



Engaging in dialogue with our stakeholders

We engage in regular dialogue with our stakeholders. By co-creating knowledge and sharing expertise, we help society advance effective responses to key risks.

Our re/insurance solutions help our clients and partners manage the risks they face. This in turn fosters stability and enables economic growth. However, many of today's risks are complex and may threaten sustainable progress. To find effective, long-term responses to such risks, partners from the public and the private sector need to work together. For this reason, we attach great importance to engaging in an active dialogue with our principal stakeholders, which include:

- Clients: cedents, brokers, corporate clients, government entities, multilateral organisations
- Financial community: investors/ shareholders, rating agencies, shareholder associations, stock exchanges
- Employees

- Political and legal entities: multilateral organisations (UN), governments, regulators, standard-setting boards
- Civil society: general public, NGOs, academia

Our role as a risk knowledge company and ultimate risk-taker in society means that we have an intrinsic interest in pursuing productive dialogues with our stakeholders. Drawing on the expertise from our core business, we identify key risks and take an active role in discussions about them.

We share, exchange and co-create knowledge through many channels, eg our publications, international dialogue platforms, client and partner events, as well as cooperation with governments, non-governmental organisations, and academic

institutions. Swiss Re Institute with its established brands such as the *sigma* series and the Centre for Global Dialogue plays a key role in our stakeholder dialogue (for further information, see below).

Our focused efforts give us valuable feedback and new insights for risk management and product development, sharpening our understanding of key perils and sustainability issues. The three 2030 Sustainability Ambitions of our Group Sustainability Strategy provide an important focal point for these efforts.

Swiss Re Institute

Swiss Re has long been recognised as a knowledge leader within the re/insurance industry. We believe that a superior understanding of the risks we all face supports the Group's vision of making the world more resilient.

Swiss Re Institute plays an essential role in achieving this objective. It conducts and publishes superior risk research to drive better decisions and innovation in the re/insurance industry. It curates risk and market data to enable solutions that create value for clients and to guide the Group's strategic direction. It acts as a coordination point bundling all research activities across Swiss Re and works with selected partners to explore the future of risk coverage, assess changes in the risk landscape and act as a catalyst for industry change.

The cutting-edge risk knowledge generated in this way is shared through publications, client programmes and conferences. Swiss Re Institute incorporates successful Swiss Re brands such as the *sigma* publication series, the annual SONAR Report and the Centre for Global Dialogue.

Based on its mandate and key activities, Swiss Re Institute supports the Group's commitment to sustainability. It helps identify emerging risk trends and fosters dialogue with our clients and other stakeholders to advance sustainable risk solutions.

Website



You can find more information about Swiss Re Institute at: www.swissre.com/institute/

Dialogue on our 2030 Sustainability Ambitions

As part of developing our Group Sustainability Strategy, we defined our 2030 Sustainability Ambitions, combining insights from our own risk expertise and from our stakeholders. We consider these Ambitions to be highly relevant for our clients, the re/insurance industry and society as a whole. They denote topical focus areas where we believe Swiss Re can have a significant positive impact in terms of supporting sustainability. Thus they also help us meet our vision to make the world more resilient (for further details, see pages 9–13):



Mitigating climate risk and advancing the energy transition



Building societal resilience



Driving affordable insurance with digital solutions

Mitigating climate risk and advancing the energy transition



The effects of climate change are already evident and impacting our risk landscape: warmer average temperatures, rising sea levels, longer and more frequent heatwaves, as well as more weather extremes. These phenomena are becoming the new normal and will increasingly impact our way of life, our health and our natural environment. Urgent questions we need to ask are how to tackle climate change, how to advance the transition to renewable energy, and how we can best adapt to and mitigate climate risk.

In 2019, our stakeholder dialogue on this 2030 Sustainability Ambition included the following highlights:

- We attended the UN Climate Action Summit in New York and signed two important commitments: the UN Global Compact Business Ambition for 1.5°C (see page 33) and the UN-convened Net-Zero Asset Owner Alliance (see page 47). In addition, the Insurance Development Forum (IDF) announced a series of coordinated commitments with the UN Development Programme, Germany and the UK to increase insurance protection in climate-exposed countries. Swiss Re has endorsed this commitment together with a number of peer companies.*

* Further companies that have initially endorsed the IDF commitment are: Allianz, Aon, Axa, Munich Re, Renaissance Re, Scor, Willis Tower Watson.

