

# In this report

We describe our commitment as a responsible company and the actions we have taken.

## Contents

Executive statement	2
Who we are and what we do	4
Our approach to corporate responsibility	8
Creating solutions for sustainability	18
Extending our risk intelligence	26
Being a responsible investor	34
Exploring and shaping the risk landscape	40
Reducing our footprint	46
Engaging our people	54
Ensuring good corporate governance and compliance	63
Providing transparency	69
The Swiss Re Foundation	70
Independent assurance report to the management of Swiss Re Ltd, Zurich	72
Memberships, commitments and index listings	74

# 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 CO<sub>2</sub> 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

# Who we are and what we do

Our vision: We make the world more resilient.

## Swiss Re at a glance

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing directly and working through brokers, our global client base consists of insurance companies, mid- to large-sized corporations and public-sector clients. From standard products to tailor-made coverage across all lines of business,

we deploy our capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend.

Working with our clients and partners, we help to protect assets and lives around the globe – for a resilient future.

Headquartered in Zurich, Switzerland, Swiss Re has operations across the

## OUR GLOBAL PRESENCE

Europe  
(including Middle East and Africa)

Net premiums earned  
and fee income in 2018  
(USD billions)

11.0  
(USD 10.5 billion in 2017)

Number of office locations\*  
as of 31 December 2018

33  
(35 in 2017)

Number of employees (regular staff)  
as of 31 December 2018

9 099  
(8 630 in 2017)

\* Counting each location with offices once; not counting data centres



world. At the end of 2018, we had over 80 office locations in 30 countries. Based on “net premiums earned and fee income from policy-holders”, our ten biggest markets in 2018 were: the US, the UK, Australia, China, Japan, Germany, Canada, Ireland, Switzerland and the Netherlands. They accounted for 78% 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 International Reporting Standard on SIX Swiss Exchange, domiciled in Zurich, and organised under the laws of Switzerland. No other Group companies have shares listed.

**Our strategy**

Our Group strategy helps us meet our financial targets and to make the world more resilient.

You can get more information on our strategy in the 2018 Business Report at: [reports.swissre.com/2018/business-report/our-strategy.html](https://reports.swissre.com/2018/business-report/our-strategy.html)

Americas	Asia-Pacific	Total
16.1 (USD 16.1 billion in 2017)	7.3 (USD 7.1 billion in 2017)	34.5 (USD 33.7 billion in 2017)
34 (37 in 2017)	15 (15 in 2017)	82 (87 in 2017)
3624 (3 740 in 2017)	2220 (2 115 in 2017)	14943 (14 485 in 2017)

THE SWISS RE GROUP

Reinsurance



Reinsurance provides clients and brokers with reinsurance products, insurance-based capital market instruments and risk management services. Reinsurance operates globally through two segments – Property & Casualty and Life & Health.

Corporate Solutions



Corporate Solutions provides risk transfer solutions to large and mid-sized corporations around the world. Its innovative, highly customised products and standard insurance covers help to make businesses more resilient, while its industry-leading claims service provides additional peace of mind.

Life Capital



Life Capital manages closed and open life and health insurance books. It provides alternative access to the life and health risk pool, helping to generate stable returns and seize attractive new opportunities.

Operational Group structure



The financial figures in the table at the top provide information on the scale of the Swiss Re Group and income generated: total capitalisation broken down in terms of debt and equity, sales/revenues, operating costs and net income.

The information in the lower table shows the distribution of Group income to key stakeholders (employees, government and shareholders).

## FINANCIAL HIGHLIGHTS

USD millions	2017	2018
<b>Total assets</b>	222 526	<b>207 570</b>
Total investments	161 897	<b>147 302</b>
<b>Total liabilities</b>	188 232	<b>178 843</b>
Total debt	10 581	<b>10 135</b>
<b>Common shareholders' equity</b>	33 374	<b>27 930</b>
<b>Total revenues</b>	42 487	<b>37 047</b>
Premiums earned and fee income	33 705	<b>34 461</b>
- P&C Reinsurance	16 667	<b>16 095</b>
- L&H Reinsurance	11 980	<b>12 835</b>
- Corporate Solutions	3 651	<b>3 925</b>
- Life Capital	1 407	<b>1 606</b>
Net investment income – non-participating business	3 708	<b>4 075</b>
<b>Total expenses</b>	-41 962	<b>-36 497</b>
Claims and claim adjustment expenses	-16 730	<b>-14 855</b>
Life and health benefits	-11 083	<b>-11 769</b>
<b>Net income</b>	331	<b>421</b>

