

Executive statement

Dear stakeholders

It is our pleasure to present to you our 2014 Corporate Responsibility Report. In this publication, we describe how we contribute to sustainable progress and what we achieved during 2014. As in previous years, our Report doubles as our disclosure document for two voluntary commitments we have made to the United Nations: the UN Global Compact and the UNEP FI Principles for Sustainable Insurance (PSI). We remain committed to both initiatives and will continue to play an active role in the PSI.

Our strategic priorities have largely stayed the same in recent years. By building on our earlier work, we made some notable achievements and launched important new initiatives in 2014. Incidentally, we believe that this focus on continuous improvement is a key reason why we regained the sector leadership in the Dow Jones Sustainability Indices. It is a distinction we are proud of, because it shows that our stakeholders appreciate how we live our commitment as a responsible company.

Below, we would like to summarise some of last year's highlights:

In our core re/insurance business, we continued to create innovative solutions that help our clients and society at large to tackle major sustainability-related risks. Natural catastrophes and climate change, volatile weather, renewable energy and funding longer lives remained our focus areas. Across these risks, we have continued to place special emphasis on giving vulnerable communities in emerging and developing countries better access to insurance protection.

Reflecting this goal, we have recently made two significant commitments. In 2012, we pledged to the Grow Africa Partnership that we would help insure up to 1.4 million smallholder farmers against bad weather that may threaten their crops and thus their livelihoods. We are happy to report that, at the end of 2014, a total of two million farmers were newly insured thanks to innovative index-based products. Last year, we signed a second commitment, this time to the United Nations: addressing its Climate Summit in New York, we announced that we would advise 50 sovereigns and sub-sovereigns by 2020, offering them up to USD 10 billion of re/insurance protection.

Through our solutions we expand insurance protection; in our risk management, however, our focus is on detecting and addressing risks that we feel we should not insure for ethical reasons or that may pose a challenge to our business. We have specific tools to address sustainability, political, regulatory and emerging risks. In 2014, our underwriting teams referred a total of 454 transactions to our Sensitive Business Risks process, up from 210 in the previous year. This marked increase was due to our expanding business in high growth markets and our ongoing training efforts. All of the transactions were carefully screened by our in-house sustainability experts; in 43 cases we decided to abstain from the transaction.

Many of the large-scale risks facing society today are complex, and finding viable responses to them requires cooperation between various partners. This is why we place a strong focus on open, constructive dialogue.



Walter B. Kielholz



Michel M. Liès

Guided by our five Top Topics, we continued to engage with our partners and share our risk expertise in many ways during 2014, including several new publications. Our own conference facility, the Centre for Global Dialogue near Zurich, organised events on a range of different risk topics. For example, a two-day conference put the spotlight on the gradual advent of autonomous cars, which are going to pose a major challenge to established insurance practices and require new solutions.

As a typical knowledge company, we do not cause large environmental impacts. Yet, we firmly believe it is essential for any responsible company to minimise its footprint, thus leading by example. Given the strategic relevance of climate

change for our business, our CO₂ emissions and energy consumption remained top priorities. After launching new seven-year cycles of our pioneering Greenhouse Neutral Programme and CO_{you2} Programme in 2013, both continued seamlessly last year. We also launched the RE100 initiative as one of its founding members: in a joint effort with several other large companies, we want to encourage better supplies of renewable energy in some key emerging markets, so we can cover 100% of our energy requirements from renewable sources by 2020.

None of these initiatives and achievements would have been possible without our committed and skilful workforce. Remaining successful in today's fast-moving marketplace and at the same time making a substantial contribution to sustainable progress can be challenging. We are fully aware of this and would like to thank all our employees for the great work they achieved for Swiss Re in 2014.

The Swiss Re Foundation in 2014 – Heading for resilience
This separate report describes in detail how the Swiss Re Foundation helps communities to build resilience to risk.



Zurich, June 2015

Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group Chief Executive Officer

Who we are and what we do

Swiss Re aims to be the leading player in the wholesale re/insurance industry. We seek to outperform peers in core areas, combined with smart expansion into areas where additional growth opportunities exist.

Swiss Re at a glance

Swiss Re is a leader in wholesale reinsurance, insurance and risk transfer solutions. Our clients include insurance companies, corporations, the public sector and policyholders.

Our corporate structure with three Business Units allows us to sharpen our client focus, improve transparency and accountability, increase capital efficiency and operate with greater flexibility.

