Swiss Re

Sustainability Report 2020

Accelerating sustainable progress

Sustainability at Swiss Re: key milestones

1979
- Produced first sustainability-related publication

1998
- Published first Corporate Environmental Report

2002
- Have continuously held leading position in Dow Jones Sustainability Indices

2003
- Launched Greenhouse Neutral Programme, achieving total reduction of 80% in CO_2 emissions per employee (FTE) by end of programme in 2020

2003
- Have offset all CO_2 emissions from operations, making Group fully carbon-neutral

2006
- Launched CO_{you2} Programme to help employees reduce their private carbon footprints

2007
- Signed Principles for Responsible Investment (PRI)
- Established Global Partnerships, our dedicated function for public-sector clients (later renamed Public Sector Solutions)

2009
- Introduced Sustainable Business Risk Framework

2011
- Launched Own The Way You Work™, a programme to promote autonomous working

2012
- Signed Principles for Sustainable Insurance (PSI)

2013
- Established Swiss Re Foundation

2014
- Made commitment to the United Nations to offer USD 10 billion of climate protection to sovereigns and sub-sovereigns by 2020

2015
- Signed Paris Pledge for Action

2016
- Published first climate-related financial disclosures (TCFD) as original TCFD member

2017
- Have received continuous MSCI AAA rating

2017
- Established Swiss Re Institute
- Shifted investment portfolio to follow ESG benchmarks

2018
- Introduced thermal coal policy, with aim of gradual coal phase-out

2019
- Introduced enhanced Group Sustainability Strategy
- Signed Business Ambition for 1.5°C, committing to net-zero emissions in re/insurance and investments by 2050
- Co-founded UN-convened Net-Zero Asset Owner Alliance
- Committed to achieve net-zero emissions in our operations by 2030

2020
- Revised oil and gas policy, with aim of phasing out most severe carbon risks in this sector
- Launched Biodiversity and Ecosystem Services (BES) index
- Obtained 100% of power supply from renewable sources
- Announced internal carbon levy at USD 100 per tonne of CO_2 and set target to reduce emissions from air travel by 30% (relative to 2018), with ambitious post-COVID target to follow
- Linked compensation to sustainability performance targets across whole Group

Contents

About the front cover

In line with our Group Sustainability Strategy, Swiss Re provides insurance cover for the refurbishment of the historic Afsluitdijk dam, which protects the Netherlands from storm surge. In this report you can find out more about this and many other risk transfer solutions that support our strategy.

For further information, please see pages 24–35.

Sustainability Report 2020

See online version

Executive statement

Walter B. Kielholz
Chairman of the Board of Directors

"Dear stakeholders,

We are all looking back on a challenging year. The COVID-19 pandemic has had a devastating impact on individuals, families and economies – and at the time of writing unfortunately continues to do so. True to our vision of making the world more resilient, we have supported clients and partners during this difficult time by paying covered losses, by sharing insights and through our product innovations."

Dealing with the immediate fallout of the COVID-19 crisis has been the top priority around the world up to now. For a leading global re/insurer, however, it is equally important to analyse and understand the wider implications of the pandemic. It is estimated that 60% of all known infectious diseases in humans – and 75% of emerging ones – are zoonotic, meaning they originate from wild and domestic animals. Increasing pressure on ecosystems, eg rainforests, as a result of human activity will not only undermine resources vital to human life, but further increase the risk of pathogens passing from animals to humans.

The need to protect ecosystems and biodiversity is quickly gaining in importance to ensure sustainable progress and societal resilience. Climate change, meanwhile, was somewhat overshadowed by the COVID-19 pandemic in the past year, but it did not become less relevant. We argue that the financial industry, and re/insurance in particular, will be critical to tackling climate change and achieving a net-zero carbon world. Seizing the opportunities that lie in funding and providing risk transfer services for viable climate solutions will be key to this effort.

Despite having to cope with the COVID-19 pandemic for most of the year, we continued with the implementation of our Group Sustainability Strategy. Below we highlight some of the key actions we took in 2020.

