

# Ensuring good governance

## Swiss Re's corporate governance aims at safeguarding the sustainable interests of the company.

Swiss Re considers good corporate governance indispensable to maintaining long-lasting, valuable relationships with its stakeholders. We recognise that transparent disclosure of our governance structure fosters assessment of the quality of our organisation and business conduct.

Swiss Re's corporate governance adheres to the SIX Swiss Exchange's Directive on Information Relating to Corporate Governance, including its annex. It is also in line with the principles of the revised Swiss Code of Best Practice for Corporate Governance (Swiss Code) of September 2014, issued by *economiesuisse*, the Swiss business federation. Swiss Re, moreover, conforms to the Swiss Financial Market Supervisory Authority (FINMA) provisions on corporate governance, risk management and internal control systems, which came into effect on 1 January 2009. Swiss Re's corporate governance also complies with applicable local rules and regulations in all jurisdictions where it conducts business.

The "Ordinance Against Excessive Compensation at Public Corporations" (Ordinance) entered into effect on 1 January 2014. Swiss Re has undertaken the steps necessary to ensure timely compliance with the Ordinance's requirements. The requirement to instruct the Independent Proxy electronically had already been introduced at the Annual General Meeting 2013.

---

 For more information see [swissre.com/about\\_us/corporate\\_governance/](https://www.swissre.com/about_us/corporate_governance/)

---

In our Corporate Responsibility Report, we highlight key elements of Swiss Re's corporate governance concerning the structure and independence of the Board of Directors, shareholder rights and the Group Code of Conduct. Comprehensive information following the structure of the SIX Directive is available in the 2014 Financial Report, pages 72–107.

### Swiss Re's corporate governance framework

Swiss Re has a dual board structure: the Board of Directors is responsible for oversight, while the Group Executive Committee is responsible for managing operations. This structure maintains effective mutual checks and balances between the top corporate bodies.

### Independence of the Board of Directors

Swiss Re's Group Bylaws stipulate that the Board of Directors consists of at least a majority of independent members. To be considered independent, a director may not be employed as an executive officer of the Group, or have been employed in such a function for the previous three years. Moreover, he or she must not have a material relationship with any part of the Group, directly or as a partner, director or shareholder of an organisation that has a material relationship with the Group. Furthermore, in line with the Group's independent criteria, a full-time

Chairman is not considered independent. All members of the Board of Directors, with the exception of the full-time Chairman, meet our independence criteria.

The members of the Board of Directors are also subject to procedures to avoid any conflict of interest.

The organisation of the Board of Directors is set forth in the Group Bylaws, which define the responsibilities of the Board of Directors, its committees and the Group Executive Committee, as well as the respective reporting procedures.

The Board has delegated certain responsibilities, including the preparation and execution of its resolutions, to five committees: the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee, the Finance and Risk Committee, and the Investment Committee.

### Audit Committee

The central task of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities as they relate to the integrity of Swiss Re's and the Group's financial statements, the Swiss Re Group's compliance with legal and regulatory requirements, the external auditor's qualifications and independence, and the performance of GlA and the Group's external auditor.

All members of the Audit Committee are non-executive and independent. In addition to the independence criteria applicable to Board members in general, additional independence criteria apply for members of the Audit Committee.

They are required to possess such additional attributes as the Board may, from time to time, specify. Each member of the Audit Committee has to be financially literate. At least one member must possess the attributes to qualify as an Audit Committee financial expert, as determined appropriate by the Board of Directors.

### Shareholders' participation rights

#### Shares

All shares issued by Swiss Re Ltd 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 the company's share capital. The company 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. 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 2014.

#### 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.

Swiss Re'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.

#### Defence measures

Swiss Re has not put in place any specific measures to defend against potential unfriendly takeover attempts. 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.

### Group Code of Conduct

The Group Code of Conduct (Code) is one in a series of documents governing the organisation and management of the company. It sets the framework and defines the basic legal and ethical compliance principles and policies we apply globally.

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.

#### Swiss Re's commitment to sustainability

Our commitment to sustainability is fully integrated in the Code's section on business ethics. It provides a guiding principle for our efforts to act as a responsible company.

#### Bribery and corruption

The Code's section on moral behaviour contains, among other things, our position on bribery and corruption. This clearly states that "Swiss Re pursues a 'zero tolerance' policy with respect to bribery and corruption" and that "bribing governmental agents, regulators or other officials is a crime".

We rolled out our Group Anti-Bribery and Corruption Policy, and delivered Group-wide training on it in 2012.

