development programmes.

Listening to our employees

We foster a culture of open dialogue and frequent feedback on all levels, where employees and managers are encouraged to maintain regular exchange, as described in our behavioural framework. In addition, once a year, we seek feedback more formally through the Employee Engagement Survey (EES). The EES is an opportunity for us to hear from our employees what engages them and what ideas they have to improve their experience at Swiss Re. Feedback from our employees in the 2017 EES shows that we continue to make progress. After a steep increase in employee engagement from 2015 to 2016 (+9 percentage points), our 2017 employee engagement score further increased by 2 percentage points from 67% to 69%. With a high response rate of 87%, our overall engagement score puts us well above the Aon Hewitt Global Financial/Insurance Average benchmark of 65%.

We are proud to see that various areas improved in 2017. *Diversity & Inclusion* continues to advance, as 84% of surveyed employees feel that Swiss Re values diversity and has an open, inclusive culture that exceeds the Global Financial/Insurance Average Benchmark of 77%. *Customer Focus* also emerged as a new area of strength, with 75% of employees who feel encouraged to suggest improvements that will better serve customers. Overall scores show that in terms of *Work Fulfilment*, 75% agree that their job is a good fit, and 73% feel a strong sense of accomplishment in their work. Finally, the area that has improved the most since 2015 is *Empowerment/Autonomy*, driven by 70% of employees who feel they are able to influence decisions affecting their work, which directly supports our People Strategy.

Feedback from voluntary leavers also shows strong progress on our employer value proposition; our key strengths have become stronger and weaknesses have improved (overall the Net Promoter Score has increased by 20 points since 2013).

LEARNING DATA, SWISS RE GROUP

	2015	2016	2017
Total learning hours recorded	204 225	231 826	234 609
Learning hours per employee	15.5	15.3	15.0
Learning costs per employee (in USD)	1 024	919	784

Developing our employees

In a world where the ability to learn and adapt quickly is increasingly crucial, the effective development of our people and leaders is key for our enduring success. For this reason, we have continued to significantly invest in this area during 2017 by reinforcing our 70/20/10 approach to developing and upgrading our leadership development architecture. The 70/20/10 approach advocates a shift from formal training or self-study (10% of development time) to actions that reflect “on-the-job experiences” (eg rotations and stretch assignments; 70%) and “learning from others” (eg mentoring, coaching; 20%).

Investing in employee development and growth

We firmly believe in creating a culture of personal growth which empowers our employees to fulfil their aspirations and encourages them to develop their capabilities through a variety of learning experiences with active support from their managers. Our initiative PersonalGrowth@SwissRe sets out the shared role line managers and employees play and focuses on our investments in employee development. In this context, we offer various rotation opportunities that give our employees a great chance to gain insight into business areas outside their own and that support managers who have a short-term need for additional (project) resources in their team.

Formal training at Swiss Re combines technical, professional and leadership skills training. We design our training internally or in collaboration with leading external partners and deliver it through our long-established Swiss Re Academy.

Currently, we offer more than 1 000 different training courses. Our employees attend training in areas as diverse as underwriting, finance, sales and negotiation, leadership, diversity and inclusion, interpersonal skills, project management, office tools and language skills. In 2017, our employees completed 234 609 hours of training overall, averaging 15 hours and USD 784 per employee. We recommend that client-facing employees invest at least two days per year in formal sales training. A total of 581 employees participated in sales training during 2017, with the average feedback score of 4.48 (out of 5), which is in line with the financial services benchmark of 4.4. Reflecting our efforts in the area of employee development, we outperformed in all HR categories within the prestigious Dow Jones Sustainability Indices, with Swiss Re top on the social dimension and above the world average in every human capital dimension (Human Capital Development scored 100% versus the industry average of 38 and world average of 77).

Investing in a strong leadership pipeline

Our ambition is to strengthen the capabilities of our line managers and prepare them to meet the challenges of a rapidly changing environment. We are integrating our existing programme offerings into a new leadership development architecture, with a manager curriculum at every management level. Our manager curriculum is about accelerating the development of our line managers through targeted training, providing them with the skills and resources they need to lead, build and engage our people in the future.



Jennifer Reid of Finance Reinsurance Americas collects the STEVIE Silver Award we received for an interactive new finance training programme.

