

In this report we introduce our enhanced Group Sustainability Strategy and describe the actions we have taken to accelerate sustainable progress.



About the front cover

“Mitigating climate risk and advancing the energy transition” is a key ambition of our Group Sustainability Strategy. In this report you can find out more about the strategy and the risk transfer solutions we developed in 2019.

For further information, please see pages 9–14 and 25–31.

Website

 [reports.swissre.com/
sustainability-report/2019/](https://reports.swissre.com/sustainability-report/2019/)

Contents

Executive statement	2
Who we are and what we do	4
Our approach to sustainability	8
Creating solutions for sustainability	22
Extending our risk intelligence	32
Being a responsible investor	40
Engaging in dialogue with our stakeholders	48
Reducing our footprint	56
Engaging our people	64
Ensuring good corporate governance and compliance	74
Providing transparency	79
The Swiss Re Foundation	80
Independent Assurance Report on the Swiss Re 2019 Sustainability Report	82
Memberships, commitments and index listings	84

Executive statement

Walter B. Kielholz

Chairman of the Board of Directors



Dear stakeholders,
The year of 2019 was an important one for sustainability. The momentum around the topic has increased noticeably, especially with regard to climate change. While this has raised expectations on businesses, it is also creating new opportunities for positive action. Particularly in our regular interactions with clients and brokers, investors and regulators, we have noticed rapidly growing awareness of sustainability as a key long-term value driver.

We believe that with our enhanced Group Sustainability Strategy we have positioned ourselves well to address pressing sustainability challenges and benefit from related opportunities for our business. The strategy builds on our successful track record and further sharpens our commitment. It clearly defines sustainability as a strategic, long-term value driver and embeds this approach throughout our re/insurance value chain. It thus supports our ability to meet our vision to “make the world more resilient”, which gives our company a strong sense of purpose benefiting all our key stakeholders.

You can find out more about our Group Sustainability Strategy and its key elements in this report, on pages 9–14.

Climate change has long been a key sustainability topic for Swiss Re, since it can have strong long-term implications for the re/insurance business. Tackling the issue effectively will be challenging and require a true multi-stakeholder effort.

We are determined to support this effort and to help set the agenda. In 2019, we made three important commitments to achieve net-zero CO₂ emissions:

- Across the whole Swiss Re Group by 2050, as a signatory to the UN Global Compact Business Ambition for 1.5°C
- In our investment portfolio by 2050, as a founding partner of the UN-convened Net-Zero Asset Owner Alliance
- In our own operations already by 2030

Below we would like to highlight some of the concrete actions we took during the reporting year to implement our Group Sustainability Strategy.

In our core re/insurance business, we made some important steps towards decarbonising our business model. Through our Sustainable Business Risk Framework, we continued with the implementation of our thermal coal policy, with the aim of reducing our exposure to thermal coal utilities and mining. We also



worked with peers to develop a robust carbon footprinting methodology, which will allow us to measure and address the carbon risks embedded in our re/insurance business. As a next step, we will start shifting away from the most carbon-intensive risks in the oil and gas industry over the next years.

In our asset management, we systematically integrate environmental, social and governance (ESG) criteria across our whole investment portfolio. This makes economic sense and helps the real economy to shift to a more sustainable path. As a co-founder of the UN-convened Net-Zero Asset Owner Alliance, we also joined the Science Based Targets Initiative and will develop and apply science-based emissions reduction targets. After reaching our goal of holding green bonds of at least USD 1.5 billion, we expanded our commitment to include social and sustainability bonds and set ourselves a new goal of USD 4 billion to be reached by the end of 2024.

Achieving net-zero emissions in our own operations by 2030 is a challenging ambition. After more than halving our CO₂ emissions per employee since 2003 and offsetting all our remaining emissions, it requires us to further double down on our reduction efforts. All remaining emissions then need to be removed from the atmosphere and stored permanently. We tackle this challenge by supporting nascent carbon removal technologies, and in 2019 completed our first purchase of carbon removal certificates generated by a pioneering biochar project in Finland.

Through our Group Sustainability Strategy we focus on a number of specific topics: climate change, renewable energy, health, agriculture and infrastructure – while seeking to use the possibilities offered by digitalisation. In this report, you can read about a selection of transactions we completed in 2019 to offer our clients effective re/insurance protection against risks in these areas. The transactions span

developed as well as emerging countries, private- as well as public-sector clients. Working in close partnership has again proved to be essential for creating solutions that meet our clients' needs.

Exchanging know-how on workable solutions and addressing gaps as part of a true multi-stakeholder approach is essential to tackle sustainability challenges. This is why we place great emphasis on regular dialogue with our stakeholders. Swiss Re Institute plays an important role in this: combining our internal expertise with world-class research, it serves as the platform for our high-quality conferences and publications, including the *sigma* series and the annual SONAR Report. Often, our senior managers join the debate, for example by sharing their views on specific topics in blogs or at major conferences. On the following pages, you can read summaries of various dialogue highlights from 2019.

As part of our stakeholder engagement, we continue to be a member of the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Technical Expert Group (TEG) on Sustainable Finance. Both bodies are working on important frameworks

Our Sustainability Report continues to serve as the 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 fully-linked reference tables in the online version of the report. We will continue to honour both commitments as part of our Group Sustainability Strategy and report on our activities to meet their principles.

guiding the future development of sustainability, chiefly disclosures, standards or legislative proposals.

We would like to conclude by thanking our employees for the great work they have delivered for Swiss Re day in and day out. The initiatives and achievements we describe in this report are due to their commitment and know-how. Our goal, in turn, is to offer our employees an attractive, inclusive and cooperative work environment that inspires them to shape viable responses to the big issues we all face, thus creating long-term value for all of our stakeholders.

Zurich, 19 March 2020

A handwritten signature in dark ink, appearing to read 'Walter B. Kielholz'.

Walter B. Kielholz
Chairman of the Board of Directors

A handwritten signature in dark ink, appearing to read 'Christian Mumenthaler'.

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 world.