At Swiss Re we are working smarter together with our clients. That means working side by side, forming a deep understanding of their needs, applying our expertise and bringing fresh perspectives to manage risk in better ways.

Headquartered in Zurich, Switzerland, Swiss Re has operations across the globe. At the end of 2014, we had 71 offices in more than 30 countries. Based on "net premiums earned and fee income from policyholders", our ten

biggest markets in 2014 were: the United States, the United Kingdom, China, Australia, Germany, Canada, Japan, France, Ireland and Switzerland. 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 Main 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 2014 (USD billions)	11.3 (USD 11.3 billion in 2013)
Number of offices as of 31 December 2014	24* (22 in 2013)
Number of employees (regular staff) as of 31 December 2014	7457 (7324 in 2013)

 For more information see swissre.com/about_us/

* Counting all Zurich premises as one office



Americas	Asia-Pacific	Total
<p>12.2 (USD 11.5 billion in 2013)</p>	<p>7.8 (USD 6.0 billion in 2013)</p>	<p>31.3 (USD 28.8 billion in 2013)</p>
<p>36 (34 in 2013)</p>	<p>11 (11 in 2013)</p>	<p>71 (67 in 2013)</p>
<p>3300 (2955 in 2013)</p>	<p>1467 (1295 in 2013)</p>	<p>12224 (11574 in 2013)</p>

The Swiss Re Group

Reinsurance



Reinsurance is Swiss Re's largest business in terms of income and the foundation of our strength, providing about 85% of gross premiums and fee income through two segments – Property & Casualty and Life & Health. The unit aims to extend Swiss Re's industry-leading position with disciplined underwriting, prudent portfolio management and diligent client service.

Corporate Solutions



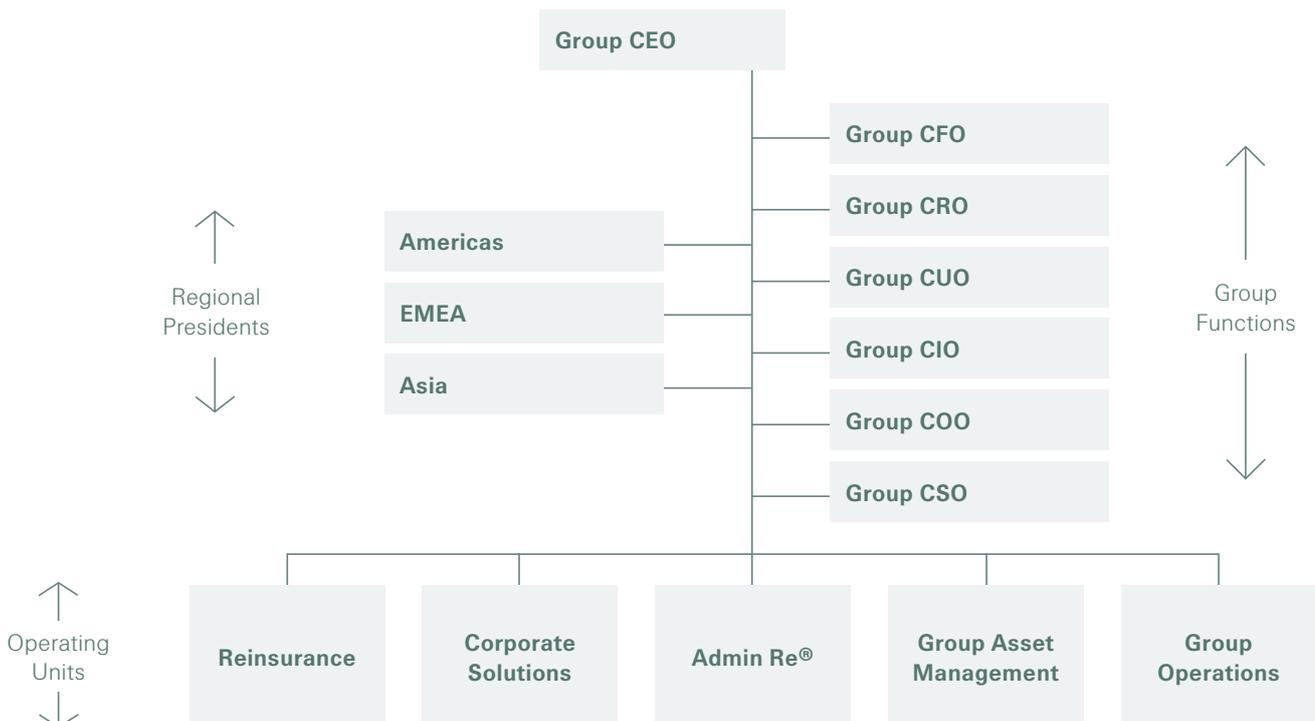
Corporate Solutions serves mid-sized and large corporations, with product offerings ranging from traditional property and casualty insurance to highly customised solutions. Corporate Solutions serves customers from over 40 offices worldwide and is a growth engine of the Swiss Re Group.