## ATTRIBUTION OF GROUP INCOME TO KEY STAKEHOLDERS

USD millions (unless otherwise stated)	2017	%	2018	%
<b>Income before tax and variable compensation</b>	814	100%	<b>863</b>	100%
Variable compensation <sup>1</sup>	351	43%	<b>373</b>	43%
Income tax expense	132	16%	<b>69</b>	8%
<b>US GAAP net income attributable to shareholders</b>	331		<b>421</b>	
of which paid out as dividend <sup>2</sup>	1 592	196%	<b>1 692</b>	196%
of which share buy-back	1 032	127%	<b>1 022<sup>3</sup></b>	118%
of which added to retained earnings within shareholders' equity	-2 293		<b>-2 293</b>	

<sup>1</sup> Aggregate compensation for all employees was CHF 2 208 million in 2018. See 2018 Financial Report, page 146.

<sup>2</sup> FY 2018 is estimated based on average year-to-date CHF/USD FX rates as of February 2019. The dividend is subject to AGM approval and the amount depends on the final number of dividend eligible shares and FX rates upon dividend payout.

<sup>3</sup> Includes shares bought back between 7 May 2018 and 15 February 2019 as part of the buy-back programme authorised at the AGM 2018. The total amount represents an estimate translated at the 2018 average CHF/USD FX rate.

# 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 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.



### WEBSITE

Learn more about our values at:

[www.swissre.com/about-us/our-vision-mission-and-values.html](http://www.swissre.com/about-us/our-vision-mission-and-values.html)

## 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 48
- Principles for Responsible Investment (PRI): see page 39
- RE100: see page 48
- Task Force on Climate-related Financial Disclosures (FSB-TCFD): see 2018 Financial Report, pages 172–189
- 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](http://www.cdp.net))
- ClimateWise ([www.cisl.cam.ac.uk/](http://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.



You can download our full commitment at

**[www.swissre.com/about-us/corporate-responsibility/approach.html](http://www.swissre.com/about-us/corporate-responsibility/approach.html)**

### Board and senior management responsibility

#### Board of Directors

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 (BoD): It is one of the responsibilities of the Chairman's and Governance Committee to monitor the Group's strategic priorities with regard to enabling sustainable progress.

More specifically, the Board's Investment Committee reviews Swiss Re's Asset Management related activities and, as part of this, receives regular updates on Group Asset Management's responsible investing approach. The Board's Finance and Risk Committee defines the Group Risk Policy, reviews risk capacity limits, monitors adherence to risk tolerance, and reviews all top risk issues and exposures, including those with a specific sustainability dimension.

#### Group Executive Committee

While the BoD is responsible for defining overall strategic direction and overseeing its implementation, the Group Executive Committee (Group EC) owns and approves sustainability-relevant policies, action plans etc.

The Group EC sets and monitors risk capacity limits (including for natural catastrophes), and determines product policy and underwriting standards. As part of its mandate, it approves Swiss Re's sustainability policies – eg the thermal coal policy introduced in 2018 – and owns the further development of Swiss Re's sustainability strategy. The Group EC members have explicit tasks related to sustainability, which include but are not limited to the following:

- The Group Chief Risk Officer (CRO) is responsible for providing the BoD and Group EC with independent assurance that all of Swiss Re's risks are being appropriately modelled, governed and managed, and that adequate controls are in place. As part of executing these responsibilities, the Group CRO is charged with establishing the Group's Risk Management Framework for all risk categories, including sustainability and emerging risks.
- The Group Chief Investment Officer (CIO) has overall responsibility for Group Asset Management and its investment result, and with that also for the consistent integration of environmental, social and governance (ESG) aspects along the investment process. The Group CIO is responsible for investment decisions within the strategic asset allocation implementation, including those related to responsible investing and is informed of ESG updates through various channels including the Asset Management Investment Committee.
- The Group Chief Financial Officer (CFO) is responsible for the Group-wide Finance function with a focus on steering and achieving the company's financial targets. He also has accountability for Swiss Re's investor relations and public disclosures, including the Group Annual Report (including eg Climate-related Financial Disclosures).
- The Group Chief Underwriting Officer (CUO) is responsible for steering capital to the most attractive areas in underwriting that are of strategic importance for the Group's underwriting, and providing research and development that improves both capital allocation and risk selection.
- The Group Chief Operating Officer (COO) is responsible for the Group-wide Operations functions. This responsibility includes overseeing, besides Communication and Human Resources, the Corporate Real Estate & Services (CRES) division, Global Sourcing and IT. CRES steers and monitors the reduction of Swiss Re's environmental footprint and is in charge of Swiss Re's Greenhouse Neutral Programme to reduce our own CO<sub>2</sub> emissions.

#### Implementation

On an operational level, various divisions, departments and units across the Business Units and corporate functions are involved in implementing Swiss Re's commitment to corporate responsibility in daily business.

The Sustainability, Emerging and Political Risk Management unit drives the development of Group risk policies and related strategic projects and coordinates communication, dialogue and engagement efforts across the Group in close coordination with the respective units. In addition, the unit is responsible for producing Swiss Re's Corporate Responsibility Report, which is reviewed by senior management and approved by the BoD.

#### Enhanced Group Sustainability Strategy

Recently, we have reviewed our approach to corporate responsibility and formulated an enhanced Group Sustainability Strategy. This will also be reflected by Swiss Re's sustainability governance and future reporting.



#### CONTENT IN THE 2018 FINANCIAL REPORT

You can find a short introduction to the enhanced Sustainability Strategy in the "Corporate governance" chapter of the 2018 Financial Report, on page 102.

## 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.

Currently, we focus on a total of twelve such topics and display them in a 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](http://www.globalreporting.org)), this map is structured along the two axes of “Stakeholder expectations” and “Relevance for Swiss Re” – in terms of 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.

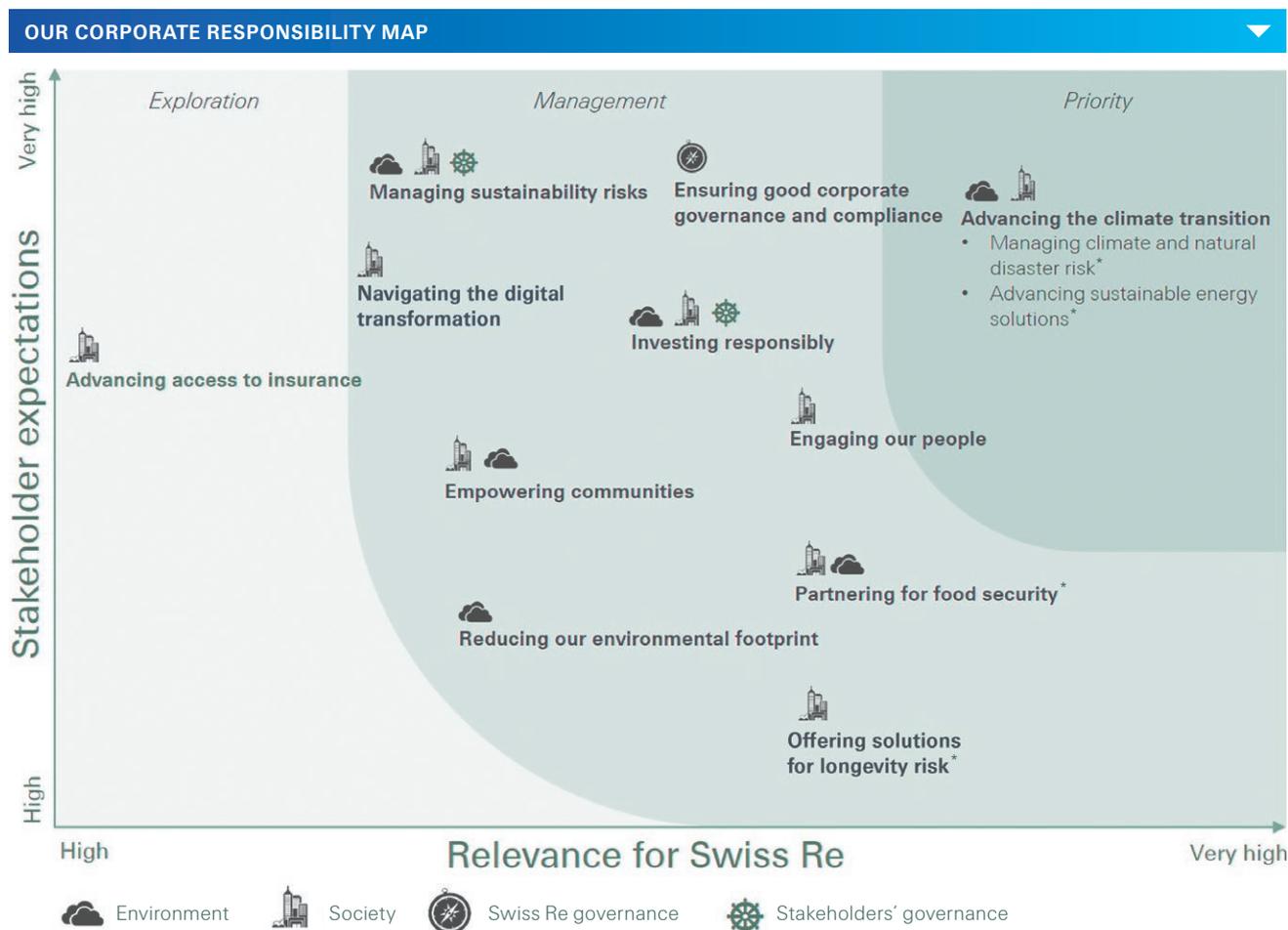
**Management:** Topics recognised as being relevant and for which we have well-established management procedures. Stakeholder interest in them varies, though.