Our global presence

	Europe (including Middle East and Africa)
Net premiums earned and fee income in 2019 (USD billions)	12.0 (USD 11.0 billion in 2018)
Number of office locations* as of 31 December 2019	34 (33 in 2018)
Number of employees (regular staff) as of 31 December 2019	9 565 (9 099 in 2018)

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

At the end of 2019, we had 80 office locations in more than 30 countries. Based on “net premiums earned and fee income from policyholders”, our ten biggest markets in 2019 were: the US, the UK, China, Australia, Japan, Germany, Canada, Switzerland, Ireland and France. They accounted for approximately 79% 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 2019 Business Report at: reports.swissre.com/2019/business-report/our-business/our-strategy.html.

Americas	Asia-Pacific	Total
18.2 (USD 16.2 billion in 2018)	8.4 (USD 7.3 billion in 2018)	38.6 (USD 34.5 billion in 2018)
33 (34 in 2018)	13 (15 in 2018)	80 (82 in 2018)
3418 (3624 in 2018)	2418 (2220 in 2018)	15401 (14943 in 2018)

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.

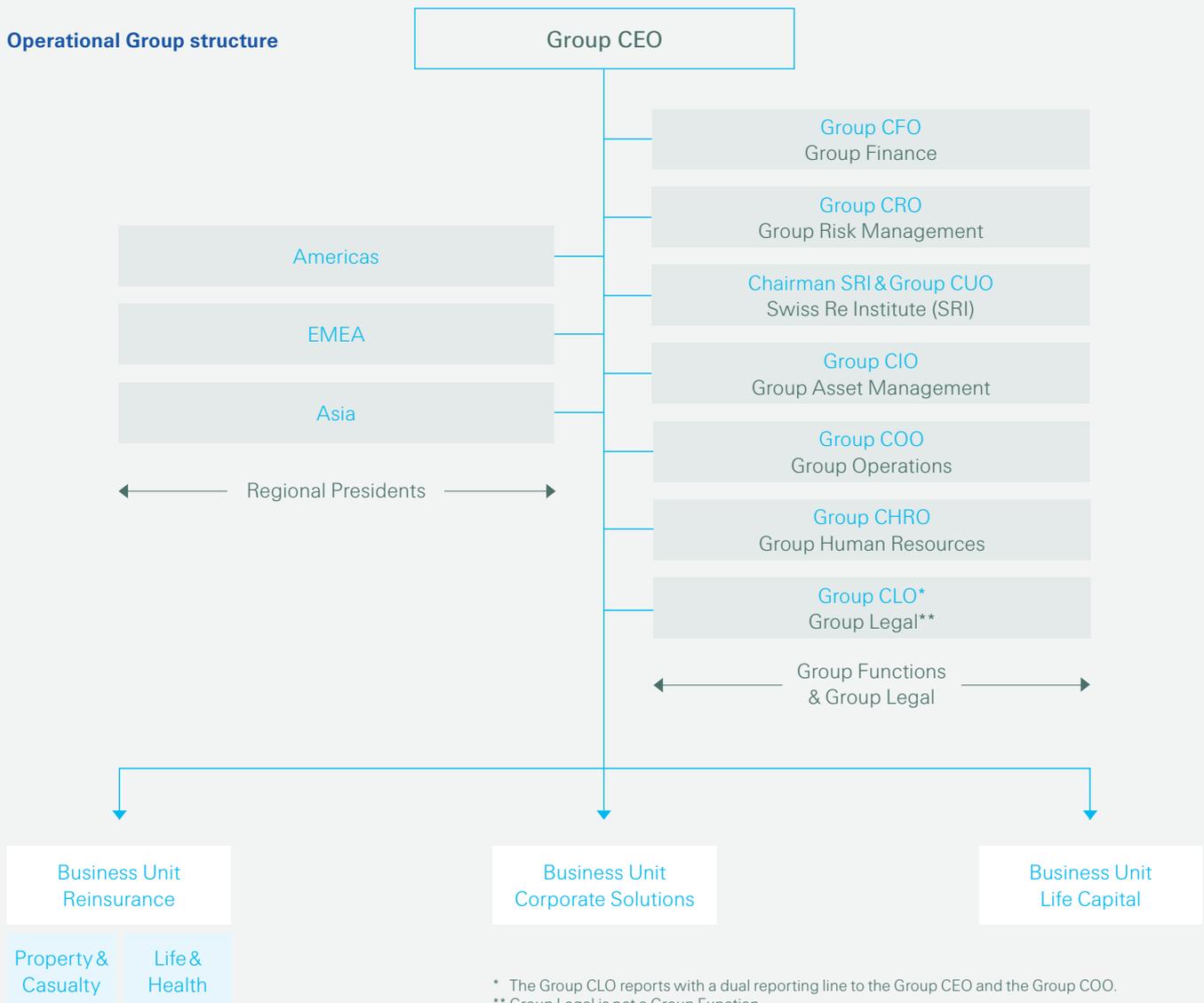


Life Capital

Life Capital supports and incubates entities in the B2B2C primary business, B2B corporate business as well as the closed book space.* As a key part of Swiss Re's strategic growth plan, Life Capital provides alternative access to new Life & Health and Property & Casualty risk pools. It creates simple and transparent digital propositions that make insurance products simpler and more accessible, helping boost the business of our partners.

* Following completion of the sale of ReAssure, pending the required regulatory approvals, Life Capital will focus on its open book businesses.

Operational Group structure



* The Group CLO reports with a dual reporting line to the Group CEO and the Group COO.
 ** Group Legal is not a Group Function.

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 taxes and shareholders).

Financial highlights

USD millions	2018	2019
Total assets	207 570	238 567
Total investments	147 302	103 746¹
Total liabilities	178 843	207 530
Total debt	10 135	10 323
Common shareholders' equity	27 930	29 251
Total revenues	37 047	49 314
Premiums earned and fee income	34 461	38 594
- P&C Reinsurance	16 095	19 275
- L&H Reinsurance	12 835	13 004
- Corporate Solutions	3 925	4 166
- Life Capital	1 606	2 149
Net investment income – non-participating business	4 075	4 171
Total expenses	-36 497	-48 405
Claims and claim adjustment expenses	-14 855	-18 683
Life and health benefits	-11 769	-13 087
Net income	421	727

¹ The Group agreed to sell its subsidiary ReAssure Group plc in December 2019 to Phoenix Group Holdings plc. The corresponding held for sale assets and liabilities, including investments and debt are separately disclosed on the balance sheet. Further details on the agreed sale are provided in Note 11 "Assets held for sale" of the 2019 Financial Report, page 249.

