

Executive statement



Walter B. Kielholz, Chairman of the Board of Directors



Christian Mumenthaler, Group Chief Executive Officer

Dear stakeholders,

We are pleased to share the 2018 edition of our Corporate Responsibility Report with you. In this annual publication, we explain what we want to achieve as a responsible company and describe the actions we have taken. As we clearly state in our value framework, “playing our part in enabling sustainable progress” has long been an overarching objective.

For our business this translates into managing and monitoring risks and opportunities associated with environmental, social and governance (ESG) issues. To stay competitive, we need to adapt to the changing risk landscape and address such issues consistently in all aspects of our business. This creates long-term value for Swiss Re as well as for society in general.

On the following pages you can read in detail about the sustainability topics we regard as the most relevant. The overview includes links to the UN Sustainable Development Goals and shows what actions we have taken to meet the internal goals we have set for the topics.

Our Corporate Responsibility Report also meets important external requirements. It is our official 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. You can view the two reference tables in the online version of the report. We will continue to honour both commitments and report on our activities to meet their principles.

Among the sustainability topics we address, climate change continues to be a key issue. Reflecting this, we also made a voluntary commitment three years ago to publish Climate-related Financial Disclosures as recommended by the Financial Stability Board. We have included these detailed disclosures in our 2018 Financial Report and invite you to read them in parallel with the present publication.

Below we would like to highlight some major achievements across the different areas where we implement our commitment to corporate responsibility.

In our core re/insurance business, we continued to offer our clients protection against various environmental and social risks by creating tailor-made, innovative solutions. They range from large covers for hurricane damage in Florida and other southern US states to pioneering solutions for low-income women entrepreneurs in Egypt and small-scale farmers in Zambia. We also completed the industry's first-ever solar energy "put", which offers protection against shortfalls in power output due to lack of sunshine. In the life and health segment, we continued our efforts to improve access to affordable insurance solutions through our digital-based iptiQ programme.

At the same time as we help develop solutions against certain environmental and social risks, we put a strong focus on addressing risks that may undermine sustainable progress, raise ethical questions and/or increase long-term loss potential. In 2018, we introduced our thermal coal policy, pledging not to provide re/insurance to businesses with more than 30% exposure to thermal coal utilities or mining. The policy has been fully integrated into our Sustainability Risk Framework and marks a further important step in our efforts to support the transition to a low-carbon economy. To share our latest insights on emerging risks, we again published our SONAR report. One of the risks it describes is "algorithmic decision-making", on which you can read a case study in the present publication.

In our asset management we continued to integrate ESG criteria consistently across our investment portfolio. A year after having switched to ESG benchmarks, we remain convinced that this improves the risk-adjusted returns of our investment portfolio, especially in the long run. To share our experience on the switch, we launched a second publication "Responsible investments: The next steps in our journey". Besides having achieved our target of holding at least USD 1.5 billion of green bonds, we actively contributed to the global policy dialogue by being part of the European Commission's Technical Expert Group on Sustainable Finance, for instance.

Most risks potentially undermining sustainable progress are by nature complex, and finding effective responses requires the involvement of different players both from the private and the

public sector. For this reason, we place emphasis on ongoing dialogue with our stakeholders, true to our motto that "we're smarter together". After carefully reviewing our dialogue priorities, we introduced a streamlined set of three Top Topics in 2018: "Mitigating climate risk", "Building societal resilience" and "Driving digital insurance solutions". The Swiss Re Institute has continued to support our stakeholder dialogue by combining our own expertise with world-class external research.

Our efforts to enable sustainable progress include our own operations. Mitigating climate change and reducing energy consumption have long been our priorities. Through our Greenhouse Neutral Programme we have cut our total CO₂ emissions per employee by 8% since 2013, after almost halving them in the ten years before. As part of our commitment to the RE100 initiative, we have built several solar plants on our own premises in recent years and, in 2018, entered into a large "virtual power purchase agreement" in the US. This innovative mechanism provides funding for the construction of a new wind farm while at the same time offering us a financial hedge against potential swings in the price of electricity in the region.

Last but not least, we would like to take this opportunity to say thank you to our employees for the great work they have delivered for Swiss Re. As the highlights above illustrate, we constantly strive to create smart solutions that help improve the wellbeing of society and prepare for the changing needs of the future. For this we rely on people from many different backgrounds who bring together fresh perspectives and innovative thinking in a spirit of collaboration. In the present report you can learn more about what we have been doing to foster a flexible, inclusive and open culture throughout our company.

Zurich, 14 March 2019



Walter B. Kielholz
Chairman of the Board of Directors



Christian Mumenthaler
Group Chief Executive Officer