STEVIE Silver Award



Swiss Re won the STEVIE Silver Award in the area "Achievement in Workforce Development and Learning" with the new Finance Week Development Programme – a new approach to learning. The newly introduced programme provides an interactive and innovative learning experience that expands our finance expertise and differentiates us from competitors. The objective of the event was to improve

the finance acumen of the Reinsurance organisation. A total of 530 employees participated in 40 events and trainings as part of the Finance Week in Zurich, Switzerland in 2017, and 260 participants attended in Armonk, US with 25 events and trainings. Over 50 internal and external experts shared their expertise and we embedded the 70/20/10 approach to modern training.

Given our investment in leadership skills, we are pleased to start seeing evidence of an improved feedback culture and quality of development conversations: our 2017 EES results indicate that our employees feel we manage performance in a way that enables them to contribute as much as possible for the company's success (+18 p.p. since 2015), they feel

significantly more positive about their career opportunities (+13 p.p. since 2015), they know whom to go to for guidance and counselling about their career (+13 p.p. since 2015) and their managers provide valuable feedback that helps our employees develop professionally and personally (+6 p.p. since 2015).

Managing performance

We want our employees to reach their potential and be fully supported in their work. We therefore lay great emphasis on performance. The past three years have seen our behavioural framework, the Personal and Leadership Imperatives, become fully embedded in our performance management approach, focusing on both *what* people achieve and *how* they achieve their goals. Including these behaviours in performance and feedback discussions allows for robust, future-focused

conversations, better performance differentiation and transparent pay-for-performance.

In 2017, we also embarked on a set of pilots, exploring more flexible, timely performance management approaches to strengthen Swiss Re's culture of continuous feedback/dialogue, recognition of achievement, and personal growth and development. We are committed to continuing to improve our programmes and capitalise on digitization where possible, as we build our feedback culture.



In 2017, we again won a "Top Company for Graduates to Work for" award from TheJobCrowd, a popular graduate job review website in the UK.



Award from TheJobCrowd

In 2017, Swiss Re won first place for "Top 100 Company For Graduates To Work For" in the "Banking & Finance" sector. Previously, we had already won the JobCrowd Award in the "Accounting & Insurance" category in 2015 and 2016. Overall, we ranked 11th out of 100 companies in 2017.

This award was presented to us by TheJobCrowd (www.thejobcrowd.com), a popular graduate job review website in the UK.

To determine this ranking, our graduates were asked to complete a survey about working at Swiss Re. They were asked 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, ethical/environmental balance? The results from our graduates were overwhelmingly positive.

Engaging the next generation

We support employees at all levels to maximise their potential and we are proud to offer various programmes to young adults moving into the workforce.

Graduates@SwissRe

Each year, our award-winning graduates@swissre programme provides entry positions for a number of university graduates. It 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. They also attend a number of classroom-based training sessions which 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 409 graduates working for Swiss Re from this 10-year period.

Interns@SwissRe

In 2017, we employed 79 interns through our interns@swissre programme. This includes nine internship positions for students from the African Leadership Academy (ALA) and the Swiss Re Start-up Academy in Kenya in support of our high growth market talent strategy. The interns programme is mainly aimed at university students who are pursuing a Bachelor's or Master's degree, and at graduates with less than one year of full-time work experience. Interns join teams in core business areas, where they take on specific tasks and various projects. In India, South Africa, the US and the UK, we offer traditional summer internships that typically last between eight and 12 weeks, while in Germany and Switzerland the internships usually span three to six months.

Actuarial Development Programme

We view superior actuarial expertise as a vital factor for our success. That is why we place great emphasis on globally recruiting top talents for our Actuarial Development Programme (ADP). The ADP is designed to provide support to full-time employees studying to be actuaries in many ways – from

study allowances to mentoring and career development. In North America, we also offer internships for college students with work assignments and projects that are challenging, educational and promote personal and professional development. In 2017, we hired 12 ADP interns to join the programme which runs from May to August each year. The students worked in Fort Wayne, Armonk or Dallas.

Junior Power

Originally launched in Zurich in 1981, our Junior Power programme was extended to Munich in 2008 and to London in 2014. In total, we have trained over 700 apprentices and trainees through the programme. Currently, 100 apprentices and trainees, aged between 15 and 25, are being trained in a broad range of occupations. We provide them with an innovative and high-quality learning environment that enables them to build up the competencies and skills they need for the labour market. In this way, we also make a positive contribution to youth employment. Participants of our Early Joiner programmes say that they particularly appreciate the multicultural and open environment we offer, as well as the daily exchange with specialists from various disciplines.