#### Employee training on the Group Code of Conduct

All new permanent and temporary employees joining Swiss Re must undergo mandatory training on the Group Code of Conduct. Completion of the training is tracked and instances of non-completion are escalated until resolution.

All employees are required to complete a Code of Conduct Acknowledgement every two years. The next Acknowledgement will take place in 2015.

# The Swiss Re Foundation

## Empowering communities to build resilience.

### Who we are

The Swiss Re Foundation reflects the social and humanitarian values of Swiss Re. We empower vulnerable communities to become more resilient to risk and to adapt to changing circumstances. Our global programmes address the underlying causes and challenging effects of changes in the natural and social environment. These are areas where Swiss Re's core competencies can be brought to bear on our work.

### How we help

#### Disaster risk reduction

We support development efforts aimed at preventing and preparing for the adverse impacts of natural disasters and the suffering they cause.

#### Capacity building

We help to develop human skills and improve the social environment, so people can improve their living conditions and their resilience.

#### Research and innovation

Continuous research and innovation allow us to develop new approaches to risk management that can work in areas often thought uninsurable.

#### Social entrepreneurship

We support social entrepreneurs whose ideas and connections can provide innovative solutions to address critical social and environmental issues.

#### Emergency aid

Rapid assistance can save lives during an emergency. We respond quickly through donations and Swiss Re employees' fundraising matching programmes.

#### Volunteering

We support communities where Swiss Re has offices and engage Swiss Re employees in volunteering activities. Our community programmes aim to promote social welfare and protect the environment in our neighbourhood.



### The Swiss Re Foundation in 2014 – Heading for resilience

This report presents the Swiss Re Foundation's strategic focus, its activities in 2014 and a focus section on its work in disaster risk reduction.



### What we respond to

Threats to health, security, prosperity and opportunity

### What our priorities are

- Climate
- Natural hazards
- Water
- Society

### Who we support

Social entrepreneurs, NGOs and academic institutions that help communities address critical issues

### Where we help

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



For more information see [swissrefoundation.org/](http://swissrefoundation.org/)

# Corporate responsibility in context: Expanding re/insurance protection

For 151 years, we have provided our clients with effective financial protection against the risks they face. Traditionally, our most important client groups are insurers and large corporations. We offer them a large range of products covering many different types of losses.

With new challenges and new needs for risk protection emerging around the world, we have made considerable efforts in recent years to widen the reach of our re/insurance solutions. An important part of this has been to look beyond our established client base and traditional business model. We believe there is significant unmet demand for effective, commercially viable re/insurance protection, but offering suitable solutions requires innovative thinking on several levels.

## Identifying risks with a protection gap

In many parts of the world, re/insurance protection against key risks remains limited. For example, natural catastrophes such as windstorms,

earthquakes and floods tend to have huge social and financial impacts. Yet, the global gap between total and insured natural catastrophe losses is still massive (see illustration below).

Agriculture is another case in point, especially in emerging and developing countries. All too often, farmers there face the devastating effects of adverse weather without insurance protection. What is more, both natural catastrophe and agricultural risks are expected to increase and become more unpredictable as a result of climate change.

## Working with different clients and partners

To provide effective re/insurance protection for such risks, we need to cooperate with a wider range of partners, ranging from governments, supranational organisations, private

companies and NGOs to “aggregators” such as financial institutions or service providers. We actively seek to build such client and partner relationships, depending on the specific risk to be addressed. To offer tailor-made solutions and expertise to public sector clients, for example, we established our Global Partnerships function several years ago.

## Moving into new markets

It stands to reason that many under-insured risks are located in countries where insurance markets are less developed. This means that a special effort is required to gain a foothold in these markets and to develop a good understanding of local needs, conditions and challenges. Selecting and working with the right partner organisations can greatly help this. To intensify our efforts in Africa, for example, we have dedicated market development teams in both Reinsurance and Corporate Solutions.

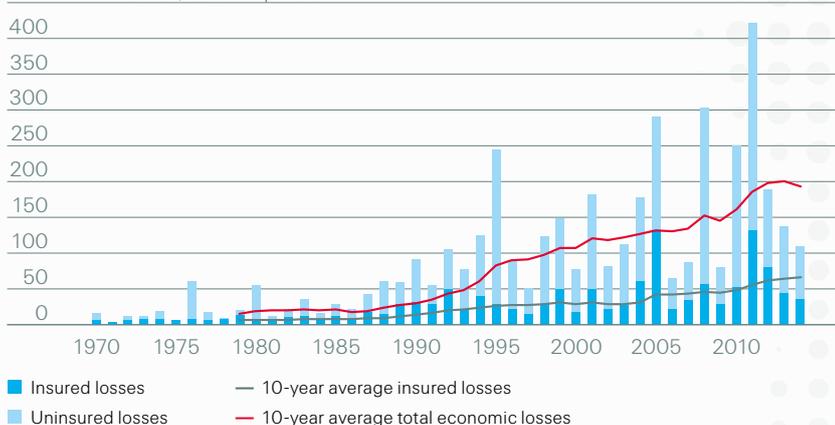
## Developing innovative risk transfer instruments

