

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

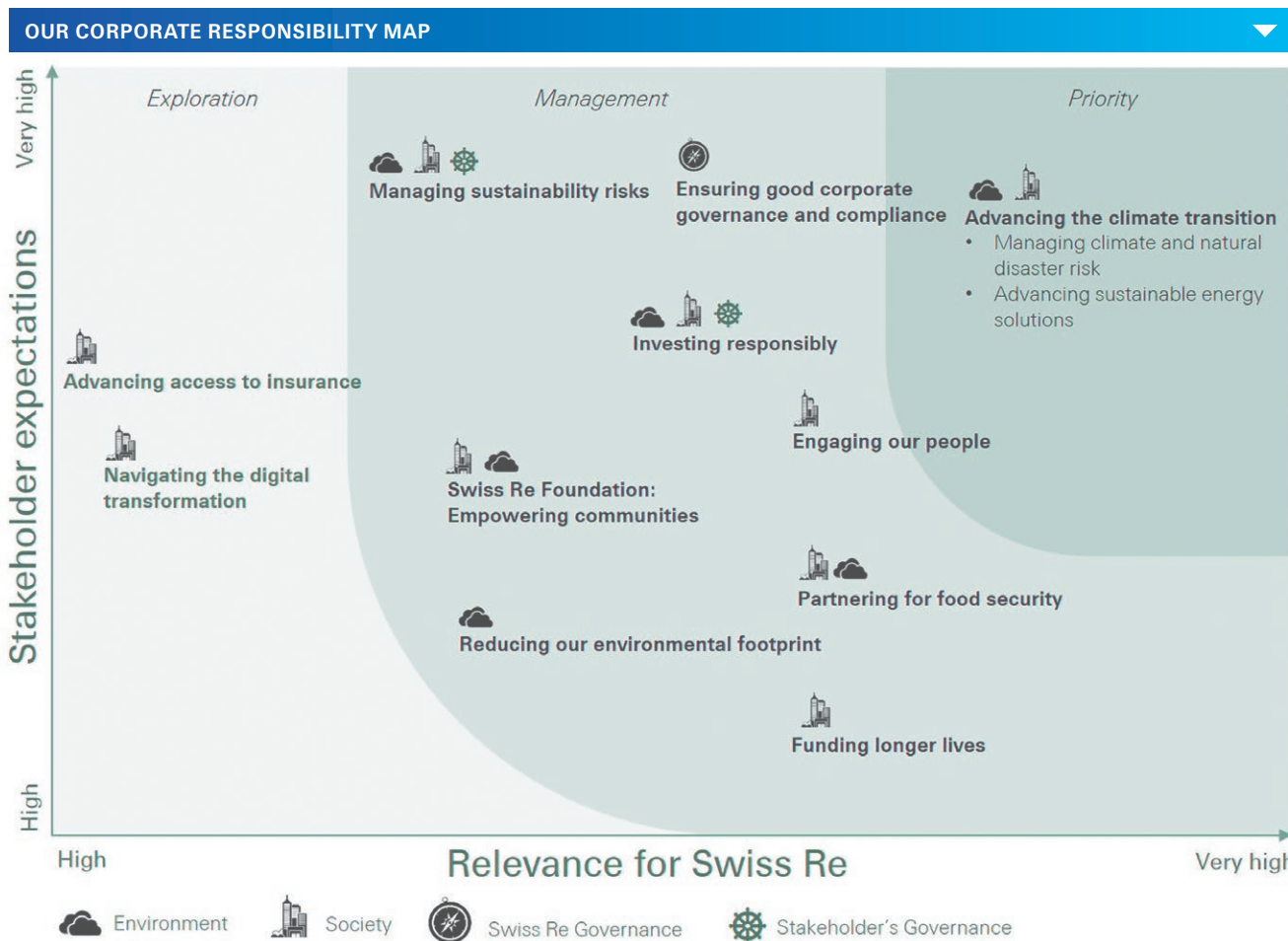
In 2016, we carried out a comprehensive review of the key Corporate Responsibility Topics we are facing as a global re/insurer and, on this basis, developed a graphic Corporate Responsibility Map.

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

- 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.

PROGRESS ON OUR CORPORATE RESPONSIBILITY GOALS

- 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](https://www.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.