Admin Re®



Admin Re® provides risk and capital management solutions by which Swiss Re acquires closed books of in-force life and health insurance business, entire lines of business, or the entire capital stock of life insurance companies. Admin Re® solutions help clients free up capital to redeploy to new business opportunities while reducing administrative burdens.

Operational Group structure



How we operate

Swiss Re is a knowledge company. We apply that knowledge to help clients, shareholders and society.

In simplified terms, our business model works as follows:

We provide tailor-made solutions through traditional reinsurance or insurance-based capital market instruments. At the core of our expertise is the **costing, pricing and diversification** of non-life and life risks.

Against **upfront premium payments**, our solutions enable our **clients** to reduce peak risks, reduce earnings volatility, free up capital and finance growth, and achieve capital management targets for solvency and ratings.

We invest assets long-term until money is needed, applying asset-liability matching techniques to align the duration and currency of invested assets to the duration and currency of our insurance liabilities, ensuring that we deliver on our promises to our clients.

We **compensate for our clients' losses**, using effective claims management procedures that are based on industry best practice, providing speed of payment when clients need us most.

Key financial data

The table below provides an overview of some of the Swiss Re Group's key financial data:

USD millions unless otherwise stated	2013	2014
Total assets	213 520	204 461
Total investments	150 075	143 987
Total liabilities	180 543	168 420
Total debt ¹	18 540	14 316
Shareholders' equity	32 952	35 930
Retained earnings	30 766	34 257
Total revenues	36 902	37 347
Premiums earned and fee income	28 818	31 262
Net investment income – non-participating ²	3 947	4 103
Net investment result – unit-linked and with-profit	3 347	1 381
Total expenses	32 077	33 120
Claims and claim adjustment expenses	9 655	10 577
Life and health benefits	9 581	10 611
Income tax expense	312	658
Current taxes	641	1 072
Deferred taxes	-329	-414
Net income³	4 444	3 500
Earnings per share in CHF (basic)	12.04	9.33
Dividends paid to shareholders	2 760	3 129
Return on equity in %	13.7	10.5

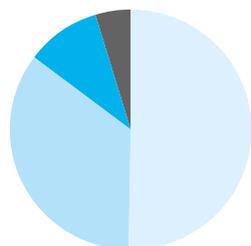
¹ Total debt expressed as total carrying value

² Excluding unit-linked and with-profit business

³ Net income attributable to common shareholders

Net earned premiums and fee income by Business Unit

(Total: USD 31.3 billion)



- 50% P&C Reinsurance
- 36% L&H Reinsurance
- 11% Corporate Solutions
- 3% Admin Re[®]

Our approach to corporate responsibility

We are committed to being a responsible company. Contributing to sustainable, long-term value creation serves as a guiding principle for our actions.

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 contribute to sustainable value creation, for the benefit of our clients and society at large. This long-term view is embedded in Swiss Re's normative framework and governance, in particular the Group Code of Conduct. It is one of the principles that form the foundation of our values:

- 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.



For more information see
[swissre.com/about_us/our_values/](https://www.swissre.com/about_us/our_values/)



For more information see
[swissre.com/corporate_responsibility/](https://www.swissre.com/corporate_responsibility/)

Our understanding of materiality

A key question for any company that seeks to take a long-term view and enable sustainable progress is what this means in the context of its own business and industry: which of its activities and which topics are “material” to achieving this goal?

We first began to address a specific sustainability issue more than 20 years ago when we drew attention to the potential risks created by climate change. Our first effort to disclose sustainability-related information dates back to 1999, when we published a Corporate Environmental Report covering the business year of 1998.