If we want to expand the reach of our re/insurance covers, we must take into account special requirements. For example, effective protection against natural catastrophe risks means that funds for relief and emergency measures need to be available quickly, so financing arrangements must be in place before an event (“ex-ante financing”). Likewise, agricultural insurance schemes in emerging and developing markets need to add real value, yet be affordable.

Parametric and index insurance products are suitable for these purposes, because they enable automatic payouts and have low administrative costs. As they are considered acceptable collateral by banks and input providers, they help secure and raise incomes. Swiss Re is an acknowledged leader in the development, structuring and pricing of such products.

## Insured losses vs uninsured losses, 1970–2014

in USD bn, at 2014 prices



Source: Swiss Re Economic Research & Consulting

## Key terms: what they mean

### Public-private partnerships

Effectively reducing and financing catastrophic risks requires a combined response by both private and public sector players. While the public sector plays a key role in setting a legal framework that enables the development of a private insurance sector, it is the primary role of private insurers and reinsurers to develop appropriate risk transfer solutions and to absorb and manage those risks most effectively.

In developed countries with a functioning insurance market, there is no need for the government to actively absorb natural catastrophe risks. In countries where the insurance market is not yet sufficiently developed, however, the government may need to assume a more active role as an enabler of risk transfer. In addition, governments themselves may choose to buy private insurance coverage in order to pre-finance public disaster expenses.

### Microinsurance

Although the concept of microinsurance is gaining in popularity across the globe, there is no commonly accepted definition. The term typically refers to insurance products designed for low-income individuals. The word "micro" represents the relatively small transaction size or lower premiums, a concept similar to microfinance with small ticket loans. Microinsurance differs from traditional insurance in many ways, such as the size of premiums, coverage limits, product features, distribution, policy administration and target customers.

#### Sources:

- Closing the financial gap – New partnerships between the public and private sectors to finance disaster risks (2011)
- The fundamentals of insurance-linked securities (2011)
- Sub-Saharan Africa – breadbasket for a growing population (2014)

### Parametric insurance

Parametric insurance uses measured or modelled parametric data to determine payouts. The payout model aims to closely mirror the actual damage on the ground and is usually based on the physical parameters of a catastrophic event or an index of such parameters, eg wind speed, geographic location of a hurricane or earthquake magnitude. Parametric insurance enables a more rapid payment than indemnity insurance because it requires no loss adjustments to assess the actual damage after an event.

Parametric insurance products can be further distinguished based on how payment is determined:

- Pure parametric triggers: using location and physical parameters;
- Parametric index triggers: a refined form of pure parametric triggers, using more granular loss data and giving relative weights to the locations;
- Modelled loss triggers: using a third-party model to calculate losses (and determine payouts).

Insurance products with a parametric index trigger – or index-based insurance products – are used to provide protection against both natural catastrophes and adverse weather conditions harming crops. In the latter case, they are particularly suited to protecting smallholder farmers in emerging and developing countries. Three types of products are popular:

### Index-based products used in crop insurance

#### Area-yield index products

The payout is made at any time the realised average yield (eg over a valley, a country or a defined geographic unit) falls below some threshold yield, regardless of the realised yield on the insured farm.

#### Weather index products

The payout is made at any time an objective weather parameter (eg rainfall, temperature, or soil moisture) triggers a defined threshold.

#### Remote sensing index products

The payout is made at any time an objective weather parameter derived from a satellite (eg rainfall and "normalised differenced vegetation index" for crop and livestock) triggers a defined threshold.

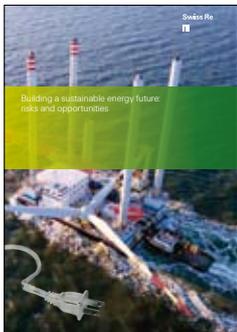
### Insurance-linked securities

Insurance-linked securities (ILS), such as catastrophe bonds, are a means of ceding insurance-related risks to the capital markets. They usually rely on index-based payout mechanisms. Since the first cat bond in 1997, ILS have been used to transfer a wide range of risks from natural catastrophes to life insurance risks (see page 15).