Fostering a diverse and inclusive workplace

One of the key aspirations of our People Strategy is to attract and engage talented employees from different backgrounds by providing a flexible, inclusive and open culture where dialogue and different perspectives are valued. This aspiration is reflected in our Diversity and Inclusion (D&I) vision: "See, feel and live diversity – diversity of age, race, ethnicity, nationality, gender, gender identity, sexual orientation, religious beliefs, physical abilities, personalities and experiences – across all levels, functions and geographies of Swiss Re".

We are committed to this vision because it supports an environment in which our employees value each other's

WOMEN IN MANAGEMENT POSITIONS, SWISS RE GROUP (IN %)

	2015	2016	2017
Total workforce	46.4	46.9	47.3
Executive/senior management positions*	22.1	22.9	23.3
All management positions*	32.2	32.9	33.3

* "Executive/senior management positions" comprises the management levels of Director/Senior Vice President upwards.
 "All management positions" refers to Vice President and above.

differences and where they can all bring their authentic selves to the workplace – an environment in which our inclusive culture enables us to truly live our “smarter together” brand promise.

Promoting an inclusive culture

We know that our employees' lives and experiences are unique and we believe in championing that uniqueness.

Uniqueness in leadership, 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. We are committed to helping our employees recognise and understand “unconscious biases” that every one of us has, and which can unintentionally influence our decision-making and our behaviour towards others.

Launched in 2016, our “Together with Pride” network promotes equal treatment for LGBTI+ (lesbian, gay, bisexual, transgender, gender fluid) employees and supports their integration at Swiss Re. 2017 showed a strengthening of our Together with Pride network, as new local chapters were started in Australia, New Zealand, Hong Kong and Latin America. Swiss Re is committed to raising awareness and ensuring equal treatment for all LGBTI+ employees across the globe, and to ensure that all our employees experience a safe, open and inclusive work environment regardless of their office location.



For many years, Swiss Re has partnered with The Insurance Supper Club, a network of senior women in the insurance industry, in several key locations. In 2017, we hosted their Zurich Leadership Networking Event “Competence creates a world of opportunity – we shouldn’t be afraid to try new things”. It provided senior Swiss Re leaders with a platform to exchange with colleagues from other insurance companies and share best practice approaches with respect to gender equality.

“If we are to make the world more resilient, we need everybody to be able to bring their true selves to work and to be fully engaged. I am an ally to our LGBTI+ community and am committed to ensuring that they do not feel marginalised or under-represented alongside all other communities at Swiss Re.”

Christian Mumenthaler, Group CEO

Achieving gender equality at Swiss Re

Swiss Re is deeply committed to the United Nation's Sustainable Development Goal #5: “To achieve gender equality and empower all women and girls”. At Swiss Re, we believe that increasing gender balance in leadership is a strategic imperative that is critical to our future business success.

In 2017, we took several important steps toward building and fostering a gender-balanced talent pipeline. We are committed to closely monitoring the talent flows in the business and locations, ensuring we make steady progress toward our aspirations. We also launched a global sponsorship initiative designed to enable high-potential female talent to reach their career aspirations. Close to 50 executive members are actively engaged in one or more sponsor/sponsee relationships.

At our Swiss corporate headquarters, we reassessed ourselves against the EDGE best practice standard for gender equality (Economic Dividends for Gender Equality, www.edge-cert.com). This objective measurement strongly supports our global interventions, steering us towards implementing further gender equality best practices.

Externally, Swiss Re continues to contribute to the advancement of female talent. We have a partnership with the association Advance – Empowering Women in Swiss Business, of which Swiss Re is a founding member. We again hosted their Annual Conference at our Centre for Global Dialogue. The event was devoted to “The Future of Leadership” and saw the launch of the first Advance Gender Intelligence Report Switzerland 2017.

Caring for the wellbeing of our employees

We set high standards in terms of caring for the physical and mental wellbeing of our employees and aim to provide a healthy workplace that helps our employees take a constructive approach to their own wellbeing, while improving and retaining their ability to perform.

A healthy mind is 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.