Our overarching commitment

Reflecting this long-standing engagement for sustainable progress, our understanding of “materiality” has developed gradually over time. Our Sustainability Mission Statement, issued together with our initial reports, was the first document to make a public statement; it sought to emphasise the comprehensive nature of our commitment to long-term value creation and listed the areas of our business we considered relevant to this goal.

Over the years, we gradually developed a broader understanding of “corporate responsibility”, though still based on the key notions of long-term value creation and sustainable progress. Reflecting this, we updated our overarching statement and reissued

it as our Commitment to Corporate Responsibility: It continues to express our overarching commitment and describes, in general terms, what goals we pursue in which areas of our business.

Our Commitment to Corporate Responsibility

General commitment

“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 a long-term view and to play our part in enabling sustainable progress.

Sustainability as a guiding principle

Sustainable progress – or sustainability – can be described as development that meets the needs of the present without compromising the ability of future generations to meet their needs. To be sustainable, progress must improve economic efficiency, protect and restore ecological systems, and enhance social wellbeing. In all our main activities aimed at implementing corporate responsibility, the principle of sustainability is a key criterion:

■ Business solutions

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

■ Stakeholder dialogue

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

■ Our 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.

■ 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.

■ Our employees

We want to provide our employees with a working environment conducive to their professional and personal development. We nurture a culture of diversity and inclusion across the company, offer excellent training possibilities, and provide a range of health and other benefits.



2014 Financial Report
This includes a “corporate responsibility” section focusing on the link to financial performance (on pages 108–119).

Materiality has been a key topic in recent discussions about corporate responsibility reporting. It is our impression, however, that not everyone understands this term in the same way. Some stakeholders define materiality as all of a company’s actions that impact the environment and society; others narrow down materiality to those aspects that have a tangible link to a company’s financial performance.

These two notions of materiality lead to significant differences in reporting focus and scope. This is why we have started to provide an extended chapter on corporate responsibility in our Financial Report that focuses on actions with a strong link to our financial performance.

How we determine key sustainability issues

Our Commitment to Corporate Responsibility is what it says: It expresses our overarching commitment to long-term value creation and our general goals in this respect. It does not, however, specify the specific issues we consider material because these may evolve and change over time.

To determine these material issues, we continuously harness the deep understanding of re/insurance markets and the risk expertise that are embedded in our company. In many areas of our business, we have special teams, functions and processes to identify and address issues relevant to sustainable development. Using this embedded know-how means that we employ a decentralised approach to identify material issues.

In our core re/insurance business, we have special units, such as our Global Partnerships function in the Group or the Environmental & Commodity Markets department in our Corporate Solutions Business Unit, that identify underinsured markets and risks, and seek to expand re/insurance protection through commercially viable solutions. (See special section on pages 66–67.)

In our risk management, the challenge is to identify sustainability risks we feel we should not re/insure for ethical reasons, and other risks that may pose a challenge to our own business. We conduct this analysis through our Sustainability Risk Framework and other tailor-made risk management tools.

The expertise embedded in our core business and the issues we identify in this way directly influence the priorities of our stakeholder dialogue, our internal environmental management and our commitment to play an active role in society through the Swiss Re Foundation.

You can find a full list of material issues for all the relevant areas of our business on page 13.





A time-lapse view of Hurricane Andrew travelling towards the Gulf of Mexico. Natural catastrophes and the impact of climate change remain key topics for us and our partners.

Climate change

For a reinsurer, climate change constitutes a key risk 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 losses.

Since detecting the long-term threat posed by climate change more than 20 years ago, we have been an acknowledged thought leader on the topic. To tackle the issue, we pursue a comprehensive strategy with four pillars. This is described in the box on the right, together with the strongest business impacts of climate change.

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.

The main business impacts of climate change

- We need to understand how climate change affects natural catastrophe risks so we can price our covers accurately;
 - See pages 14–15
- Efforts to mitigate climate change create opportunities to offer insurance protection for renewable energy projects;
 - See pages 20–21
- Efforts to adapt to climate change create opportunities to develop innovative products offering protection against natural catastrophes;
 - See pages 15–19 and 66–67
- Regulatory responses to climate change may bring new reporting requirements we need to be aware of.
 - See page 27

Governance and 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 periodically review the Group's sustainability and citizenship activities.

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 & Political Risk Management unit also carries out certain coordination tasks and is responsible for producing the Group's Corporate Responsibility Report.