We implement and monitor our Group Sustainability Strategy through a well-defined governance framework. In 2020, we refined this framework by adding a number of sustainability-related key performance indicators (KPIs) and targets to the assessment process that determines compensation across the Group, including the Group Executive Committee. While the 2020 performance assessment was mostly based on qualitative sustainability KPIs, we further quantified sustainability performance and will mainly use quantitative KPIs in 2021.

Working with our clients across the globe to develop risk transfer solutions that meet their needs is our core business. 2020 was no different: Recently introduced solutions, for example, enable the renovation of a historic dam to protect the Netherlands from climate risks, facilitate the construction of offshore wind farms in Taiwan, offer protection from natural catastrophes in Mexico and deploy digital life insurance protection in China. Reflecting our Group Sustainability

Strategy, we place special emphasis on mitigating climate risk and advancing the energy transition, building societal resilience and driving affordable insurance through digital solutions.

We have also continued our efforts to gradually decarbonise our entire business, aimed at achieving net-zero emissions both in underwriting and asset management by 2050. In underwriting, we strengthened our exit strategy for thermal coal by defining measures and targets for our treaty business, through which we reinsure whole policy portfolios of direct insurers. And we started to implement our revised oil and gas policy with the aim of ceasing support for the most carbon-intensive companies in this sector within the next few years.

In asset management, we set a target to reduce the carbon intensity of our corporate credit and listed equities portfolios by 35% by 2025 (for details, please refer to our climate-related financial disclosures (TCFD) in the Financial Report 2020). To further support the transition to a net-zero emissions world, we have also defined a first-time target to increase our renewable and social infrastructure portfolio by USD 750 million. Engagement with the real economy is another essential part of a successful transition. For this purpose, in 2020 we introduced an aspirational Engagement Framework with the investment managers for our active listed equities portfolio.

Christian Mumenthaler
Group Chief Executive Officer

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.

As we have repeatedly said, building effective stakeholder partnerships is key to addressing sustainability challenges. Due to the COVID-19 crisis, we had to abstain from holding physical conferences, but made full use of digital formats. For example, we co-organised a four-part virtual event series on Sustainability Leadership in Insurance and a follow-up Food for Thought conference. While continuing to cover the main topics of our Group Sustainability Strategy, we also put a focus on the emerging topic of biodiversity and ecosystem services, producing a Swiss Re expertise publication and a joint report with the WWF.

For our own operations we are committed to reaching net-zero emissions as early as 2030. In 2020, we took a significant step towards achieving this ambitious target: We have set a 30% reduction target for business travel emissions for 2021 relative to the level of 2018, and will define a new, ambitious target for the post-pandemic period. On top of that, we are introducing a triple-digit real internal carbon levy and are the first multinational company to do so. The levy gives us a strong incentive to further reduce our operational emissions and provides the necessary funds to engage in the emerging carbon- removal market.

We are proud of what our company achieved in this challenging year and would like to thank all our stakeholders for the excellent cooperation along the way. A special thanks goes to our employees for the outstanding work they delivered during 2020. The COVID-19 pandemic has added considerable pressure and greatly impacted how work is organised, in many cases testing their personal wellbeing. It is due to their continued efforts and commitment that the initiatives and achievements described in this report were realised, despite the obstacles faced. We strive to continue providing a supportive, cooperative and inclusive working environment at Swiss Re going forward.

Zurich, 18 March 2021

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.

Our global presence

	Europe (including Middle East and Africa)
Net premiums earned and fee income in 2020 (USD billions)	12.9 (USD 12.0 billion in 2019)
Number of office locations* as of 31 December 2020	28 (34 in 2019)
Number of employees (regular staff) as of 31 December 2020	7 078 (9 565 in 2019)

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

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

At the end of 2020, we had 81 office locations in 29 countries. Based on "net premiums earned and fee income from policyholders", our ten biggest markets in 2020 were: the US, the UK, China, Australia, Japan, Canada, Germany, the Netherlands, Ireland and Switzerland. They accounted for approximately 78% of the Group's total business over the year.

Swiss Re Ltd, the Group's holding company, is a joint stock company, listed in accordance with the International Reporting Standard on SIX Swiss Exchange, domiciled in Zurich, and organised under the laws of Switzerland. No other Group companies have shares listed.