Pathways, our Mental Health Network, was launched in the UK in February 2017. The network's mission is to allow employees to bring their whole selves to work; to allow them to feel accepted and included and to reduce the stigma surrounding mental health issues. Training and awareness sessions have been at the core of our work since the launch. Across the globe, we also hold various local events on topics such as work stress, mental health and awareness trainings. For example, in South Korea we held two learning sessions on stress management that taught to understand stress and how to manage it properly. In Bangalore, we organised a mindfulness talk show where employees learned about the practice and benefits to reduce stress at work. To help our people stay fit, we provide onsite fitness centres and classes, for instance, in Switzerland.

EMPLOYEE HEALTH DATA

Sick leave days, Switzerland regular staff

	2015	2016	2017
Number of employees	3 326	3 267	3 214
Number of employees who have recorded absence due to illness	1 979	1 809	1 683
Average number of sick days	7.2	7.9	8.7

Owning the way we work

As a company that operates globally and around the clock, Swiss Re can strengthen its competitive advantage by embracing the new opportunities of an increasingly connected world.

We acknowledge that one size does not fit all and we support non-traditional work models and embrace flexibility. Our trademarked programme, Own the Way You Work, is a cultural change initiative which gives managers and employees autonomy to decide how, when and where work is carried out in compliance with the applicable laws, rules and regulations of their particular region. Own the Way You Work is about creating a team environment where trust, responsibility, empowerment and autonomy are valued and where business results count more than “face time” in the office. This has become a differentiating part of Swiss Re’s employee value proposition and was internationally recognised by Glassdoor when we ranked in their 2017 Top 20 Global Companies for Employee Benefits & Perks.

Being a parent at Swiss Re

At Swiss Re, we understand that having children and bringing them up is a source of great joy; that one’s life takes on a new quality that shapes the day-to-day routine. We want to help our employees balance their career and family responsibilities and it is important to us that our employees can always put their families first. Therefore, we offer a range of programmes, services and support.

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 and around Zurich, for instance, we offer a number of reserved places at day care centres. 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.

Employee relations

We are a signatory to the UN Global Compact and support its ten principles in the areas of human rights, labour, the environment and anti-corruption. 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 to identify employment-related challenges.

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, and 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 all Zurich 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. The Committee 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, these activities are covered by the Employee Liaison Group (ELG) and at our Munich office we have a works council with clearly defined codetermination rights in several areas. Our smaller branches 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.

Alumni networks

Our former employees have helped to make Swiss Re what it is today and form an essential part of our extended employee community. They remain important stakeholders for Swiss Re. Furthermore, as many of our alumni work for our clients, they also help to deepen our client relationships.

Through the Swiss Re Alumni Network, we offer our former employees the opportunity to continue sharing their knowledge and experience, and to keep in contact with colleagues. Currently, we have more than 3 800 active members. The network also includes our retirees. This important group of stakeholders continues to take great interest in the company. Through extended access rights, we enable them to utilise resources that are normally available to employees only.

Rewarding our people

Swiss Re is committed to having a compensation framework that is balanced and performance-oriented, and which aligns the interests of both shareholders and employees. Our compensation framework is designed to attract, motivate and retain the qualified talent the Group needs to succeed globally as well as 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 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 business/company performance.

Swiss Re uses additional incentive programmes which reflect the longer-term nature of our business: Both the Value Alignment Incentive Plan (VAI), which is the deferred part of the API, and the Leadership Performance Plan (LPP) aim to reward sustained performance and long-term company success, rather than short-term results. This helps to 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 executives and select key employees.

We also encourage our employees to own Swiss Re shares by providing opportunities to participate in both the Global Share Participation Plan and the Incentive Share 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 also an important part of many of our packages. We provide medical, life and disability insurance in excess of state provisions in several locations. Furthermore, we support employees in accumulating retirement benefits to supplement any state provisions.

In addition, the CO_{you2} Programme continues to offer our employees the opportunity to claim subsidies from the company for a range of emissions-cutting investments they want to make in their private lives (see page 58).

In early 2017, Swiss Re participated in a study on compensation practices and policies of the Board of Directors, the Executive Board and senior management of listed and large, unlisted companies in Switzerland and was awarded the Silver Medal (2nd place).

Further information on Swiss Re's approach to compensation and benefits can be found in our 2017 Financial Report (pages 152–178).

Ensuring good corporate governance and compliance

Swiss Re's corporate governance is embedded in our culture.

Corporate governance

Corporate governance developments and trends are changing rapidly and are based on enhanced regulation and evolving political parameters representing a comprehensive topic for the Board of Directors to deal with. A company's corporate governance does not only need to incorporate legal and regulatory requirements but also has to respond to increasing stakeholder

expectations. Measuring a company's corporate governance based on environmental, social and governance (ESG) criteria is gaining in importance.