**Exploration:** Topics with increasing relevance from an internal perspective and an expected increase in stakeholder inquiries. Warrant further analysis.



### ONLINE CONTENT

You can learn more about the insight sources and process we use to identify material topics in the online version of the report: [reports.swissre.com/corporate-responsibility-report/2018/cr-report/introduction/our-approach-to-corporate-responsibility/our-cr-map-and-how-we-determine-materiality.html](https://reports.swissre.com/corporate-responsibility-report/2018/cr-report/introduction/our-approach-to-corporate-responsibility/our-cr-map-and-how-we-determine-materiality.html)



\* These Corporate Responsibility Topics are also covered by the risk knowledge topics of our stakeholder dialogue. See pages 40–43.

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

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.

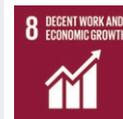
Offering solutions for longevity risk

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.

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.

#### OUR CORPORATE RESPONSIBILITY GOALS

#### PROGRESS ON 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 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.

- 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.

- By the end of 2018, had advised 96 sovereigns and sub-sovereigns on climate risk resilience, offering protection of USD 8.2 billion in total (page 23).

- We were involved in further offshore wind projects, some of them supporting new trends: accelerated development in Asia and the advent of floating technology (page 24–25).

- Helped develop a government-run e-voucher scheme in Zambia, which gives smallholder farmers more flexibility to buy the most suitable agricultural inputs and insures these inputs (page 22).

- Completed a number of landmark longevity transactions in recent years (page 25).

- Introduced a thermal coal policy for our underwriting and integrated it in our Sustainability Risk Framework (page 28).

- Due to continuous fine-tuning of the SBR Assessment Tool and increasing underwriter awareness, achieved a decrease of transactions referred for an individual assessment between 2015 and 2017. In 2018, referrals rose, partly due to the introduction of our thermal coal policy (page 30).

- Had several dialogue engagements with industry peers and civil society groups, in particular focusing on the topic of thermal coal and the policy we introduced in 2018 (page 31).

**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 CO<sub>2</sub> emissions and reducing energy consumption are key targets across the Group. Our pioneering initiatives include the Greenhouse Neutral Programme and the CO<sub>you2</sub> Programme.

**Advancing access to insurance**

Access to insurance is an important contributor to economic development. However, 60% of the world’s population still remains 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.

**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.

- Close to 100% of our assets under management consider ESG criteria (pages 34–38).
- Reached our green bond target during 2018, holding USD 1.6 billion in green bonds at the end of the year (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>74%).