Our strategy

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

You can get more information on our strategy in the Business Report 2020 on pages 16–17.

Americas	Asia-Pacific	Total
19.5 (USD 18.2 billion in 2019)	8.4 (USD 8.4 billion in 2019)	40.8 (USD 38.6 billion in 2019)
39 (33 in 2019)	14 (13 in 2019)	81 (80 in 2019)
3 399 (3 418 in 2019)	2 712 (2 418 in 2019)	13 189 (15 401 in 2019)

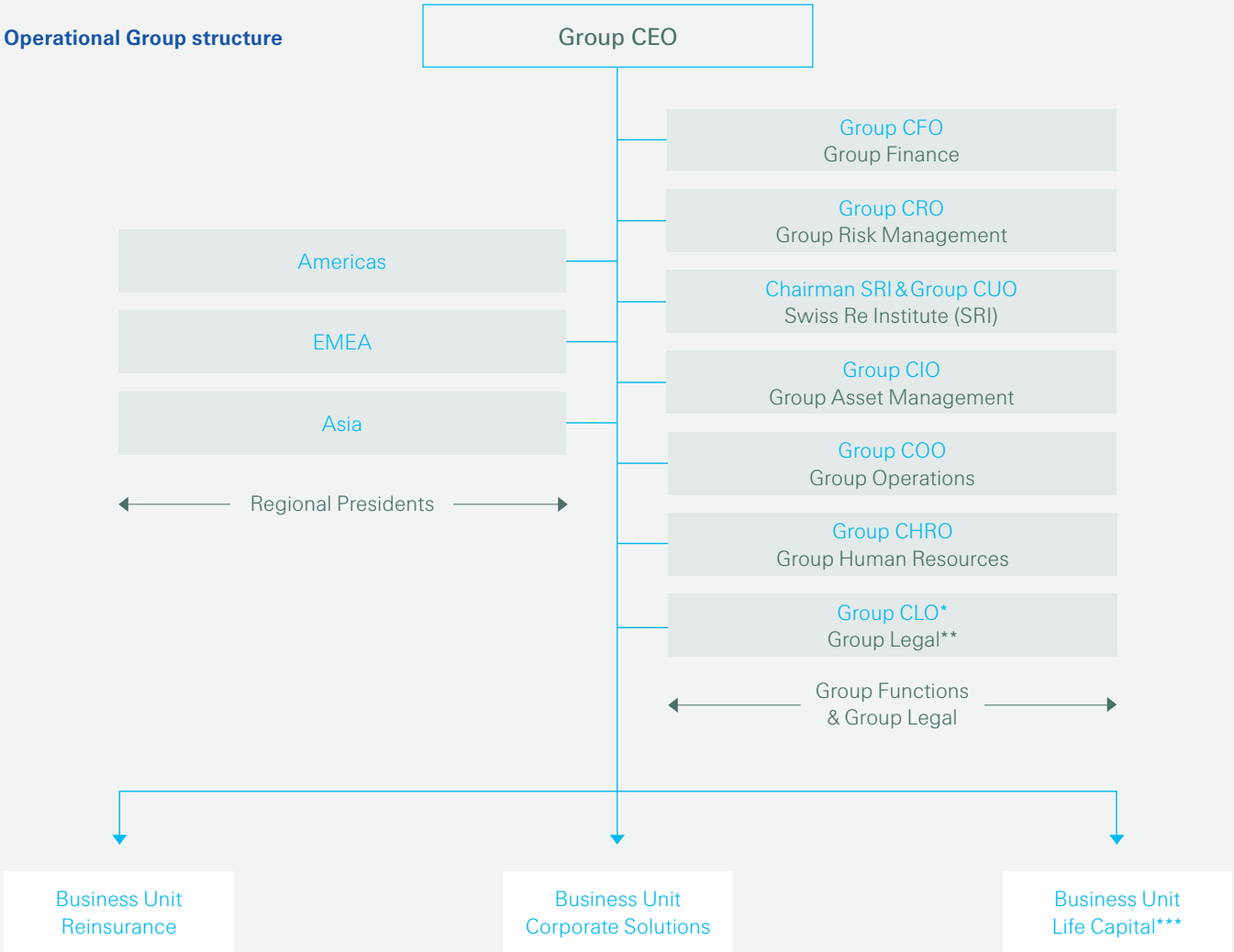
The Swiss Re Group as per end of 2020

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 supported and incubated entities in the B2B2C primary business, B2B corporate business and the closed book consolidation space. Following the successful sale of ReAssure, the Life Capital Business Unit disbanded at the end of 2020. Corporate Solutions has assumed responsibility for elipsLife, while iptiQ is now operating as a standalone division.