Key focus areas in 2017 included the revision of the Corporate Bylaws to anticipate developments and trends, the enhancement of the conflicts of interest framework as well as Board of Directors educational sessions and trainings.

The Board of Directors regularly assesses Swiss Re's corporate governance against regulatory developments, relevant best practice standards and new stakeholder demands. The Board of Directors closely monitors Swiss and global corporate governance developments and considers relevant studies and surveys.

In our Corporate Responsibility Report, we highlight key elements of Swiss Re's corporate governance, in particular with respect to its structure, the independence of the Board of Directors, conflicts of interest procedures and shareholder rights. Comprehensive information on Swiss Re's corporate governance is available in the 2017 Financial Report on pages 92–135.

SWISS RE'S CORPORATE GOVERNANCE ADHERES TO

- the SIX Swiss Exchange's Directive on Information Relating to Corporate Governance, including its annex;
- the principles of the Swiss Code of Best Practice for Corporate Governance (Swiss Code) of September 2014, issued by *economiesuisse*, the Swiss business federation; and
- the Swiss Financial Market Supervisory Authority (FINMA) provisions on corporate governance, risk management and internal control systems.

Swiss Re's corporate governance furthermore complies with applicable local rules and regulations in all jurisdictions where it conducts business.

Swiss Re's corporate governance framework

Swiss Re Ltd's Board of Directors is responsible for the overall direction, supervision and control of Swiss Re Ltd (SRL) and the Group. It has delegated the management of SRL and the Group to the Group Executive Committee (Group EC). This structure maintains effective mutual checks and balances between these top corporate bodies.

The SRL 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.

As determined by applicable law and the Articles of Association, the Board of Directors has inalienable and non-transferable responsibilities and authorities. The Board of Directors has established Board committees, which support the Board in fulfilling its duties. The Board of Directors has delegated certain responsibilities, including the preparation and execution of its resolutions, to the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee, the Finance and Risk Committee and the Investment Committee.

Independence of the Board of Directors and conflicts of interest procedures

The SRL Bylaws stipulate that at least three-quarters of the members of the Board of Directors must be independent. Independence is defined in line with best practice corporate governance standards. To be considered independent, a Board member may not be, and may not have been in the past three years, employed as a member of the Group EC, or by any subsidiary of the Swiss Re Group or may not have a material relationship with any part of the Swiss Re Group (either directly or as a partner, director or shareholder of an organisation that has a material relationship with the Swiss Re Group)

other than serving as an independent board member in any subsidiary. In addition, the Board of Directors agrees on other criteria that disqualify a Board member from being considered independent, taking into consideration provisions of applicable law, regulations and best practice.

All the members of the Board of Directors meet our independence criteria with the exception of our Chairman. As a full-time Chairman, he is not considered independent. In addition to the independence criteria applicable to Board members in general, additional independence criteria apply for members of the Audit Committee.

The members of the Board of Directors are also subject to procedures to avoid any action, position or interest that conflicts with an interest of SRL or the Swiss Re Group or gives the appearance of a conflict. Each member must disclose any conflict of interest relating to a matter to be discussed at a meeting, as soon as the member becomes aware of the conflict, to the Chairman. The respective member must not participate in the discussion and decision-making involving the interest at stake. The Chairman informs the Board of Directors of the existence of the conflict and it is reflected in the meeting minutes. Each member must disclose any conflict of interest generally arising to the Group Chief Legal Officer or in his absence to the Group Chief Compliance Officer in line with the standards and procedures set forth by the personal Conflicts of Interest Instructions.

Shareholders' participation rights Shares

All shares issued by SRL are fully paid-in registered shares, each with a par value of CHF 0.10. Each share carries one vote. There are no categories of shares with a higher or limited voting power, privileged dividend entitlement or any other preferential rights, nor are there any other securities representing a part of SRL's share capital. SRL cannot exercise the voting rights of treasury shares.

Voting right restrictions, statutory group clauses and exception rules

There are no voting right restrictions and no statutory group clauses (other than the limitations on nominee registrations). Therefore, there are no procedures or conditions for cancelling restrictions and no rules on making exceptions to them. Accordingly, no such exceptions were made in 2017.