- We hosted the fourth annual Oasis conference in Zurich. Oasis is an open-source catastrophe modelling platform that eases the exchange of models in the re/insurance industry. It reflects the industry’s willingness to join forces and control rising costs by providing access to new and existing model providers, ultimately enhancing the diversity of models and risk views.
- We contributed our know-how to the development of the 2019 Task Force on Climate-related Financial Disclosures (TCFD) Status Report, as well as hosted the Industry Stakeholder Workshop convened by the International Association of Insurance Supervisors (IAIS) and the Sustainable Insurance Forum (SIF) on the “Implementation of the Recommendations and Guidance of the Task Force on Climate-related Financial Disclosures and Supervision of Climate Change Risks” event.
- We produced the *sigma* issue 2/2019: “Secondary natural catastrophe risks”, which took a look at global insured losses from natural catastrophe events, as well as provided a detailed analysis of the “secondary” effects of primary perils. While underwriting catastrophe risks means looking at peak risks, increasingly it also requires taking into consideration forward-looking trends on secondary perils.
- Swiss Re’s Chairman Swiss Re Institute and Group Chief Underwriting Officer, Edi Schmid, published a blog titled: “Averting a collision course with climate change”. This article emphasised how climate change and urban growth are impacting weather-related disasters and underinsurance, as well as how efforts must converge with broader actions on climate change and support more sustainable business models.
- We contributed to the Chief Risk Officer (CRO) Forum Emerging Risk Initiative position paper titled: “The heat is on – Insurability and Resilience in a Changing Climate”. The aim of the paper was to provide the insurance sector, risk professionals and other stakeholders with a clear understanding of climate change implications for the re/insurance industry, and to help equip them to challenge their businesses and clients in their responses to climate change.

Building societal resilience



Technological and economic development, population growth, ageing populations and other societal trends are increasingly putting people and assets at risk. Swiss Re's Responsible Investing strategy, as well as its work in the areas of health and longevity, agriculture and infrastructure represent some of the ways we help build societal resilience and reduce related vulnerabilities.

In 2019, our stakeholder dialogue on this 2030 Sustainability Ambition included the following highlights:

- Through Swiss Re Institute, numerous stakeholders assembled at our "Expert Forum on Mental Health", where experts exchanged viewpoints on the current mental health landscape and how insurers can make a difference to improve it. Further on the topic, our Reinsurance Solutions Asia Pacific Team Lead, Li Hui Lee, published a blog article titled: "World Mental Health Day: Preventing and Breaking Taboos", to advance awareness of this global health challenge in the Asia-Pacific Region.
- We held a number of Engineering & Construction events in locations that included Sao Paulo and Kuala Lumpur, as well as the Engineering Underwriting Forum in Zurich. These events brought together stakeholders to discuss infrastructure development, investment and insurance, as well as focused on the advancement of holistic and sustainable infrastructure development. Further on the topic, Marcela Bortolamedi Cochrane, Property & Specialty Underwriting Operations Officer, published a blog article titled: "Helping the world rebuild and renew", outlining Swiss Re's role in supporting a holistic approach to sustainable infrastructure development and our involvement in the Madaster Project, which is focused on finding ways to reduce infrastructure's carbon footprint by re-using building materials.
- With a broad panel of experts from politics, science, business and risk engineering, Swiss Re Corporate Solutions held a webinar on "The European food industry: Increasing resilience and strengthening food security". Topics addressed included biodiversity, digitisation and competition – all key factors to resilience in the European food industry. Further on this topic, Jeffrey Khoo, Head Food & Agriculture Sales Asia, published a blog article titled: "Let's protect those who secure our food", outlining thoughts on food security considering the ever-growing world population, as well as how to better protect smallholder rice farmers, who remain largely uninsured, but who generate 90% of the rice crops in the Asia-Pacific Region.
- As part of our Digital Ecosystems Series (September 2019), we published the research report titled "Health ecosystems: striving towards an integrated and seamless patient experience". The study not only found that re/insurers can play a key role in disease prevention, supported by digitally integrated health ecosystems, but also that such digital ecosystems allow for higher quality and better health outcomes for patients, at lower costs.
- We produced the *sigma* issue 5/2019: "Indexing resilience". As an industry first, Swiss Re Institute and the London School of Economics jointly developed new resilience indices that provide a more holistic assessment of economic health than gross domestic product. The findings indicate that the world economy has become less resilient and that there is a record-high global protection gap within three main areas of risk – natural catastrophes, mortality and healthcare.