## Other Swiss Re publications

Our publications provide the gateway to Swiss Re's broad knowledge base and expertise. They cover a wide range of topics: from technical reinsurance issues and emerging risks to natural perils, economic trends and strategic issues in our industry. This is a selection of recent publications, in addition to those featured on page 43.

You can download or order our publications at [www.swissre.com/library/](http://www.swissre.com/library/)



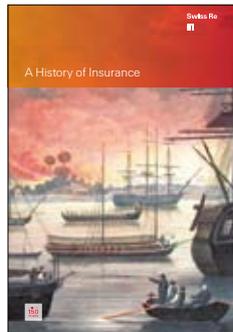
### Building a sustainable energy future: risks and opportunities

With an expanding population and world economy powered by oil, coal and gas, fossil fuels have become a large part of our daily lives. But this has come at a price: greenhouse gas emissions, which adversely affect our climate. How much higher will this price rise before we achieve a more sustainable energy system?



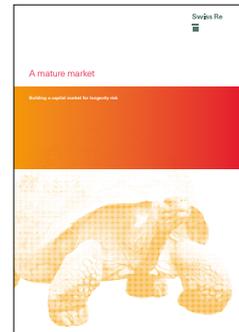
### Mind the risk: A global ranking of cities under threat from natural disasters

This publication provides a comprehensive analysis of natural disaster risk in locations around the world.



### A History of Insurance

Since the time of our foundation in 1863, the world has changed a lot. And insurance has been an instrumental part of this change. We all know that without risk protection, no skyscraper could be built, no products marketed, no goods shipped.



### A mature market: Building a capital market for longevity risk

A capital market for longevity risk could help address the challenges of funding longer lives. Such a market would form part of an overall solution involving the cooperation and innovation of the public and private sectors to ensure that we continue benefiting from our ageing societies.



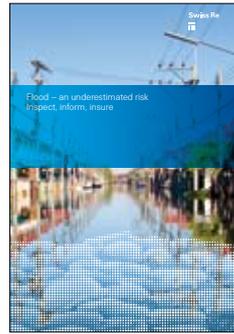
**The future of human longevity: focusing on you (Conference report)**

This stakeholder conference was the latest in a series about our growing life expectancy and its implications for the future. Focusing on consumer behaviour, health policy and translational medicine, it sought to answer what recent developments mean for the individual.



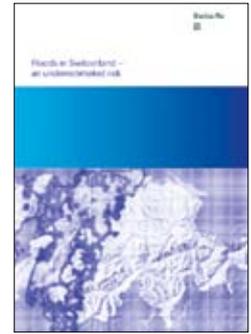
**Understanding the Drivers of Longevity (Risk Dialogue Series)**

Over the past 150 years, life expectancy among the world's population has increased by more than 30 years. How has this happened? Why do we live longer? Can the current trend continue and, if so, to what extent? This publication provides a broad overview of current research on the mechanisms and drivers of longevity.



**Flood – an underestimated risk: inspect, inform, insure**

Floods affect more people worldwide than any other type of natural disaster. But the risk from flooding is often underestimated. In many countries, flood insurance is not widely available or affordable.



**Floods in Switzerland – an underestimated risk**

Floods are the most important natural peril in Switzerland. And Swiss Re's new probabilistic model makes one thing clear: It would not take much for the magnitude of flood damage to exceed that of the August 2005 flood event.



**The hidden risks of climate change: An increase in property damage from soil subsidence in Europe**

Property damage from drought-induced soil subsidence has risen dramatically across Europe. Climate change will further magnify the risks.



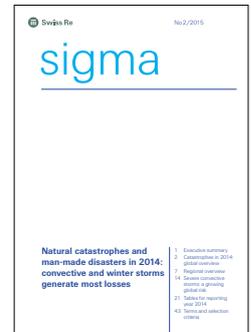
**Closing the financial gap: New partnerships between the public and private sectors to finance disaster risks**

This publication features some of our most innovative transactions and shows how governments in different regions have used risk transfer products to prepare for the economic consequences of catastrophic events and to make their societies more resilient.



**Economics of Climate Adaptation (ECA) fact sheets**

The Economics of Climate Adaptation (ECA) methodology provides decision-makers with a fact base to identify the most cost-effective investments to make their communities more resilient to the impact of climate change. These fact sheets summarise the findings of ECA studies we have completed.



**sigma: the series**

For more than three decades, the *sigma* series has been a trusted source of market information for managers and specialists in direct insurance companies worldwide. To ensure a truly global readership, *sigma* appears in six languages: English, German, French, Spanish, Japanese and Chinese.