Statutory rules on participating in the General Meeting of shareholders

The share whose owner, usufructuary or nominee is entered in the share register as having voting rights on a specific qualifying day determined by the Board of Directors entitles its holder to one vote at the General Meeting of shareholders.

SRL's Articles of Association allow any shareholder with voting rights to have his or her shares represented at any General Meeting of shareholders by another person authorised in writing or by the Independent Proxy. Such representatives need not be shareholders.

Business firms, partnerships and corporate bodies may be represented by legal or authorised representatives or other proxies, married persons by their spouses, minors and wards by their guardians, even though such representatives are not shareholders.

Changes of control and defence measures

SRL has not put in place any specific measures to defend against potential unfriendly takeover attempts. SRL's Articles of Association neither contain an "opting up" nor an "opting out" provision. The Board of Directors believes that the company's best protection is a fair valuation of its shares, and that the efficiency of a free market is preferable to artificial obstacles, which can have a negative impact on the share price in the long term.

By adhering to the highest compliance standards, we ensure legal and ethical behaviour across the Group.

Compliance: Code of Conduct

Our Code of Conduct (the “Code”) is one in a series of documents governing the organisation and management of our company. It sets the framework and defines the basic legal and ethical compliance 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 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.

We regularly review and update the Code to reflect changes in regulations and principles. An overhauled version that includes a new layout and real-life examples to provide clearer guidance for day-to-day business situations was published in the second half of 2016.

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.

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

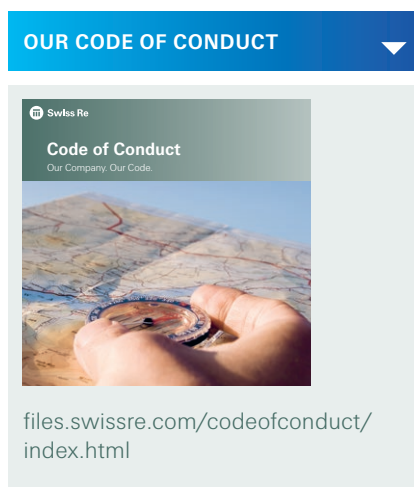
- Bribery and corruption
- Data protection
- Inside information
- Fair competition
- International trade controls and economic sanctions
- Licensing and permanent establishment
- Money laundering
- Sustainability and human rights

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”.

The Code is supported by our Global Policy on Financial Crime and our Global Standard on Anti-Bribery and Corruption, which emphasise that bribery, facilitation payments and hospitality where the giver is not present are always prohibited. For gifts, hospitality, sponsorships and charitable contributions, the policy and standard specify the correct procedures to be followed, including dealing with public officials and making entries in the gift and hospitality register.



Data protection

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

Our Data Protection Compliance Framework, with global as well as local policies and 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

Money laundering

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

Our Anti-money Laundering Standards set out in detail key principles 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.

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

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 a whistleblowing hotline, which they can use anonymously (where legally permitted) or with identification. The hotline is operated independently by an external vendor and includes translation services into numerous languages.

Training

All new permanent and temporary employees joining Swiss Re must undergo mandatory eLearning training on the Code, focusing on ethical behaviour in accordance with the principles of the Code and its relationship to Swiss Re’s values. Completion of the training is tracked and instances of non-completion are escalated until resolution.

All permanent and temporary employees complete a periodic Code of Conduct Acknowledgement.

We also conducted trainings for all our employees on the following compliance topics in the four years from 2014 to 2017:

- Anti-bribery and corruption
- Anti-money laundering and terrorist financing
- Conflicts of interest
- Data protection
- Inside information and insider training
- Fraud awareness

In addition, we have offered tailored trainings to employees that are particularly exposed to certain compliance risks, eg on antitrust and fair competition, insider trading, licensing & permanent establishment.

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

In the second half of 2017 we launched a Policy Management Tool as a central place for finding all Swiss Re policies and standards. In addition, we simplified the architecture of our Global Policies so that they are short and use simplified language and a consistent structure to make them easy to read and understand. There are a reduced number of Global Policies (eight in total) that contain high-level principles all employees have to be aware of, beyond the principles set out in the Code of Conduct. Where necessary, underlying Standards are in place to provide additional detail on the Code of Conduct and the Global Policies.

The Swiss Re Foundation

Empower the community and build resilience

Who we are

The Foundation reflects Swiss Re's social and humanitarian values. We partner with social entrepreneurs, aid organisations, researchers and Swiss Re employees and clients to help communities increase their resilience.