Online content



In the online version of our 2019 Sustainability Report you can find links to further information on these activities.

Driving affordable insurance with digital solutions



By embracing the opportunities offered by new technologies and the digital transformation, we aim to develop solutions that make insurance more affordable, accessible and available to customers. Technology not only allows us to deliver greater efficiencies through the entire insurance value chain, but also to provide innovative insurance covers and share our risk knowledge more widely.

In 2019, our stakeholder dialogue on this 2030 Sustainability Ambition included the following highlights:

- As part of our Digital Ecosystems Series (May 2019), we published the research report titled “Mobility ecosystems: striving towards a seamless interface for customers”. The study found that urbanisation, changing demographics and greater environmental awareness are putting pressure on existing mobility infrastructure. It also found that rapid urbanisation means that societies will increasingly need sustainable and resilient mobility solutions, including a more dynamic use of existing systems, as well as newer tech-enabled mobility platforms.

- As part of our Digital Ecosystems Series (January 2019), we published the research report titled “Extending the boundaries of value creation in insurance”. The study took a look at how different digital ecosystems are creating new markets by combining a variety of services and vendors on one platform to offer consumers a holistic and “power of choice” user experience. Further, by leveraging digital ecosystems, it is expected that reinsurers and insurers will be better able to customise their products to customers’ needs.
- We co-organised “The Power of Predictions” conference together with the Gottlieb Duttweiler Institute and IBM. Swiss Re Institute positioned the effects of better predictions in the insurance industry, and how financial markets and risk allocation will evolve. In addition, we presented emerging trends and risks that are key for the insurance industry and future of societies.
- We produced the *sigma* issue 4/2019: “Advanced analytics”, which investigated how re/insurers will be able to unlock new frontiers in property and casualty re/insurance. Through the use of structured and unstructured data sources from new sensor networks and platforms, re/insurers will be able to price new markets and risk classes, as well as make existing processes more efficient.

Online content



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Digital responsibility

Digitalisation across the re/insurance value chain is accelerating. It is expected that it will enhance the value provided to customers as well as foster closing of protection gaps. Thus, it is important to actively promote digitalisation to harness these advantages. However, the use of artificial intelligence and digital personal data also raises ethical concerns regarding fairness, inclusion, hardship and solidarity. In this context, we have started to develop our own ethical guidance to enable swift digitalisation in the company, while at the same time ensuring that we maintain customers' trust, differentiate our services, and safeguard our reputation as a leading re/insurance company.

Various regulators around the world have started to evaluate the need for regulations on the topic of big data / digital ethics or have issued initial guidelines. Swiss Re actively engages in discussions with regulators by participating in regulatory expert groups, contributing to studies and

reports, as well as giving feedback to consultations and responding to regulatory questionnaires.

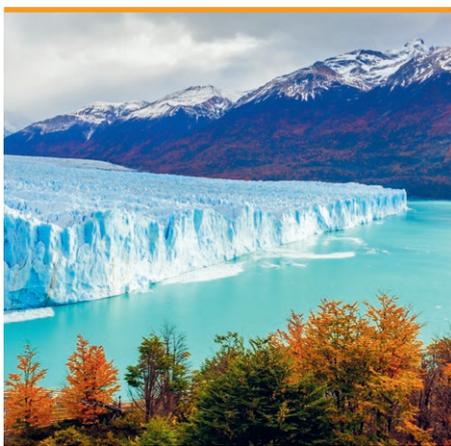
The European Insurance and Occupational Pension Authority (EIOPA) has appointed a Swiss Re employee to its consultative expert group for digital ethics and to chair the workstream on Fairness and Non-Discrimination. The outcomes of this work are expected to be published in 2021.

In 2019, we supported the finalisation of a three-year research project on "Between Solidarity and Personalization – Dealing with Ethical and Legal Big Data Challenges in the Insurance Industry", conducted by researchers at the University of Zurich and the University of Applied Sciences HTW Chur. The project was funded by Switzerland's National Research Programme 75 on "Big Data". The final report has been published and is available at www.nfp75.ch/en/projects/module-2-societal-and-regulatory-challenges/project-christen.

Additionally, we contributed to the report "Promoting Responsible Artificial Intelligence in Insurance", published by the Geneva Association (www.genevaassociation.org/research-topics/digitalization/promoting-responsible-artificial-intelligence-insurance). The publication analysed a selection of ethics guidelines issued by governmental and non-governmental organisations, as well as private companies. It took a close look at the topics of transparency, explainability and fairness, which are particularly complex for re/insurers to interpret and implement. It also explores how to address the key trade-offs that arise in applying these principles.