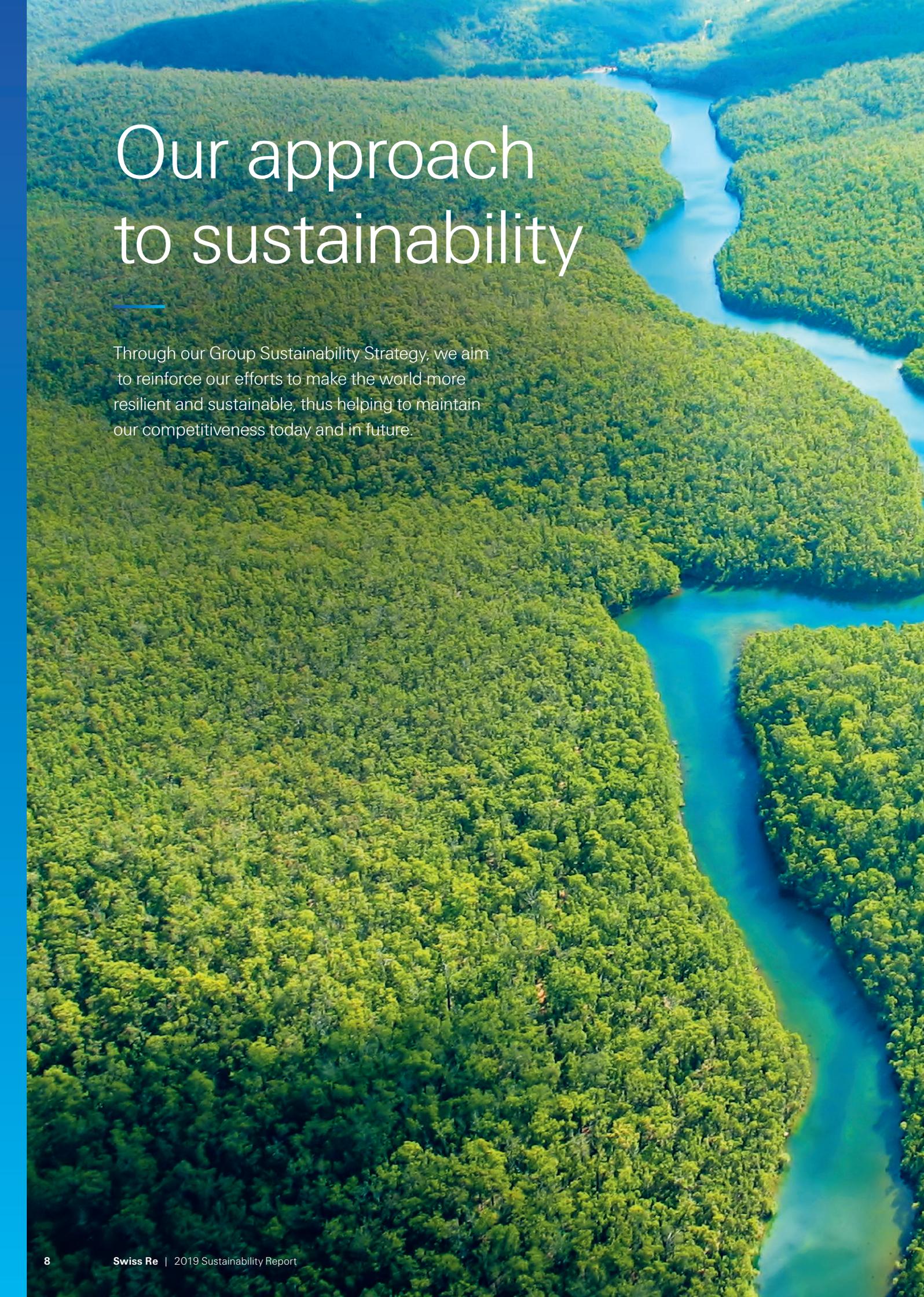
Attribution of Group income to key stakeholders

USD millions (unless otherwise stated)	2018	%	2019	%
Income before tax and variable compensation	863	100%	1 218	100%
Variable compensation ¹	373	43%	351	29%
Income tax expense	69	8%	140	11%
US GAAP net income attributable to shareholders	421		727	
of which paid out as dividend ²	1 659	192%	1 766	145%
of which share buyback	1 020	118%	1 010³	83%
of which added to retained earnings within shareholders' equity	-2 258		-2 049	

¹ Aggregate compensation for all employees was CHF 2 310 million in 2019. See 2019 Financial Report, page 142.

² FY 2019 is estimated based on the average monthly CHF/USD FX rate as of February 2020. 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.

³ Includes shares bought back between 6 May 2019 and 18 February 2020 as part of the buyback programme authorised at the AGM 2019. The total amount represents an estimate translated at the respective period average rate.

An aerial photograph of a dense, vibrant green forest. A winding river or stream flows through the center of the forest, creating a path that meanders from the top right towards the bottom right. The forest canopy is thick and uniform in color, with some small clearings or variations in shade visible. The lighting is bright, suggesting a sunny day, and the overall scene is one of natural beauty and environmental health.

Our approach to sustainability

Through our Group Sustainability Strategy, we aim to reinforce our efforts to make the world more resilient and sustainable, thus helping to maintain our competitiveness today and in future.



Swiss Re has a long-standing commitment to being a responsible company. In our understanding, a guiding principle of acting responsibly is to take a long-term view and play our part in enabling sustainable progress, to the benefit of our clients and society at large. This principle is integrated into our value framework as part of what we call “doing business the Swiss Re way” and into our Code of Conduct.

Group Sustainability Strategy

Feedback from our stakeholders confirms that Swiss Re is widely regarded as a sustainability leader, reflecting our many achievements to date. It is notable, however, that the momentum around sustainable development has intensified recently, opening up new opportunities to businesses for decisive action. Building on our successful track record, our Group Executive Committee has thus decided to further strengthen our efforts and to develop an enhanced Group Sustainability Strategy.