Our initiatives address the causes and effects of risks in four areas – climate, natural hazards, water and society – both in emerging and developing countries and in regions where Swiss Re has offices.

Our core goals:

Empower communities to become more resilient to risk and adapt to a changing natural and social environment

Contribute to promoting social welfare, protecting the environment and enhancing quality of life near Swiss Re locations

Engage Swiss Re employees as local volunteers and as expert consultants in our global programmes

Boost impact by teaming up with private and public partners that share our goals and complement our expertise

Earn the respect of our stakeholders, creating measurable value for society and for Swiss Re



WEBSITE

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



Swiss Re Foundation has worked with Ashoka India and its partners to tackle endemic malnutrition by developing and implementing a programme called Nourishing Schools. This initiative teaches children the importance of healthy food and empowers them as changemakers in their communities.

ACTIVITY REPORT

The Swiss Re Foundation in 2017 – Voices for change

We have refreshed our reporting approach, showcasing fewer initiatives in greater depth and letting powerful photography tell more of the underlying story.



What we respond to

Threats to:

- Health
- Security
- Prosperity
- Opportunity

What our priorities are

- Climate
- Natural hazards
- Water
- Society

Who we support

- Social entrepreneurs
- NGOs
- Academic institutions that help communities increase their resilience

Where we help

- In emerging and developing countries
- In regions where Swiss Re has offices

Independent assurance report to the 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 Corporate Responsibility topics and sections disclosed with the 2017 Swiss Re Corporate Responsibility Report ("CR Report 2017").

Scope and subject matter

Scope and subject matter

Our limited assurance engagement focused on the following data and information disclosed in the CR Report 2017 of Swiss Re and its consolidated subsidiaries, for the financial year ended 31 December 2017:

- The management and reporting processes with respect to the consolidated CR 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 sections "Creating sustainability solutions" on pages 18–27, "Extending our risk intelligence" on pages 28–35, "Being a responsible investor" on pages 36–39, "Exploring and shaping the risk landscape" on pages 40–49, "Reducing our environmental footprint" on pages 50–59, "Engaging our people" on pages 60–69 and "Compliance: Code of Conduct" on pages 72–73;

- The consolidated CO₂ emissions 2017 (Scope 1, 2 and 3 in adherence with the Greenhouse Gas Protocol) of the tables entitled "CO₂ emissions per employee (full-time equivalent, FTE), Swiss Re Group" on page 51, "Underlying environmental data, Swiss Re Group" on page 51 and "Indirect emissions from purchased electricity, Swiss Re Group" on page 51 in the CR Report 2017 covering the reporting period from 1 October 2016 to 30 September 2017;
- The retirement of 80 780 tonnes of CO_{2e} (CO₂ equivalents) described on page 54 of the CR Report 2017.

Criteria

The management reporting processes with respect to the CR Report 2017 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 2001 by the World Resources Institute and the World Business Council for Sustainable Development;
- 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 CR data and information are internally gathered, collated and aggregated.

Inherent limitations

The accuracy and completeness of CR indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Our assurance report should therefore be read in connection with Swiss Re's internal guidelines, definitions and procedures on the reporting of its CR performance.

Swiss Re's responsibility

Swiss Re management 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 CR 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 whether anything has come to our attention to indicate that the corporate responsibility information reporting is not stated, in all material respects, in accordance with the reporting criteria.

We conducted our limited assurance engagement in accordance with 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, 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 CR indicators are free from material misstatement. A limited assurance engagement under ISAE 3000 (revised) and ISAE 3410 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. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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 work performed

Our assurance procedures included the following work:

- **Evaluation of the application of Swiss Re CR reporting guidelines**
Assessing whether the methodology applied by Swiss Re is in line with the reporting criteria;
- **Interviews and management inquiry**
Evaluating the CR 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 CR guidance were consistently applied by the selected locations; performing enquiries of personnel responsible for internal CR 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 CR data and information to the data used for the internal CR emissions reporting of the selected locations;
- **Assessment of the key figures**
Performing tests on a sample basis of evidence supporting selected CR data and information (Natural catastrophes and climate change, strengthening risk resilience: 2017 highlights, the commitment to the UN and the Grow Africa Partnership, the Sustainability Risk Framework, responsible investments, HR data and information, diversity and inclusion, development & training) to assess their completeness, accuracy, adequacy and consistency;
- **Review of the documentation**
Reviewing the relevant documentation on a sample basis, including Swiss Re's CR-related policies, the management of reporting structures, the documentation and systems used to collect, analyse and aggregate reported CR data and information;

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

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

■ **Review of verified emission reductions**

Reviewing the retirement of 80 780 tonnes CO_{2e} verified emission reductions (VER) according to the Gold Standard.