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.
*** Disbanded at the end of December 2020. Effective 1 January 2021: iptiQ Division. For more details please refer to Financial Report 2020, page 83.

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	2019	2020
Total assets[1]	238 567	**182 622**
Total investments	103 746	**120 693**
Total liabilities[1]	207 530	**155 364**
Total debt	10 323	**11 737**
Shareholders' equity	29 251	**27 135**
Total revenues	49 314	**43 338**
Premiums earned and fee income	38 594	**40 770**
- P&C Reinsurance	19 275	**20 832**
- L&H Reinsurance	13 004	**13 883**
- Corporate Solutions	4 166	**4 047**
- Life Capital	2 149	**1 984**
Net investment income – non-participating business	4 171	**2 988**
Total expenses	–48 405	**–44 428**
Claims and claim adjustment expenses	–18 683	**–19 838**
Life and health benefits	–13 087	**–13 929**
Net income	727	**–878**

[1] The Group completed the sale of ReAssure Group Plc. to Phoenix Group Holdings Plc. in July 2020. Please refer to Note 10 "Acquisitions and disposals" of the Financial Report 2020, page 258, for more details.

Attribution of Group income to key stakeholders

USD millions (unless otherwise stated)	2019	%	2020	%
Income before tax and variable compensation	1 215	100%	**–797**	100%
Variable compensation[1]	348[2]	29%	**347**	–
Income tax expense	140	12%	**–266**	–
US GAAP net income attributable to shareholders	727		**–878**	
of which paid out as dividend[3]	1 766	145%	**1 925**	–
of which share buyback	1 010	83%	**–**	–
of which added to retained earnings within shareholders' equity	–2 049	–	**–2 803**	–

[1] The total compensation of the Group for 2020 amounted to CHF 1 937 million (compared to CHF 2 086 million in 2019), whereof CHF 1 885 million has been or will be paid in cash (compared to CHF 2 033 million in 2019) and CHF 52 million has been granted in share-based awards (compared to CHF 53 million in 2019). Please refer to page 138 of the Financial Report 2020 for details.
[2] Restated to reflect final approved figure.
[3] FY 2020 is estimated based on the average monthly CHF/USD FX rate as of January 2021. 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.

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.

Most of the world's glaciers are rapidly shrinking due to rising temperatures. Tackling climate change and advancing the energy transition is one of the main ambitions of our Group Sustainability Strategy.

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 stakeholders 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. Building on this successful track record, we introduced an enhanced Group Sustainability Strategy in 2019. As the momentum around sustainable development keeps accelerating, our strategy helps us take positive action, benefiting from new opportunities and meeting fresh challenges.

Our Group Sustainability 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 all our business activities from the liability to 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.

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. We have selected three overarching ambitions that describe how we can have a significant positive impact in terms of supporting sustainability and strengthening resilience, especially through our core re/insurance business solutions:

- **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, eg through 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 our net-zero commitments and the Paris Agreement.

- **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.

- **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 access to, and the availability and affordability of, re/insurance and risk knowledge worldwide, thus helping to close the protection gap.

To guide practical implementation of the strategy, we have defined the following three **Principles:**

- **Embed** sustainability in all our business activities: We systematically consider ESG factors in all activities, ensure that sustainability is appropriately reflected in all roles and responsibilities and shift our existing business portfolio to make it more sustainable.

- **Lead** sustainability-linked solutions and embrace opportunities: We shape sustainability-linked innovations and advance the transition to more sustainable products and services. To do so, we cooperate with clients, partners and communities, and exploit the potential of new technologies.