# Independent assurance report to the management of Swiss Re Ltd, Zurich ("Swiss Re")

We have been engaged to perform assurance procedures to provide limited assurance on the consolidated CO<sub>2</sub> emissions reporting and CR topics and sections disclosed with the 2014 Swiss Re Corporate Responsibility Report ("CR Report").

## Scope and subject matter

Our limited assurance engagement focused on the following data and information disclosed in the CR Report of Swiss Re and its consolidated subsidiaries, for the financial year ended 31 December 2014:

- a) 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;
- b) The organizational measures and internal key controls in place at the corporate level regarding aggregation of information obtained from the subsidiaries and reporting functions;
- c) The consolidated data and information disclosed in the sections "Creating sustainability solutions" on pages 14–21, "Extending our risk intelligence" on pages 22–34, "Exploring and shaping the risk landscape" on pages 35–43, "Reducing our environmental footprint" on pages 44–53 and "Being an employer of choice" on pages 54–62;

- d) The consolidated CO<sub>2</sub> emissions 2014 (Scope 1, 2 and business travel-related Scope 3 in adherence with the Greenhouse Gas Protocol) of the tables entitled "CO<sub>2</sub> emissions per employee (full-time equivalent, FTE), Swiss Re Group" on page 45 and "Underlying environmental data, Swiss Re Group" on page 45 in the 2014 CR Report for the period of 1 October 2013 till 30 September 2014;
- e) The retirement of 69 800 tonnes of CO<sub>2e</sub> (CO<sub>2</sub> equivalents) described on page 48 of the 2014 CR Report.

## Criteria

The management reporting processes with respect to the CR Report 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 Reporting at Swiss Re", version 2014 including Annex; and
- The defined internal guidelines, by which CR data and information are internally gathered, collated and aggregated.

The accuracy and completeness of CR indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the CO<sub>2</sub> emissions 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

The Swiss Re management is responsible for both the preparation and the presentation of the selected subject matter in accordance with the reporting criteria. Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the subject matter is not stated, in all material respects, in accordance with the reporting criteria.

## Our responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000, 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.

For the subject matter for which we provide limited assurance, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

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 behaviour.

During 2014 we have not performed any tasks or services for Swiss Re that would conflict with our independence, nor have we been responsible for the preparation of any part of the CR data reporting; and therefore qualify as independent as defined by Code of Ethics and applicable legal and regulatory requirements.

In accordance with International Standard on Quality Control 1, PricewaterhouseCoopers AG 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 CO<sub>2</sub> emissions data**

Reconciling the CO<sub>2</sub> emissions data for energy consumption and business travel 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 (sensitive business risk process, management of emerging and political risks, responsible investment, HR data and information, diversity and inclusion, development & training, compensation & benefits, energy consumption, business travel, other environmental data, group sourcing, construction management) 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 69 800 tonnes CO<sub>2e</sub> verified emission reductions (VER) according to the Voluntary Carbon Standard or Gold Standard.

We have not carried out any work in respect of projections and targets nor such outside of the agreed scope and therefore restrict our conclusion to the 2014 CR Report of Swiss Re.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

#### Conclusion

Based on our work described in this report:

- a) Nothing has come to our attention that causes us to believe that the Swiss Re internal CR reporting guidelines are not applied in all material respects, in accordance with the reporting criteria;
- b) Nothing has come to our attention that causes us to believe that the internal reporting processes to collect and aggregate CR data and information is not functioning as designed and does not provide an appropriate basis for the presentation of CR data and information, in all material respects;
- c) Nothing has come to our attention that causes us to believe that the CR data and information disclosed in the 2014 CR Report is not stated, in all material respects, in accordance with the reporting criteria;
- d) Nothing has come to our attention that causes us to believe that the CO<sub>2</sub> emissions data and information disclosed in the 2014 CR Report is not stated, in all material respects, in accordance with the reporting criteria; and
- e) Nothing has come to our attention that causes us to believe that the retirement of 69 800 tonnes of CO<sub>2e</sub> has not been conducted, in all material aspects, in accordance with the internal requirements.

Zurich, 29 May 2015

PricewaterhouseCoopers AG

Marc Schmidli      Stephan Hirschi

# Memberships, awards and index listings

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

## Memberships

### 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](http://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](http://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.climatewise.org.uk](http://www.climatewise.org.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.clintonglobalinitiative.org](http://www.clintonglobalinitiative.org)

### ICRC Corporate Support Group

The ICRC Corporate Support Group is an innovative and long-term partnership set up by the International Committee of the Red Cross (ICRC) and a group of selected Swiss companies. The members of the Corporate Support Group have committed themselves to supporting the ICRC's humanitarian work in the years ahead.