For Swiss Re's commitment to data protection and privacy compliance, see page 77.

General sustainability topics



Our three 2030 Sustainability Ambitions provide a key focus for our stakeholder dialogue. At the same time, we regularly engage in the wider sustainability discussion and contribute to other topics we consider relevant.

Below are some further sustainability-related highlights of our stakeholder dialogue in 2019:

- Swiss Re's Head Property & Specialty Underwriting Reinsurance, Mike Mitchell, published a blog titled: "Now, more than ever insurance is vital to the sustainability of the world's economies". This article emphasised the importance of improving

global sustainability and resilience by closing the protection gap for all stakeholders, and how great progress can be made through public-private partnerships as well as technology-enabled parametric solutions.

- Swiss Re Institute hosted our "Sustainability Leadership Series – Responsible investing in practice" event. You can read more about this event on page 54.
- Swiss Re's Chairman Swiss Re Institute and Group Chief Underwriting Officer, Edi Schmid, published a blog titled: "Risk, resilience and the road to a sustainable future". This article emphasises the importance of both resilience and sustainability, as well as thinking about them in the context of the Resilience Index for countries that was developed jointly by Swiss Re Institute and the London School of Economics. Closing the protection gap makes economic common sense and the new Resilience Index is a good example of how risk knowledge can help guide decision-making and strengthen societal resilience.
- Our Chairman of the Board of Directors, Walter B. Kielholz, annually conducts governance roadshow meetings with Swiss Re's largest shareholders to provide an update on corporate governance and engage on environmental, sustainability and governance (ESG) issues, strategy

and other topics. Discussions cover Swiss Re's approach to managing risks and seizing opportunities on ESG topics, including advances to our leading Sustainable Business Risk Framework, and how we integrate ESG criteria across our investment portfolio.

- We engaged with the NGO Oceana, under the UNEP FI Principles for Sustainable Insurance, and became a signatory committing to the reduction and elimination of illegal, unreported and unregulated (IUU) fishing. To this end, we have appropriate risk management protocols and due-diligence procedures in place to help reduce the risk of insuring vessels or companies that act contrary to agreed international governance frameworks and international law covering IUU fishing.
- Swiss Re's Group Chief Executive Officer, Christian Mumenthaler, was part of the Climate Leaders panel session at the 2019 World Economic Forum, as well as quoted in an article for Reactions magazine. He continues to be outspoken and action-oriented on mitigating climate change, having indicated that speed, industry-wide collaboration and taking a long-term view are key in enabling the critically important transition to a low-carbon economy.

Sustainability Leadership Series – Responsible investing in practice

There is increasing recognition that sustainability can have a significant impact on a company's financial performance, and it is becoming a crucial consideration in the investment decision-making process.

We were among the first in the re/insurance industry to move close to 100% of our Strategic Asset Allocation to environmental, social and governance (ESG) benchmarks. We believe that long-term investors are best equipped to lead the way in embedding sustainability into the conventional investment process, and that bringing key industry participants together to exchange knowledge and experiences is the best way to move the dialogue forward.

With this in mind, on September 12–13, 2019, Swiss Re Institute, together with our

Investor Relations and Asset Management units hosted the “Sustainability Leadership Series – Responsible investing in practice” event, which brought together 80 participants from the investment community, re/insurers, campaign groups, national and international regulatory bodies, academia and policymakers.

The event served as a platform to share first-hand insights on the implementation of responsible investing strategies, discuss policy developments and look at the latest trends in stewardship across a fast-evolving market. During the event, four panels discussed ESG aspects from different perspectives. Participants took stock of lessons learned thus far by asset managers who have taken active steps to integrate ESG into their investment decisions, looking at this by asset class, discussing the view-point of policymakers

and regulators, and finally considering the latest trends and outlook on investment stewardship and shareholder engagement.

The acknowledgement that ESG considerations are not just a “nice-to-have” was reiterated numerous times during the event, with emphasis put on how it makes economic sense to integrate ESG factors into investment decisions. At the same time, there was agreement that all stakeholders need to continue taking action if society as a whole is to achieve the climate goals set in the Paris Agreement.



Panel discussion during the event (left to right): Guido Fürer, Chief Investment Officer, Swiss Re; Lady Lynn Forester de Rothschild, Founder and CEO, Coalition for Inclusive Capitalism; Patrick Odier, Managing Partner, Lombard Odier; Philippe B. Brahini, Head Investor Relations, Swiss Re.