Disclosure and accountability

We have voluntarily reported on our performance as a responsible company since 1998. Over the years, the range of topics covered in these yearly reports has gradually widened. While early editions had a strong focus on environmental concerns, later editions gradually extended their focus to social and governance issues. Since 2007, we have published a comprehensive Corporate Responsibility Report, guided by best practice in corporate responsibility reporting.

Content definition

The structure of the present report reflects our Commitment to Corporate Responsibility: each business area specified as relevant there is covered by an individual chapter – with one exception: Our role as an active citizen in society is described in a separate report published by the Swiss Re Foundation (see page 65). Thus, the report includes the following five main chapters:

- Creating solutions for sustainability
- Extending our risk intelligence
- Exploring and shaping the risk landscape
- Reducing our environmental footprint
- Being an employer of choice

The content presented in these chapters reflects the material issues within the respective areas, as listed on page 13.

An additional chapter highlights some key features of Swiss Re's corporate governance regime, including the Group Code of Conduct:

- Ensuring good governance

In our 2011 Corporate Responsibility Report we first included special sections in addition to the core chapters: Under the heading of "Corporate responsibility in context", they provide some background information on important sustainability topics. In this year's edition we present one such section:

- Corporate responsibility in context:
 - Expanding re/insurance protection

Scope

Our Corporate Responsibility Report covers the whole Swiss Re Group, ie the publicly listed holding company Swiss Re Ltd., its three Business Units Reinsurance, Corporate Solutions and Admin Re®, and all directly or indirectly held subsidiaries. As in past years, its scope is limited to Swiss Re's own operations. Although we provide information on our sourcing and procurement policies, we do not report on the performance of our suppliers because the re/insurance business does not involve an extensive supply chain. However, since 2013, we have been disclosing some of the emissions caused along our supply chain (Scope 3 emissions).

To get a complete overview of our actions as a responsible company, this report should be read in conjunction with the annual report published by the Swiss Re Foundation (see page 65).

Independent assurance

This is the second year that the five main chapters of the report have received independent assurance from PricewaterhouseCoopers. Their assurance statement is included on pages 70–71.

Reporting frameworks

Insofar as is applicable to a business-to-business company in financial services, this report takes into account the G3.1 Sustainability Reporting Guidelines of the Global Reporting Initiative, GRI (www.globalreporting.org). The detailed GRI Content Index is included on pages 75–77.

Furthermore, the present report incorporates our 2014 Communication on Progress for the UN Global Compact (www.unglobalcompact.org). In line with the United Nations' recommendations, references to the Compact's ten principles are incorporated into the GRI Content Index. For the third consecutive year, we also report against the Principles for Sustainable Insurance, PSI (www.unepfi.org/psi). You can find our Public Disclosure of Progress on page 74.

The present report follows the 2013 edition and covers the calendar year of 2014. We plan to maintain our annual publishing cycle and to present our next Corporate Responsibility Report in the second quarter of 2016, covering the year of 2015.

Overview of all material issues

Business solutions

Our efforts to support sustainable progress by expanding re/insurance protection focus on the following themes:

- Natural catastrophes and climate change
- Renewable energy, especially offshore wind
- Agricultural risks
- Longevity
- Insurance in emerging and developing countries

Risk intelligence

When trying to identify sustainability risks we may want to avoid in our re/insurance transactions and investments, we pay special attention to the following eight sectors or issues:

- Animal testing
- Dams
- Defence industry
- Forestry and logging
- Human rights and environmental protection
- Mining
- Nuclear weapons proliferation
- Oil and gas

Stakeholder dialogue

Our dialogue with stakeholders, which aims to form effective responses to key risks facing society, currently revolves around five Top Topics closely linked to our core business:

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

Our footprint

Given the strategic importance of climate change for our business, our priority is to reduce CO₂ emissions and energy consumption; furthermore, we apply Group-wide principles to our sourcing activities:

- CO₂ emissions
- Energy consumption
- Sourcing

Active in society

The Swiss Re Foundation seeks to empower communities to build risk resilience by using the expertise from our core business and by focusing on these areas:

- Climate change
- Natural hazards
- Water
- Society

Our employees

As a typical knowledge company, we have identified four topics that are both beneficial to our employees and have a tangible link to our longer-term performance:

- Diversity and inclusion
- Development and training
- Employee relations
- Compensation and benefits