[www.icrc.org](http://www.icrc.org)

### 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](http://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 CO<sub>2</sub> emissions. Swiss Re is one of the foundation's members and is sponsoring its managing director.

[www.swiss-climate-foundation.ch](http://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](http://www.oebu.ch)

### Principles for Responsible Insurance

Developed by the UN Environment Programme's Finance Initiative, the Principles for Sustainable Insurance (PSI) are a framework for the global insurance industry to address environmental, social and governance risks and opportunities.

Currently, a Swiss Re representative has the co-chair of the UN PSI Board.

[www.unepfi.org/psi](http://www.unepfi.org/psi)

### The Climate Group

The Climate Group is an independent, not-for-profit organisation working internationally with government and business leaders to advance smart policies and technologies to cut global emissions and accelerate a clean industrial revolution.

[www.theclimategroup.org](http://www.theclimategroup.org)

### 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](http://www.genevaassociation.org)

### The RE100 initiative

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](http://www.theRE100.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](http://www.unepfi.org)

## Recent awards

### Employer of the Year award at the 2014 Asia Insurance Industry Awards

We won the inaugural edition of this award for our talent development and diversity initiatives.

### ANZIIF Women's Council Employer of the Year 2014

In recognition of our ongoing commitment to diversity and inclusion, we received this award at the 2014 Australian Insurance Industry Awards.

### Ethisphere World's Most Ethical Companies 2014

Swiss Re was once again listed as one of the world's leading ethical firms by Ethisphere, a leading international think tank.

### European Diversity Awards 2013

Jean-Jacques Henchoz, Swiss Re's CEO Reinsurance EMEA, won the 2013 European Diversity Award in the "Inspirational role model of the year" category.

### AIIA General Reinsurer of the Year 2013

Swiss Re won this Asia Insurance Industry Award (AIIA) for enhancing natural catastrophe tools and partnering with governments for pre-disaster financing, amongst other things.

## Selected index listings and ratings

Dow Jones Sustainability Indices, Industry Leader 2015



ECPI Indices



Ethibel Pioneer & Excellence Investment Register



oekom research, Prime investment status



FTSE4Good Index Series



# The Principles for Sustainable Insurance (PSI): Our Public Disclosure of Progress

Developed by the UN Environment Programme's Finance Initiative (UNEP FI) in collaboration with leading re/insurance companies, the Principles for Sustainable Insurance (PSI) provide a framework for the global insurance industry to address environmental, social and governance (ESG) risks and opportunities.

## Swiss Re and the PSI

We are keen to support the spread of sustainable business practices in the re/insurance industry. Not only are we one of the original signatories to the Principles of Sustainable Insurance, we have played an active role in their development and have provided its co-chair since 2012.

We support the PSI's call for transparency and disclose our progress on implementing its principles below.



**PSI**  
Principles for Sustainable Insurance

### Principle 1

We will embed in our decision-making ESG issues relevant to our insurance business.

- As expressed in our Commitment to Corporate Responsibility, we seek to embed ESG issues in both our business solutions and risk management (see page 9).
- We plan to achieve this by:
  - a) developing innovative risk transfer solutions (eg index insurance products and cat bonds) and by working closely with partners both in the private and public sectors;
  - b) using tailor-made tools in our risk management to address sustainability risks;
  - c) integrating ESG criteria in our asset management.
- Key actions taken in 2014:
  - a) for business solutions, see achievements described on pages 14–21;
  - b) for risk management, see achievements described on pages 22–30;
  - c) for asset management, see achievements described on pages 31–34.

### Principle 2

We will work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.

- As expressed in our Commitment to Corporate Responsibility, we engage in regular dialogue with our clients and other stakeholders, and apply ESG guidelines in our sourcing activities (see page 9).
- We plan to achieve this by:
  - a) interacting with clients and taking an active role in industry initiatives to advance sustainable business practices;
  - b) sharing and advancing our risk expertise with a special focus on five Top Topics, supported by our own dialogue platform, the Centre for Global Dialogue;
  - c) applying overarching guidelines and specific "minimum standards" in our sourcing activities.
- Key actions taken in 2014:
  - a) for client and industry cooperation, see achievements described on pages 26–27;
  - b) for general risk dialogue, see achievements described on pages 35–43;
  - c) for sourcing guidelines, see achievements described on page 50.