This enhanced strategy defines sustainability as a strategic, long-term value driver and embeds this approach throughout our re/insurance value chain. At its core, it involves managing and monitoring risks and opportunities associated with environmental, social and governance (ESG) issues. Sustainable re/insurance covers both the liability and the asset side of our balance sheet, our own operations and dialogue with our stakeholders. In our core business, it aims to develop innovative solutions, improve business and investment performance on a risk-adjusted basis, and thus to contribute to environmental, social and economic sustainability.

Website



Learn more about our vision, mission and values at:
www.swissre.com/about-us/our-vision-mission-and-values.html

Key elements of our Group Sustainability Strategy

At its highest level, the strategy states our **Sustainability Mission**, derived from Swiss Re’s vision of making the world more resilient, to the benefit of all our key stakeholders. It expresses what we do and what we aim for:



We insure, invest, operate and share our knowledge in a way that tackles sustainability challenges and creates long-term value.

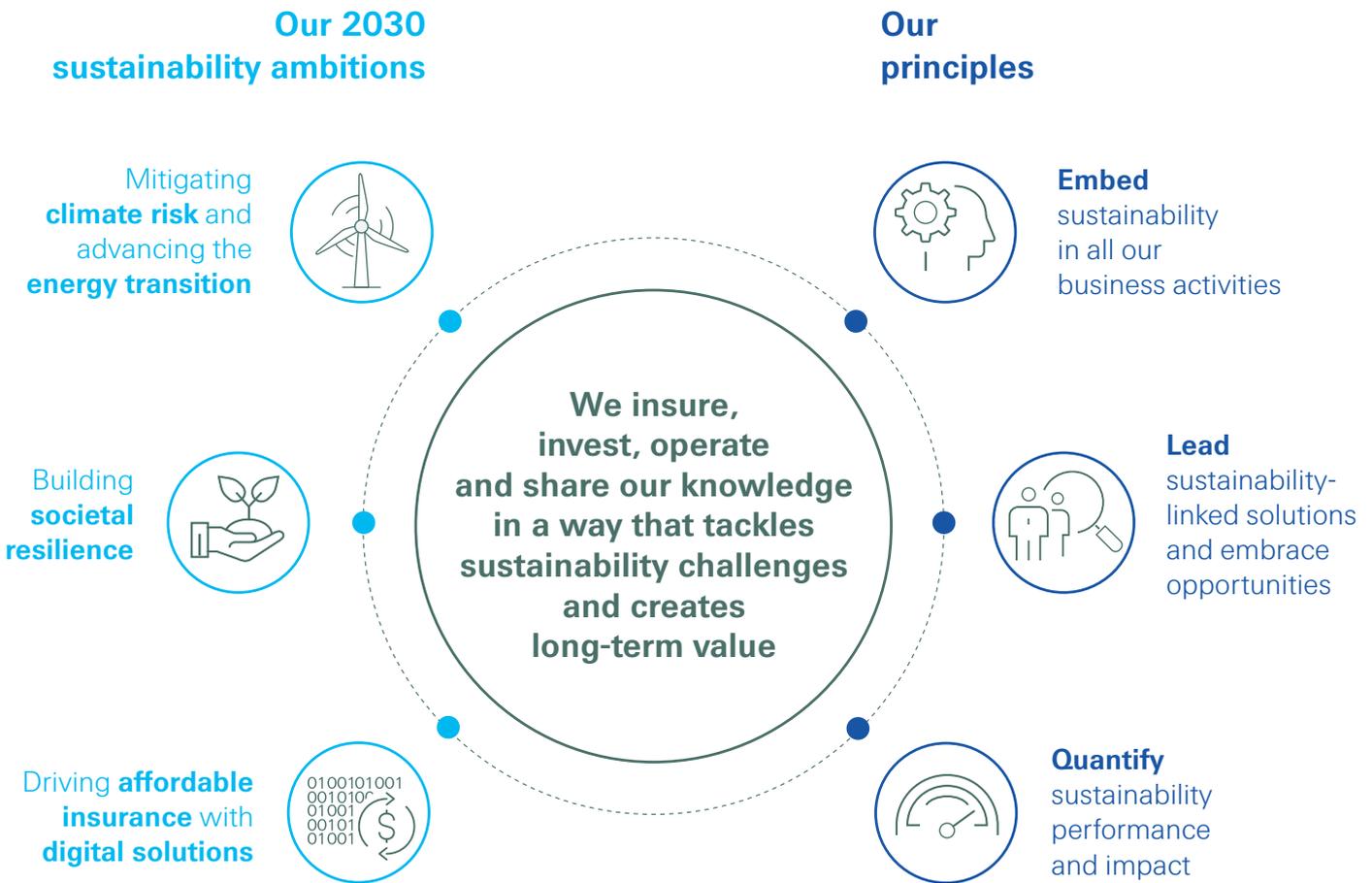
Our **2030 Sustainability Ambitions** provide this mission with topical focus areas. Initially, we have selected three overarching ambitions that describe how we can have a significant positive impact in terms of supporting sustainability and strengthening resilience (see pages 12–13 for further details):

- Mitigating climate risk and advancing the energy transition
- Building societal resilience
- Driving affordable insurance with digital solutions

Finally, we have defined three **Principles** to guide our practical work:

- Embed
- Lead
- Quantify

The illustration below shows how the elements of our Group Sustainability Strategy interact with each other:



Adjusting our terminology

Reflecting our enhanced Group Sustainability Strategy and its accelerating relevance for our business, we have changed our terminology and replaced our former umbrella term of “corporate responsibility” with “sustainability”. In line with this change, our annual review is now called Sustainability Report instead of Corporate Responsibility Report.

You can learn more about our Group Sustainability Strategy and related aspects on the following pages: the crucial link between sustainability and resilience (page 11), our three 2030 Sustainability Ambitions (pages 12–13), our Climate Action Plan (page 12), our approach to the UN Sustainable Development Goals (page 14) and the full, adjusted set of our Sustainability Topics with related targets (pages 16–19).