- **Quantify** sustainability performance and impact: We set sustainability metrics and targets across the Group. This contributes to a systematic capital allocation to risk pools with long-term value, aligns us with external frameworks such as the Paris Agreement and allows us to measure our contributions to the UN Sustainable Development Goals.

Our 2030 Sustainability Ambitions

See website

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

In addition to the three Sustainability Ambitions that are closely tied to our core business and re/insurance solutions, we continue to address six **Sustainability Topics** (see page 13). These topics have been identified through our materiality assessments, and are relevant to our overall sustainability performance. You can find more information on the topics on pages 18 – 21.

Swiss Re's vision is to make the world more resilient. Guided by our Group Sustainability Strategy, we strive to reduce risks that may weaken resilience and develop re/insurance solutions offering protection against some of these risks.

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, and 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.

Our Climate Action Plan

As part of implementing our Group Sustainability Strategy, we have developed a specific Climate Action Plan, which also serves as our climate strategy.

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 rise in average losses.

Climate change is an essential element in our Group Sustainability Strategy: "Mitigating climate risk and advancing the energy transition" is one of our three overarching 2030 Sustainability Ambitions. In the course of defining metrics and setting targets, we have developed our Climate Action Plan.

The plan builds on our commitments and initiatives of recent years, and 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. The targets include our three net-zero commitments made in 2019.

Our three commitments to reaching net-zero emissions

Underwriting: by 2050

For more information, see pages 37 – 39

Asset management: by 2050

For more information, see page 50

Operations: by 2030

For more information, see pages 62 – 63

For further details please also refer to our climate-related financial disclosures (TCFD) in the Financial Report 2020, pages 148 – 179.

Key achievements of 2020

Below you can see an overview of the key actions we took in 2020 that are relevant for our Climate Action Plan and help us progress towards our net-zero commitments, with references to detailed content in the report:

- Revised our Sustainable Business Risk Framework, including thermal coal policy, and updated oil and gas policy (pages 38 – 39)
- Continued work on the carbon steering mechanism – started to apply a carbon footprinting methodology developed with the CRO Forum to our direct insurance portfolio (page 38)
- Co-led the development of the Net-Zero Asset Owner Alliance Target Setting Protocol enabling target setting for 2025, and set a reduction target of 35% on the carbon intensity of our corporate bond and listed equity portfolio by 2025, with base year 2018 (Financial Report 2020, pages 148 – 179)
- From 2014 to 2020, we offered USD 10.7 billion of climate protection to 130 (sub-) sovereigns (page 32)
- >5 600 wind and solar farms insured, avoiding 22 million tonnes of CO_2 emissions (page 34)
- >400 dialogue engagements with clients on thermal coal (page 38)
- First multinational company to announce triple-digit real carbon levy (page 63)
- Set a 30% reduction target for CO_2 emissions from air travel by the end of 2021, relative to the level of 2018 (page 62)
- SONAR 2020 report on emerging risks, including special features on carbon capture and a low-carbon future (page 56)