### Principle 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues.

- As expressed in our Commitment to Corporate Responsibility, we engage in regular dialogue with all our stakeholders (see page 9).
- We plan to achieve this by: sharing and advancing our risk expertise with a special focus on five Top Topics, supported by our own dialogue platform, the Centre for Global Dialogue.
- Key actions taken in 2014: See stakeholder dialogue achievements on pages 35–43.

### Principle 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

- Starting in 2012, we have been disclosing our progress in implementing the Principles on an annual basis, as an integrated part of our Corporate Responsibility Report.



For more information see  
[www.unepfi.org/psi/](http://www.unepfi.org/psi/)

# GRI Content Index

## with UN Global Compact Communication on Progress (COP) references

This content index refers to the Global Reporting Initiative (GRI) G3.1 Guidelines for Sustainability Reporting. The guidelines form a voluntary framework setting out principles and indicators that companies can use to measure and report their economic, environmental and social performance.

References to the UN Global Compact principles addressed as part of our Communication on Progress (COP) are incorporated into the GRI content index, in line with UN recommendations.

|  | UN Global Compact principle     | Page                |
|--|---------------------------------|---------------------|
| <b>Profile</b>                           |                                 |                     |
| <b>Strategy and analysis</b>             |                                 |                     |
| 1.1 Chairman's and CEO's statement       | Statement of continuing support | 2–3                 |
| 1.2 Key impacts, risks and opportunities |                                 | 9–11, 13            |
| <b>Organisational profile</b>            |                                 |                     |
| 2.1 Name of the organisation             |                                 | 4                   |
| 2.2 Brands, products and services        |                                 | 4–6                 |
| 2.3 Operational structure                |                                 | 6, FR 2–3           |
| 2.4 Headquarter location                 |                                 | 4                   |
| 2.5 Countries of operation               |                                 | 4–5, FR 172         |
| 2.6 Nature of ownership                  |                                 | 4, FR 76–81         |
| 2.7 Markets served                       |                                 | 4–5, FR 162–172     |
| 2.8 Scale of the organisation            |                                 | 7, 54, FR 26–45     |
| 2.10 Awards received                     |                                 | 73                  |
| <b>Report parameters</b>                 |                                 |                     |
| 3.1 Reporting period                     |                                 | 12                  |
| 3.2 Most recent previous report          |                                 | 12                  |
| 3.3 Reporting cycle                      |                                 | 12                  |
| 3.4 Contact point                        |                                 | 78                  |
| 3.5 Content definition                   |                                 | 12                  |
| 3.6 Boundary of the report               |                                 | 12                  |
| 3.7 Limitations on the report's scope    |                                 | 12                  |
| 3.8 Reporting on other entities          |                                 | 12                  |
| 3.9 Data measurement techniques          |                                 | 45–46, 56–57, 70–72 |
| 3.12 GRI content index                   |                                 | 75–77               |
| 3.13 External assurance                  |                                 | 70–71               |

FR = 2014 Financial Report

|   | UN Global Compact principle                  | Page                  |
|---|--|-----------------------|
| <b>Governance, commitments and engagement</b> |  |                       |
| 4.1   | Governance structure                         | 63–64, FR 74, 82–95   |
| 4.2   | Independence of chairman                     | 63                    |
| 4.3   | Independence of board members                | 63–64, FR 82–90       |
| 4.4   | Shareholder and employee representation      | 64, FR 102–103        |
| 4.5   | Executive compensation                       | FR 120–144            |
| 4.6   | Conflicts of interests                       | 63–64, FR 74, 82–90   |
| 4.8   | Mission statements and Code of Conduct       | 9, 64                 |
| 4.9   | Governance procedures on CR                  | 12                    |
| 4.11  | Precautionary approach principle             | 7, 8–11, 13, 22–34    |
| 4.12  | Externally developed charters and principles | 2, 26, 32, 72         |
| 4.13  | Memberships                                  | 72–73                 |
| 4.14  | List of stakeholder groups                   | 9, 35                 |
| 4.15  | Stakeholder identification                   | 35                    |
| 4.16  | Approaches to stakeholder engagement         | 2–3, 9, 26–27, 35, 40 |

## Management approach and performance indicators

### Product and service impact

#### Disclosure on management approach:

We provide comprehensive disclosure on our management approach to product and service impact in the two chapters “Creating solutions for sustainability” and “Extending our risk intelligence”.