Website



Learn more about our Group Sustainability Strategy at:
www.swissre.com/sustainability/group-sustainability-strategy.html



Swiss Re's vision is to make the world more resilient, thus enabling communities to quickly bounce back after a disaster. Through our Group Sustainability Strategy we help reduce risks that may weaken resilience and develop re/insurance solutions offering protection against them.

Resilience and sustainability: the link

Making the world more resilient is Swiss Re's vision. Sustainability as a strategic priority supports our ability to meet this vision. Here's how:

Resilience describes the ability of individuals, organisations, communities and entire societies to bounce back after major setbacks such as financial or human loss due to natural disasters, pandemics and other risks. Effective re/insurance protection plays a vital role in strengthening this ability.

Sustainability denotes the principle of achieving economic and social development that can be maintained in the long term, ie without overusing precious resources. Major challenges that undermine sustainable development, eg climate change, insecure food supplies, health funding gaps, ageing infrastructure etc. can weaken resilience because they create new risks or aggravate existing ones, further widening the protection gap.

Our focus on sustainability seeks to identify and address the challenges that threaten stable long-term development. From the perspective of a re/insurer this

translates into offering protection against such risks where viable, supporting efforts to reduce them and to prevent them ("adaptation" and "mitigation"). This in turn helps strengthen resilience.

Finally, companies that make sustainability a priority across all aspects of their businesses are better qualified to adjust to the changing risk landscape – they become more sustainable themselves. In Swiss Re's own case, this enhances our long-term prospects of continuing to meet our vision of making the world more resilient.

2030 Sustainability Ambitions



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 intense precipitation events. 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.

Our response

Swiss Re's main responses to this challenge are to make societies more resilient to the growing risks of climate change and natural hazards, as well as evolving our way of doing business

towards net-zero carbon emissions by 2050, in line with the Paris Agreement. We do this in a number of ways.

With our underwriting and innovative re/insurance solutions, we can help communities and businesses get back on their feet quickly after a disaster, as well as prepare them for more frequent and severe climate impacts.

We build partnerships with clients and governments to develop scalable solutions to mitigate and adapt to climate change. This includes offering solutions that support the transition to more sustainable, low-carbon energy systems by managing the risks associated with renewable energy projects and making them more attractive to investors with re/insurance backing. Overall, it is our goal to be a leading re/insurance capacity provider for the development of renewable energy solutions.

Furthermore, we promote sustainable practices in our own operations to demonstrate good stewardship, lead by example and drive long-term performance. We have adopted a holistic strategy to responsible investing, including investment practices for our assets to consider environmental, social and governance (ESG) criteria in our investment decisions. Limiting global warming is part of this effort, and we are reinforcing it by further reducing our own carbon footprint across our operations, investments and re/insurance offerings.

We are implementing our Group Sustainability Strategy through a structured process and are currently working on bringing it to life by defining targets, metrics and actions for our three 2030 Sustainability Ambitions. Adopting a sequential approach, we have first started to develop a Climate Action Plan, which also serves as our climate strategy (see below).

Our Climate Action Plan

Swiss Re first detected the potential long-term challenges posed by climate change some 30 years ago. Consequently, it has become our most important sustainability issue: For a re/insurer, climate change constitutes a key topic because it leads to an increase in the severity and a change in the patterns of natural catastrophes such as windstorms, floods, excessive rainfall, heatwaves and drought. In combination with growing asset concentrations in exposed areas and more widespread insurance protection, this will cause a steady rise in losses.

Climate change continues to be an essential element in our enhanced Group Sustainability Strategy: "Mitigating climate risk and advancing the energy transition" is one of our three overarching 2030 Sustainability Ambitions. In the process launched to define metrics and setting targets, we have put the initial focus on this topic and started to develop a Climate Action Plan.

Building on our commitments and initiatives of recent years, our Climate Action Plan, which also serves as our climate change strategy, combines three objectives:

1. We aim to become the leading re/insurance company on physical climate risk.
2. We aim to become a leading provider of re/insurance solutions for low-carbon transition opportunities.
3. We build partnerships to develop scalable solutions to mitigate and adapt to climate change.

For specific targets related to these objectives, take a look at the "Mitigating climate risk and advancing the energy transition" section on pages 16–17. We will report against these targets in our 2020 Sustainability Report.

Key achievements of 2019

Below you can see a selection of key actions we took in 2019 that are relevant for our Climate Action Plan, with references to further content in the report:

- We committed to net-zero emissions on the liability and asset side of our balance sheet by 2050 (pages 33 and 47).
- We committed to net-zero emissions in our own operations already by 2030 (page 57).
- We continued to implement our thermal coal policy in the treaty business. In 2019, we had over 300 engagements with clients across the globe on the topic of thermal coal (page 35).
- Many of our clients have introduced a thermal coal policy of their own and are helping us reduce our carbon exposure in our treaty business (page 37).
- We took a further important step in the development of our carbon steering mechanism and developed a policy to shift away from the most carbon-intensive oil and gas production (page 35).



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 investment 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.

Our response

Today, billions of people are either uninsured or underinsured for life and health risks. Health gaps are widening, such as those caused by our ageing populations or chronic illnesses like diabetes. At the same time, as the world population increases, so too must global food production. But climate change and rising food prices pose a serious threat, not least to farmers and the agricultural industry. We share our knowledge, apply new technologies and partner with clients and other stakeholders to come up with innovative solutions to address these challenges. To this end, our goal is to ensure health and wellbeing across all age groups, as well as affordable and sustainable agriculture to enhance the livelihood of society.

Furthermore, economic growth depends on investment in infrastructure. However, the funding gap for both maintaining existing infrastructure and building new infrastructure is widening. As a re/insurer and long-term investor, we both underwrite the projects needed – from transport infrastructure to urban spaces or renewable energy infrastructure – and provide capital to infrastructure projects to help narrow the financing gap.



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.

Our response

Our goal is to use technology to provide affordable insurance for more types of risks and across broader income levels. Technology can help streamline processes, which eventually leads to more customer-friendly access to insurance and more affordable coverage. Another benefit comes from utilising our parametric solutions to speed up claims payments to customers, eg via their smart devices. Ultimately, we want to help close the protection gap by offering risk cover to a greater number of individuals through a simplified insurance value chain.