How we determine materiality

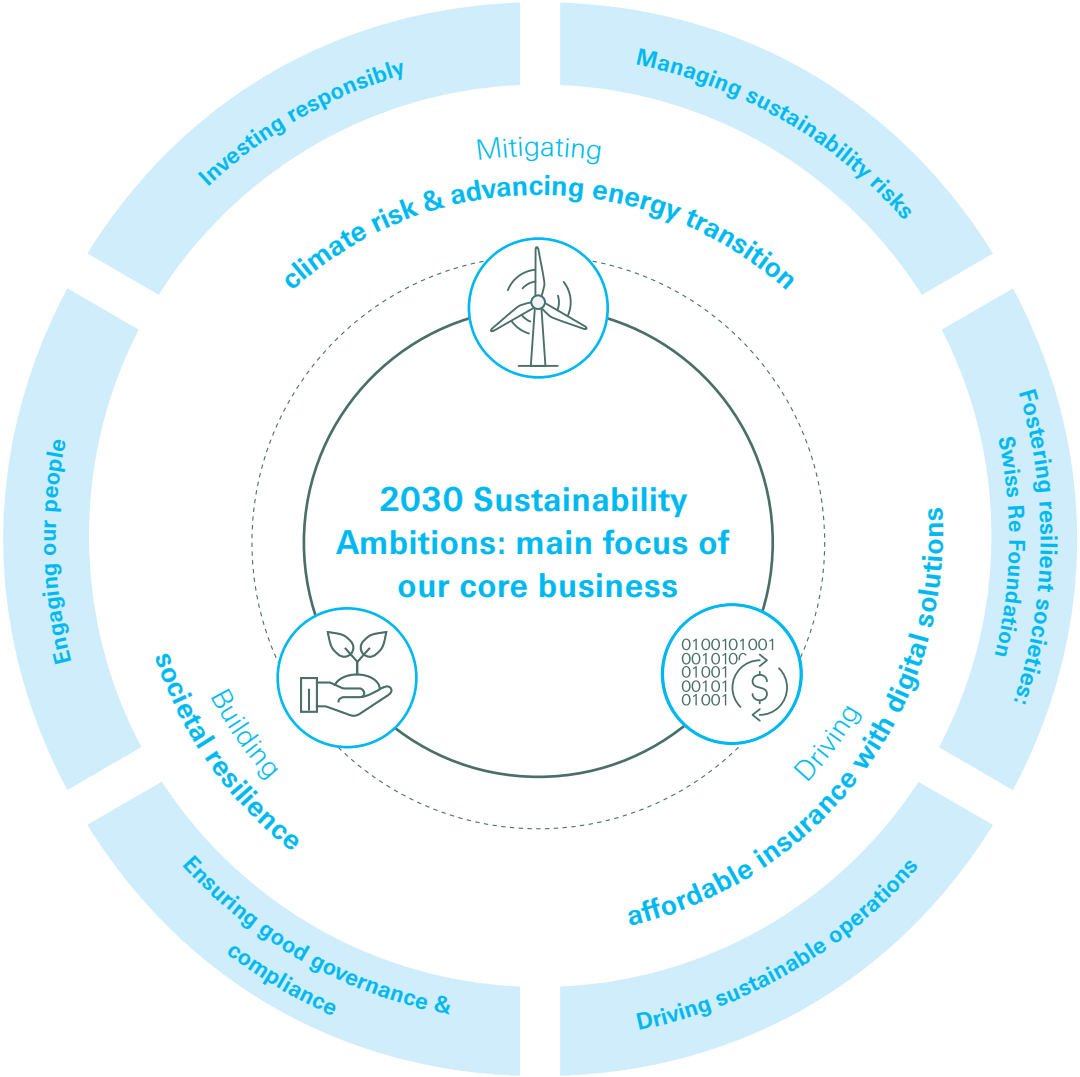
A key question for any company that seeks to advance sustainability is what this means in the context of its own business and industry: Which topics are "material" to achieving this goal?

In order to identify these material Sustainability Topics, we follow a structured process that taps into our internal risk expertise and inputs from ongoing dialogue with our stakeholders, and takes into account the work of various standard-setters (eg reporting frameworks, sustainability definitions used by rating agencies, the UN Sustainable Development Goals, etc). You can read a detailed description of this assessment process on our website.

The following illustration shows the result of our materiality assessments: Our 2030 Sustainability Ambitions, which are closely related to our core business and re/insurance solutions, as part of the full set of our Sustainability Topics. All our Sustainability Topics as well as related targets and key achievements are described on pages 16 – 21.

Our process for assessing materiality

See website



We conducted a high-level review of our Sustainability Topics in 2020. Our internal sustainability experts discussed the relevance of the topics as well as potential gaps and new developments in dedicated expert meetings. One topic that emerged in 2020 – and may become a key topic for us in the future – is biodiversity and ecosystem services (see page 14). In 2021, we plan to develop an approach on how to better integrate this topic into our Group Sustainability Strategy.

Intact biodiversity and ecosystems provide services that are vital to societal and economic wellbeing, but are in serious decline in many places around the world. We have recently developed an index that identifies the sectors and countries most at risk, which can then be factored into decision-making.

