

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

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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



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Group Chief Executive Officer