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 corporate responsibility data and information outlined in the scope and subject matter section has not been prepared, in all material aspects, in accordance with Swiss Re internal policies and procedures.

Zurich, 15 March 2018

PricewaterhouseCoopers AG

Marc Schmidli Konstantin Meier

Memberships, commitments, awards and index listings

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

Memberships and commitments

CDP

CDP is an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP works with market forces to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them.

www.cdp.net

Chief Risk Officer 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 multinational insurance companies.

www.thecroforum.org

ClimateWise

ClimateWise is the global insurance industry's leadership group driving action on climate change risk. The group leverages the insurance industry's expertise to better understand, communicate and act on climate risks.

www.cisl.cam.ac.uk

Clinton Global Initiative

Established in 2005 by former US President Bill Clinton, the Clinton Global Initiative (CGI) convenes global leaders to devise and implement innovative solutions to some of the world's most pressing challenges.

www.clintonfoundation.org

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) is developing 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 Europe

Insurance Europe is the European (re) insurance federation. Through its 34 member bodies, the national insurance associations, Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs.

www.insuranceeurope.eu

International Risk Governance Council

IRGC is an independent organisation whose purpose is to help the understanding and management of global risks that impact on human health and safety, the environment, the economy and society at large.

www.irgc.org

Klimastiftung Schweiz (Swiss Climate Foundation)

The Swiss Climate Foundation is a non-profit foundation that directly champions the cause of climate protection in Switzerland, helping to fund small and medium enterprises that are proactive in their approach to reducing CO₂ emissions. Swiss Re is one of the foundation's members and is sponsoring its managing director.

www.swiss-climate-foundation.ch

Öbu ("Ecologically conscious enterprises" network)

Öbu is a Swiss think tank for sustainability and management topics. It carries out projects focusing on corporate and economic policy, and promotes experience-sharing among its members.

www.oebu.ch

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 integrating these factors into their investment and ownership decisions.

www.unpri.org

Principles for Sustainable Insurance

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

The Climate Group is partnering with CDP to encourage the world's most influential businesses to join RE100 and commit to going 100% renewable. The aim is for at least 100 companies to make a global 100% renewable commitment with a clear timeframe for reaching their goal.

www.theRE100.org

Swiss Sustainable Finance

Swiss Sustainable Finance (SSF) strengthens the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalysing growth. Currently SSF unites 90 members and network partners from financial service providers, investors, universities and business schools, public sector entities and other interested organisations.

www.sustainablefinance.ch

The Geneva Association

The Geneva Association is a leading international insurance think tank for strategically important insurance and risk management issues. It identifies fundamental trends and strategic issues where insurance plays a substantial role or which influence the insurance sector.

www.genevaassociation.org

UNEP Finance Initiative

UNEP FI is a global partnership between UNEP and the financial sector. Over 190 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

www.unepfi.org

Recent awards

STEVIE Silver Award, 2017

We won this award in the "Achievement in Workplace Development and Learning" area for our innovative Finance Week Development Programme (see page 63).

TheJobCrowd: Top Companies for Graduates to Work for, 2017

We won first place in the "Banking and Finance" category, after coming first in the "Accountancy and Insurance" category in 2015 and 2016 (see page 64).

Environmental Finance: Deal of the Year for Weather Risk, 2016

Swiss Re Corporate Solutions won this award from Environmental Finance magazine for the second time in a row, this time for a wind hedge in Australia.

Aon Hewitt Best Employer, 2016

We were recognised by our engagement survey providers Aon Hewitt as a Best Employer in several countries and the Europe region.

Environmental Finance: Deal of the Year for Weather Risk, 2015

Swiss Re Corporate Solutions won this award from Environmental Finance magazine for a solar energy hedge in China.

WE SUPPORT



Selected index listings and ratings

MSCI AAA rating (May 2017)



Dow Jones Sustainability Indices Bronze Class 2018



ECPI Indices



Ethibel Sustainability Index (ESI) Excellence Global



Euronext Vigeo index: World 120



FTSE4Good Index Series



oekom research, Prime investment status



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