

# Executive statement

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**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 CO<sub>2</sub> 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 CO<sub>2</sub> 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

**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 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](https://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)