|      |  |            |              |
|------|--|------------|--------------|
| FS1  | Environmental and social policies in business lines    | 1, 2, 7–9  | 9, 14, 22    |
| FS2  | Screening of environmental and social risks            | 1, 2 and 8 | 22–26, 31–32 |
| FS4  | Environmental and social training for staff            | 1, 2 and 8 | 26           |
| FS5  | Interactions with clients/investees/business partners  | 1 and 2    | 14, 26–27    |
| FS7  | Products with specific social benefit                  |            | 14–21, 66–67 |
| FS8  | Products with specific environmental benefit           | 7 and 8    | 14–21        |
| FS11 | Environmental and social screening in asset management |            | 31–34        |

### Economic dimension

#### Disclosure on management approach:

Our management approach to the economic dimension is primarily disclosed in the 2014 Financial Report. Specific aspects (“implications of climate change” and “indirect economic impacts”) are disclosed in this report in the “Who we are and what we do”, “Creating solutions for sustainability” and “Exploring and shaping the risk landscape” chapters.

|     |                                 |   |                     |
|-----|---------------------------------|---|---------------------|
| EC1 | Direct economic value generated |   | 7, FR 148–153       |
| EC2 | Implications of climate change  | 7 | 14–21, 35–38, 66–67 |
| EC3 | Benefit plan obligations        |   | FR 216–223          |
| EC9 | Indirect economic impacts       |   | 6, 14–21            |

### Environmental dimension

#### Disclosure on management approach:

We provide comprehensive disclosure on our management approach to the environmental dimension in the chapter “Reducing our environmental footprint”.

|      |   |         |           |
|------|---|---------|-----------|
| EN1  | Materials used by weight or volume                | 8       | 45, 47–48 |
| EN2  | Recycled materials used                           | 8 and 9 | 45, 48    |
| EN4  | Indirect energy consumption                       | 8       | 45–47     |
| EN5  | Energy conservation and efficiency                | 8 and 9 | 46–47     |
| EN6  | Initiatives to use renewable energy               | 8 and 9 | 46        |
| EN7  | Initiatives to reduce indirect energy consumption | 8 and 9 | 46–47, 51 |
| EN8  | Total water withdrawal                            | 8       | 45        |
| EN16 | Greenhouse gas emissions                          | 8       | 45–46     |
| EN17 | Indirect greenhouse gas emissions                 | 8       | 45–46     |

FR = 2014 Financial Report

|   | UN Global Compact principle | Page      |
|---|-----------------------------|-----------|
| EN18 Initiatives to reduce greenhouse gas emissions | 7, 8 and 9                  | 44–47, 51 |
| EN22 Total weight of waste                          | 8                           | 45        |
| EN29 Environmental impact of transport              | 8                           | 45–47     |

### Labour practices and decent work

#### Disclosure on management approach:

Our management approach to labour practices and decent work is disclosed in the chapter “Being an employer of choice”.

|  |         |        |
|--|---------|--------|
| LA1 Breakdown of workforce                           |         | 54, 56 |
| LA2 Employee turnover                                | 6       | 54     |
| LA4 Freedom of association and collective bargaining | 3       | 50, 61 |
| LA7 Number of lost days                              |         | 60     |
| LA8 Training on serious diseases                     | 1       | 60     |
| LA10 Training hours                                  | 6       | 57     |
| LA12 Performance review                              |         | 62     |
| LA13 Workforce diversity                             | 1 and 6 | 55–56  |

### Human rights

#### Disclosure on management approach:

We address human rights aspects relevant to our business through our Sustainability Risk Framework and our sourcing guidelines. The corresponding management approaches are disclosed in the chapters “Extending our risk intelligence” and “Reducing our environmental footprint”, respectively.

|  |            |           |
|--|------------|-----------|
| HR2 Supplier screening on human rights | 1–6        | 50        |
| HR6 Child labour                       | 1, 2 and 5 | 22–25, 50 |
| HR7 Forced or compulsory labour        | 1, 2 and 4 | 22–25, 50 |

### Society

#### Disclosure on management approach:

We address society aspects relevant to our business through our business solutions, Group Code of Conduct and stakeholder dialogue. The corresponding management approaches are disclosed in the chapters “Creating solutions for sustainability”, “Ensuring good governance” and “Exploring and shaping the risk landscape”, respectively.

|  |    |                  |
|--|----|------------------|
| FS14 Access to financial services for disadvantaged people |    | 14, 17–19, 66–67 |
| SO3 Anti-corruption training                               | 10 | 64               |
| SO5 Public policy positions                                |    | 35               |

### Product responsibility

We consider the definition of product responsibility in the GRI guidelines to be of little relevance for a company providing business-to-business services in the financial industry, and hence provide no information in this area.