By combining smart analytics and devices we can enhance our risk knowledge as well as advice to customers to improve risk prevention, mitigation and crisis management. For example, we can improve our natural catastrophe modelling and understanding of risk exposures by combining our proprietary, internal data sources with external ones. Furthermore, customers can benefit from education and behaviour change platforms that provide advice on nutrition, exercise, sleep and other activities.

While creating new possibilities to deliver value directly to our customers and closing protection gaps, leveraging technology and using big data also raises some questions. Various regulators around the world have started to evaluate the need for regulations on the topic of big data and digital responsibility or have issued first guidelines. At Swiss Re, we seek to understand and proactively address the digital challenges surrounding the digital transformation, including developing digital best practices and integrating digital responsibility aspects into our solutions and businesses to manage the risks of digital societies.

Our approach to the UN Sustainable Development Goals

Swiss Re endorses the UN Agenda 2030. Since the Sustainable Development Goals (SDGs) were launched in 2015, we have continuously refined our approach to using the SDG framework and defining how our business contributes to achieving the goals.

We started by mapping the SDGs to our Sustainability Topics (formerly Corporate Responsibility Topics), clearly showing where we contribute to the SDGs (see table on pages 16–19).

We then explored how to use our Group Sustainability Strategy to further align our activities with the SDGs, and understand related strengths, opportunities and risks.

We have analysed our Reinsurance Underwriting Portfolio from an SDG perspective and will use the insights for our portfolio steering. As we look to develop further products supporting sustainability, an important criterion will be how we can contribute to the SDGs.

As part of our responsible investment strategy, we have developed an approach to measuring the impact of our thematic investments and aligning it to the SDGs (see page 44).

Going forward, we will further focus on mapping, measuring and disclosing our SDG contributions and impacts. Below you can see all the SDGs we address through our activities:



www.un.org/sustainabledevelopment/



Our external commitments

Based on our commitment to sustainability, we have committed to a number of external charters and initiatives:

- Paris Pledge for Action, see page 33
- UN Global Compact Business Ambition for 1.5°C, see page 33
- Net-Zero Asset Owner Alliance, see page 47
- IDF commitment with UN Development Programme, Germany and the UK, see page 50
- UN Global Compact: for our Communication on Progress, see online report
- UNEP FI Principles for Sustainable Insurance (PSI): for our Public Disclosure of Progress, see online report
- Principles for Responsible Investment (PRI): see page 47
- Task Force on Climate-related Financial Disclosures (FSB-TCFD): see 2019 Financial Report, pages 151–167
- ClimateWise (www.cisl.cam.ac.uk/)
- RE100: see page 59
- EP100: see page 59
- CDP (formerly Carbon Disclosure Project) (www.cdp.net)

How we determine materiality

A key question for any company that seeks to advance sustainability 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 Sustainability Topics, we use both our internal risk expertise and ongoing dialogue with our stakeholders.

Insights from our internal risk expertise

As a leading re/insurer, we act as ultimate risk-taker in society, which requires us to have a very sound understanding of the risk landscape. This risk expertise embedded in our company and the deep understanding of re/insurance markets also give us a solid foundation to identify material sustainability issues. In many areas of our business, we have special teams, functions and processes to identify and address issues relevant to sustainable development.

In our core re/insurance business there are units such as our Public Sector Solutions global function, the Weather, Agro & MGA team in our Corporate Solutions Business Unit, the P&C Structured Solutions team in our Reinsurance Business Unit and many more that identify underinsured markets and risks, and seek to expand re/insurance protection through commercially viable solutions.

In our risk management, meanwhile, we have a process and the capabilities to identify risks we feel we should not re/insure, be it for ethical reasons, because they might increase loss potential, or both. We conduct this analysis through our Sustainable Business Risk Framework and other tailor-made risk management tools.

We also maintain a formal process to identify emerging risks called SONAR (systematic observation of notions associated with risk). This enables us to spot, at an early stage, newly developing or changing risks that may have a significant impact on our business, including risks related to sustainability issues.

Insights from dialogue with our stakeholders

Our role as ultimate risk-taker in society means that we have an intrinsic interest in maintaining active and ongoing dialogue with our key stakeholders. Generally speaking, this dialogue works in both directions: Our partners expect us to share our risk expertise, thus helping them – and society at large – to form effective responses. In turn, we also benefit from this exchange because it helps us sharpen our understanding of key risks, including sustainability issues, and to set priorities.

With regard to such issues, we consider the following groups as our principal stakeholders:

- 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

Swiss Re Institute plays a key role in our stakeholder dialogue. It incorporates successful Swiss Re brands, such as the *sigma* publication series and the Centre for Global Dialogue, our in-house conference venue in Rüslikon near Zurich. Swiss Re Institute acts as a coordination point for research output from research-focused business lines within Swiss Re and from external partners. Our renowned expertise publications form another important element of our stakeholder dialogue.

Complementing the insights we gain directly through dialogue with our stakeholders, we also evaluate and use data provided by specialised third-party organisations such as RepRisk (www.reprisk.com), Sigwatch (www.sigwatch.com), MSCI (www.msci.com) and Sustainalytics (www.sustainalytics.com), as well as the results of academic research.

Our process to identify Sustainability Topics

When identifying our material Sustainability Topics, we draw both on our internal, embedded risk expertise and the insights we gain from our stakeholder dialogue. In addition, we take into account the views of various standard-setters on materiality, eg: reporting requirements, materiality definitions by sustainability rating agencies, multilateral discussions such as the UN Sustainable Development Goals (see page 14), relevant academic research and regulatory developments.

As part of our enhanced Group Sustainability Strategy, we reviewed the materiality of our Sustainability Topics (formerly Corporate Responsibility Topics). In doing so, we tapped the key sources described above and conducted the following steps:

- Benchmarking and gap analysis by the Group Sustainability Strategy project core team
- Interviews and roundtable discussions with key internal decision-makers
- Exchanges with our sustainability risk stakeholders (eg investor meetings, events at the Centre for Global Dialogue, project- and business-related interactions) and external experts (academia, NGOs, consulting firms)
- Revised list of material topics finalised by Group Sustainability Risk unit, based on Group Sustainability Strategy and former list of material topics

Our Sustainability Topics, SDG links, targets & key achievements

For all of our Sustainability Topics we have set targets – 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 targets we have set for them and what we achieved during the reporting year.