Website



You can find more information about this event at: www.swissre.com/institute/conferences/sustainability-leadership-responsible-investing.html

Collaboration with (inter-) governmental and academic institutions

In recent years, we have collaborated with various (inter-)governmental and academic institutions both to promote effective approaches to sustainability challenges and to share our expertise on managing specific risks.

Our work with (inter-)governmental agencies to promote effective sustainability responses

- In Europe, we continued our engagement with regulators to highlight the important role insurers play in supporting the transition to a low-carbon, more resource-efficient and sustainable economy in line with the European Green Deal. We provided input to the European Insurance and Occupational Pensions Authority's (EIOPA) Opinion on Sustainability within Solvency II. Swiss Re participated in climate change-focused regulatory roundtables hosted by EIOPA and the UK Prudential Regulation Authority (PRA). In addition, Swiss Re staff attended several leading groups on relevant regulatory topics such as the European Commission Technical Expert Group on ESG benchmarks, PRA/FCA (Financial Conduct Authority) Climate Risk Financial Forum and EIOPA's Technical Expert Group on Cat Risks.
- In the US, we have maintained regular dialogue with the National Association of Insurance Commissioners (NAIC), principally on climate change and natural catastrophes.
- In Japan we are a member of the TCFD (Task Force on Climate-related Financial Disclosures) Consortium, which was established in May 2019. The inaugural TCFD Summit took place in October 2019. In Singapore we were actively involved in the development of a set of environmental risk management guidelines by the Monetary Authority of Singapore (MAS) for the insurance sector. The guidelines are to be issued in 2020 after a public consultation exercise.

Our work with (inter-)governmental agencies to share risk management expertise

- With Public Sector Solutions, we have a team that works strategically with public-sector bodies to improve risk resilience:
 - Directly with sovereigns or sub-sovereigns and their agencies, recently with the Indonesian government to insure its state assets against natural disasters; with the Pacific Alliance (Chile, Colombia, Peru and Mexico) to structure an earthquake cat bond; with the Federal Emergency Management Agency (FEMA) to create a reinsurance cover programme for its National Flood Insurance Program; with the government and prefectures of two Chinese provinces to establish major natural catastrophe insurance schemes, and with the UK government as part of a programme set up to make flood insurance more affordable for homeowners
 - With development agencies such as the United States Agency for International Development (USAID), the UK's Department for International Development (DFID), the Swiss Agency for Development and Cooperation (SDC), the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IADB) and the German Development Bank (KfW)
- We have regularly contributed to platforms such as the World Economic Forum, B20, G20 and G8 to share our insights on key risks, and have supported the United Nations Framework Convention on Climate Change (UNFCCC) process.

Working with academic institutions

Through Swiss Re Institute (find out more on page 49), we build and manage partnerships with world-class academic and research institutions, guide Swiss Re's internal capital allocation and business steering processes, and provide our stakeholders with cutting-edge risk research.

- We support EPFL on its Center for Digital Trust (www.c4dt.org/), which aims to create a technical, legal and ethical framework that delivers strong guarantees and reduces the cost of achieving trust in the digital world.
- With GEM Foundation (www.globalquakemodel.org), we create global, transparent, uniform hazard and risk models, and open-source software for seismic risk assessment.
- With the Institute of Insurance Economics at the University of St. Gallen, HSG (www.ivw.unisg.ch/), we conduct industry-wide studies to better understand market dynamics.
- We collaborate with the Center for Interacting Urban Networks at NYUAD (nyuad.nyu.edu/en/research/centers-labs-and-projects/center-for-interacting-urban-networks.html), which aims at promoting fundamental research that can ultimately be translated into pragmatic ideas for increasing the livability of our cities.
- With the University of Peking in Beijing (www.pku.edu.cn) we carry out an economic analysis on the health status of the middle-aged and elderly in China.
- We collaborate with NNEdPro Global Centre for Nutrition and Health (www.nnedpro.org.uk) to develop knowledge application models which help promoting nutrition to achieve better public health.
- With UC Berkeley (www.berkeley.edu/), we explore how sustainability issues impact financial risk through maximum drawdown.

Take a look at our website for further information on our collaborative projects: www.swissre.com/institute/partnerships.html

Content in the 2019 Financial Report



For our participation in the Financial Stability Board's Task Force on Climate-related Financial Disclosures, see page 152.