- According to EES scores, 78% of our employees appreciate Swiss Re valuing diversity and having a collaborative, inclusive and friendly culture with high integrity (page 55).
- Per 2018, achieved an employee engagement score of 66% (page 55).

- Continuously assess our corporate governance against regulatory developments, best practice and new stakeholder demands.
- Manage compliance risks through maintaining adequate frameworks, delivery of effective training and awareness to our employees and oversee effective implementation within the business.

- For an overview of key focus areas and highlights in 2018, see our 2018 Financial Report, pages 102–103.
- Launched global internal Compliance tool to simplify employee access to compliance risk framework and governance information. Delivered mandatory compliance trainings. Risk-based tailored training activities for targeted employees continued (page 68).

- Keep per-capita CO<sub>2</sub> 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 CO<sub>2</sub> emissions by 8.1% compared with 2013 (page 47–48).
- Since 2013, achieved a total reduction of 28.9% (page 47–48).
- At the end of 2018, covered 94% of our total power consumption from renewable sources (page 48).
- Implementation completed for 30% of our tier 1 and 2 vendors (page 52).

- Advance our understanding of the societal impact of insurance and develop metrics to measure our impact on stakeholders.

- Based on our dedicated *sigma* study of 2017, continued in-house work towards developing a suitable methodology. No reportable results yet as per end of 2018.

- Refine our understanding of societal challenges related to the digital transformation.

- Engaged with regulators on the topic of big data/digital ethics, continued 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 Geneva Association (page 43).

- 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, nearly 16% of the project portfolio encompassed an employee engagement component at the end of 2018 (see the Foundation’s 2018 Activity Report, pages 26–27).

CLIMATE CHANGE



Climate change has been our most important sustainability issue for many years: For a re/insurer, 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 are directly linked 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.**

**Content organisation**

We address our Corporate Responsibility Topics 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, 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 our 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. 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 2018 is available in the online version of the report: [reports.swissre.com/corporate-responsibility-report/2018/cr-report/introduction/our-approach-to-corporate-responsibility/overview-where-and-how-we-have-addressed-our-cr-topics.html](https://reports.swissre.com/corporate-responsibility-report/2018/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 2018, 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 72–73.



### 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/2018/cr-report/introduction/our-approach-to-corporate-responsibility-report-profile.html](https://reports.swissre.com/corporate-responsibility-report/2018/cr-report/introduction/our-approach-to-corporate-responsibility-report-profile.html)

## Reporting frameworks

Our Corporate Responsibility Report incorporates our 2018 Communication on Progress (CoP) for the UN Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)). You can view the full list of references to the Compact's ten principles in the online version of the report.

### WE SUPPORT



Furthermore, we continue to report against the Principles for Sustainable Insurance, PSI ([www.unepfi.org/psi](http://www.unepfi.org/psi)). Our Public Disclosure of Progress is also available in the online version.



Principles for Sustainable Insurance



### ONLINE CONTENT

Our CoP for the UN Global Compact and our PSI Public Disclosure of Progress are available at: [reports.swissre.com/corporate-responsibility-report/2018/cr-report/introduction/our-approach-to-corporate-responsibility/reporting-frameworks.html](https://reports.swissre.com/corporate-responsibility-report/2018/cr-report/introduction/our-approach-to-corporate-responsibility/reporting-frameworks.html)

In our Financial Report we provide detailed Climate-related Financial Disclosures, as recently developed and recommended by the Financial Stability Board ([www.fsb-tcfd.org](http://www.fsb-tcfd.org)).



### CONTENT IN THE 2018 FINANCIAL REPORT

You can view our Climate-related Financial Disclosures in the "Corporate responsibility" chapter, pages 172–189.

## SUSTAINABILITY INDEX REPRESENTATION

Swiss Re is a member of various sustainability indices, including the Dow Jones Sustainability World and Europe, FTSE4Good, Euronext Vigeo World 120, Bloomberg Gender-Equality Index, the MSCI ESG Leaders and MSCI Global Socially Responsible (2019) index families. In May 2018, Swiss Re received an AAA rating on the MSCI ESG assessment.

Our most important index listings and ratings are displayed on page 75.