Our Sustainability Topics

Mitigating climate risk and advancing the energy transition

The effects of climate change and global warming are already evident and shaking up our risk landscape: warmer average temperatures, rising sea levels, longer and more frequent heatwaves and more weather extremes. We continue to evolve our way of doing business towards a low-carbon economy in line with the Paris Agreement. Our key objectives are:

- We aim to become the leading re/insurance company on physical climate risk.
- We aim to become a leading provider of re/insurance solutions for low-carbon transition opportunities.
- We build partnerships to develop scalable solutions to mitigate and adapt to climate change.

Building societal resilience

Technological and economic development, population growth, ageing populations and other societal trends are putting people and assets in jeopardy. With our re/insurance solutions and investments we help reduce societal vulnerabilities. Our key objectives are:

- We provide affordable health and longevity solutions to our customers to ensure healthy lives and to promote wellbeing across all age groups.
- We support sustainable agriculture and enhance livelihoods across the re/insurance value chain through our risk knowledge and solutions.
- We facilitate sustainable and resilient infrastructure through our risk transfer products.

Driving affordable insurance with digital solutions

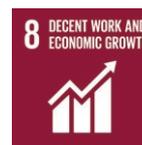
Our customers are seeking quick, intuitive and streamlined digital experiences to make their lives safer and healthier. With our digital solutions we increase the availability and affordability of re/insurance and risk knowledge worldwide. Our key objectives are:

- We leverage technology to provide affordable cover for more types of risks across all income levels and ensure efficient claims handling.
- We apply smart analytics and devices to enhance our risk knowledge and advice to improve risk prevention, mitigation and crisis management.
- We develop digital best practices, integrate ethical aspects into our digital business and provide solutions to manage the risks of digital societies.

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 other 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 Sustainable Business 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 Sustainability Topics.

Our targets

- Completed: Based on our commitment to the United Nations, advise 50 sovereigns and sub-sovereigns on climate risk resilience by 2020 and offer USD 10 billion of re/insurance protection against this risk.
- New: As a member of the Insurance Development Forum (IDF), collectively commit to offer up to USD 5 billion of risk capacity for climate risk insurance benefiting up to 500 million individuals by 2025.
- Use our capacity and technical expertise to provide effective risk covers for complex offshore wind farm projects.
- New: Achieve net-zero emissions across the Swiss Re Group by 2050.

- In cooperation with key stakeholders, create solutions to improve food security by giving farmers protection against natural perils.
- Advance our understanding of the societal impact of insurance and develop metrics to measure our impact on stakeholders.
- New: In partnership with Women's World Banking, bring life and health insurance to two million low-income customers by the end of 2020.

- Refine our understanding of societal challenges related to the digital transformation.
- New: Increase our digitally enabled value propositions for people and businesses, using new and evolving technologies as well as analytical capabilities, eg in the area of agriculture and natural catastrophes.

- Adjusted: Consistently identify new sustainability risks, adapt the Sustainable Business Risk Framework accordingly and apply it to the full scope of our business.
- Adjusted: Increase the share of structured and automated sustainability assessments in the Sustainable Business Risk process.
- Engage with clients and industry partners on how to address and reduce sustainability risks in business transactions, especially in high growth markets.

Key achievements

- By the end of 2019, advised a total of 120 (sub-)sovereigns on climate risk resilience and offered them protection of USD 10.0 billion, thus meeting our commitment one year ahead of schedule (page 27).
- Were involved in further offshore wind farm projects, including the first large commercial project to be constructed in France and expanding our engagement in Taiwan, Asia's most important market for offshore wind (page 30).
- Revised our oil and gas policy with the goal of shifting away from the most carbon-intensive oil and gas production in the next years. (page 35).

- Completed a number of innovative transactions providing insurance protection to smallholder farmers against various natural perils, eg in Mexico, China and Cambodia (pages 26–29).
- Through our Group Sustainability Strategy further explored the relevance and implications of the UN Sustainable Development Goals for Swiss Re and how we can further align our activities with them, both in re/insurance and our investments (pages 14 and 44).
- By the end of 2019, brought life and health insurance protection to 219 000 beneficiaries through our partnership with Women's World Banking (page 27).

- Continued our engagement in discussions with peers, regulators, academics and trade associations on how to embrace the opportunities offered by digitalisation in a responsible and ethical way (page 53).

- Continued with the implementation of our thermal coal policy and sharpened our oil and gas policy, with the goal of gradually decarbonising our business model (pages 34–35).
- Recorded a small decrease in the number of transactions referred to our team of in-house experts for individual Sustainable Business Risk assessments (page 36).
- During 2019, had over 300 engagements with clients in the context of implementing our thermal coal policy (pages 35 and 37).

Our Sustainability Topics

Investing responsibly

Institutional investors such as re/insurers are naturally suited to invest responsibly because of the businesses' long-term nature. Swiss Re systematically integrates environmental, social and governance (ESG) considerations along the investment process through its three-cornerstones 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". For this it is imperative that we build an engaged, inclusive and agile organisation. Throughout the year, we check-in with our employees through pulse surveys to measure progress, which also gives them an opportunity to engage in dialogue and share ideas for improvement.

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 footprint

As a leading global re/insurer, we are directly affected by the consequences of climate change. Based on our strong commitment to sustainability, we consider it important to reduce the environmental impact caused by our own operations, thus leading by example. Tackling our CO₂ emissions and reducing energy consumption have been key targets across the Group, reflected by our pioneering initiatives such as the Greenhouse Neutral Programme, the CO_{you2} Programme and co-founding RE100. In 2019, we took another major step by committing to reach net-zero emissions in our operations already by 2030.

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 three focus areas – climate risk management and natural hazards, access to health and income opportunities, and societal resilience – 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 Sustainability Topics.

Our targets

- Integrate ESG criteria systematically along our overall investment process.
- Completed: Meet our investment target for green bonds of at least USD 1.5 billion.
- New: Hold at least USD 4 billion in green, social and sustainability bonds by the end of 2024.
- New: Achieve a net-zero greenhouse gas emission investment portfolio by 2050.

Key achievements

- At the end of 2019, close to 100% of our Strategic Asset Allocation considered ESG aspects (page 42).
- By the end of 2019, we held USD 1.8 billion in green bonds, exceeding initial goal (page 43).

- Continue to build an engaged, inclusive and agile organisation.

- Sixty-eight percent of our employees are of the opinion that Swiss Re offers an environment that is open to and inclusive of individual differences (page 72).
- Fifty-nine percent of our employees are experiencing progress on developing a more agile culture (page 72).

- 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 2019, see our 2019 Financial Report (pages 80–82).
- Continued development of Compliance tools through new data analytics to improve assurance activities and build towards continuous monitoring of the Compliance Risk frameworks. Delivery of mandatory compliance training as well as risk-based targeted training also continued (pages 76–78).

- Until 2020, 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 until 2020.
- Obtain 100% of power used for our own operations from renewable sources by 2020.
- Have all of our tier 1 and tier 2 vendors ESG-assessed by the end of 2020.
- New: Achieve net-zero emissions in our operations by 2030.

- By the end of 2019, achieved a further reduction of our per-capita CO₂ emissions by 10.6% since 2013 (page 58).
- By the end of 2019, achieved an accumulated reduction in our energy intensity of 39.0% since 2013 (pages 58–59).
- By the end of 2019, covered 92% of our power consumption from renewable sources (page 59).
- By the end of 2019, completed ESG assessment for 35% of our tier 1 and tier 2 vendors, and during 2019 re-assessed approximately 50% of assessed tier 1 and tier 2 vendors due to expired scorecards (page 63).
- In 2019, bought first batch of 100 tonnes carbon removal certificates (page 62).

- Contribute to resilient societies by increasingly engaging Swiss Re employees with their skills and expertise.
- New: By 2021, aim to have improved financial access to basic healthcare for a total of one million low-income people.

- Added two new components to our skills-based volunteering programme. In total, Swiss Re expert volunteers supported our partners during more than 6 100 hours (for more information, see www.swissrefoundation.org).
- By the end of 2019, had helped give 500 000 people access to healthcare (for more information, see www.swissrefoundation.org).

Sustainability governance

Board of Directors

At Swiss Re's highest governance level, the Board of Directors (BoD) is responsible for overseeing the development and adoption of the Group Sustainability Strategy and related policies. Detailed tasks have been assigned to three BoD committees.

- Based on regular updates from management and the sustainability team, the Chairman's and Governance Committee monitors and reviews general progress on the Group's Sustainability Strategy including all sustainability-related external engagements.
- The Board's Investment Committee reviews Swiss Re's Asset Management 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 oversight, the Group Executive Committee (Group EC) approves the implementation of the Group Sustainability Strategy.

As part of its mandate, it approves detailed sustainability policies such as the thermal coal policy introduced in 2018. Furthermore, it sets and monitors risk capacity limits (including for natural catastrophes), and determines product policy and underwriting standards. As we are implementing our Group Sustainability Strategy, we have introduced a number of qualitative key performance indicators for the Group EC and its individual members.

In order to optimise coordination at Group level, the Group EC has established a Group Sustainability Council (GSC), chaired by the Group Chief Risk Officer. The GSC is an advisory body to the Group EC. It is composed of Group EC members and further senior management representatives.

The Group EC members who head Swiss Re's Business Units and Group Functions have explicit tasks related to sustainability, which include but are not limited to the following:

- The Group Chief Risk Officer (Group 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. In addition, the Group CRO is also chairing the GSC. In this role, he guides the GSC coordination of sustainability activities across the Swiss Re Group.
- The Group Chief Investment Officer (Group 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 (Group CFO) is responsible for the Group-wide Finance function with a focus on steering and achieving the Group's financial targets. He is also responsible for Swiss Re's investor relations and public disclosures, including the Group Annual Report (which includes our Climate-related Financial Disclosures).
- The Chairman Swiss Re Institute and Group Chief Underwriting Officer (Group CUO) is responsible for steering capital to the most attractive areas in underwriting that are of strategic importance for the Group's underwriting, and overseeing research and development that improves both capital allocation and risk selection. The Institute's research agenda also includes sustainability and resilience-related topics.

- The Group Chief Operating Officer (Group COO) is responsible for the Group-wide operations functions. This responsibility includes overseeing Communications, 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 CO₂ emissions as well as the new commitment to reach net-zero CO₂ emissions in our operations by 2030.

About the content of this report

We address our Sustainability 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 2019 Sustainability 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 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, investors 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.

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.

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 three 2030 Sustainability Ambitions and other Sustainability Topics, as displayed and described on pages 16–19. 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 Sustainability Topics in 2019 is available in the online version of the report: reports.swissre.com/sustainability-report/2019/introduction/our-approach-to-sustainability/overview-implementation-in-2019.html

Report profile and reporting frameworks

Our Sustainability Report covers the whole Swiss Re Group as it was organised on 31 December 2019, 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. (On 6 December 2019, Swiss Re announced the agreement to sell ReAssure to Phoenix Group Holdings plc. The transaction is expected to close in mid-2020, subject to regulatory and antitrust approvals.)

All the main chapters of the report have received independent assurance from PricewaterhouseCoopers. Their assurance report is included on pages 82–83.

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/sustainability-report/2019/introduction/our-approach-to-sustainability/report-profile-and-reporting-frameworks.html

Our Sustainability Report incorporates our 2019 Communication on Progress (CoP) for the UN Global Compact (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). 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/sustainability-report/2019/introduction/our-approach-to-sustainability/report-profile-and-reporting-frameworks.html

In our 2019 Financial Report we provide detailed Climate-related financial disclosures, as developed and recommended by the Financial Stability Board (www.fsb-tcfd.org).

Content in the 2019 Financial Report

 You can view our Climate-related Financial Disclosures in the "Sustainability" chapter, pages 151–167.

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, Bloomberg Gender-Equality Index and the MSCI ESG Leaders Indexes (2019). In July 2019, Swiss Re received an AAA rating on the MSCI ESG assessment.

Our most important index listings and ratings are displayed on page 85.