Biodiversity as an emerging Sustainability Topic

The importance of biodiversity

Countries around the world depend on a range of vital natural services – known as biodiversity and ecosystem services (BES) – to help maintain the health and stability of their communities and economies. These include, for example, water provision, food security and the regulation of air quality. In fact, 55% of global GDP is dependent on intact ecosystems. However, a recent study published by Swiss Re Institute revealed a serious decline in biodiversity and ecosystem services, affecting both developing and advanced economies.

As re/insurers, understanding the extent and impact of this decline and the associated risks is key to minimising further damage. For example, trees protect coastal areas and riversides from erosion. In areas where forests disappear, floods and landslides are more frequent, causing higher property losses. Conversely, measures to preserve biodiversity, such as reforestation, reduce the risk of damage from natural catastrophes at a lower cost than the financial losses caused by storms or flooding. Preserving our natural assets also enhances our quality of life and provides revenue streams that should be protected.

The COVID-19 pandemic has further highlighted one of the most devastating consequences of biodiversity loss. Deforestation and other human activities encroach on the world's ecosystems, creating pathways that facilitate the transmission of zoonotic diseases from our rainforests to environments inhabited by humans.[1] Preserving ecosystems is therefore critical to preventing pandemics.

The Biodiversity and Ecosystem Services Index

One thing is clear – maintaining a healthy balance between humans and nature will remain a key issue going forward. For this reason, Swiss Re has developed the Biodiversity and Ecosystem Services (BES) Index, which identifies the economic sectors and countries most exposed to biodiversity end ecosystem decline. The index enables businesses and governments to factor biodiversity into their economic decisions. The index also allows re/insurers to incorporate BES data into their risk assessment, thus helping to preserve BES, which are vital to societies' resilience. To learn more about the BES Index, visit our website.

Nature-based solutions

Nature has proven its ability to self-heal, capture carbon and reduce the impact of weather-related disasters. In turn, man-made solutions that mimic nature or rely on its support can help societies prevent, mitigate and recover from the impacts of climate change and natural disasters. And insurance can play an important role in protecting natural assets and enabling the development and scaling of such "nature-based solutions", ultimately helping to shape a low-carbon future and build more sustainable economies.

[1] IPBES (2020). Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services. IPBES secretariat, Bonn, Germany.

Our approach to the UN Sustainable Development Goals

We fully endorse the UN Agenda 2030 and regard the UN Sustainable Development Goals (SDGs) as an important reference point to determine our material Sustainability Topics and how to address them. Since the 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 2030 Sustainability Ambitions and our Sustainability Topics, clearly showing where we contribute to the SDGs (see table on pages 16 – 21).

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 worked with the portfolio owners to assess our re/insurance underwriting portfolios using the SDGs as a sustainability lens, to better understand the contributions of the individual portfolios to the SDGs and identify areas to increase our impact. This is how we are building sustainability into portfolio management on the liability side of our business.

Furthermore, we created an inventory of re/insurance products with particularly strong contributions to the SDGs, making SDG impacts visible to client managers and management.

To better understand the re/insurance industry's contribution to the SDGs, we work with the UNEP FI Principles for Sustainable Insurance to develop "Insurance SDGs" (iSDGs) for the liability side of our business (see page 55).

As part of our Responsible Investing strategy, we have developed an approach to measuring the impact of our thematic investments and aligning it to the SDGs (see page 48).

On the next six pages you can see all the SDGs we address through our activities.

THE GLOBAL GOALS
For Sustainable Development

The COVID-19 pandemic

In 2020, our role in helping make the world more resilient became critical. Responding to the COVID-19 pandemic, we provided support to societies through our financial strength, innovative solutions and risk knowledge. Our financial strength, combined with our powerful research and data capabilities, put us in a position to be able to support our partners during these difficult times.

In 2006, we developed a pandemic model to help us understand how pandemics affect our balance sheet. To learn about our model and how we are integrating knowledge acquired during the COVID-19 pandemic into the model, turn to page 26 of the Business Report 2020.

In our reporting you can also learn more about how we have helped address the pandemic and its consequences:

In the Sustainability Report:

- "Creating solutions for sustainability", pages 27 – 35
- "Engaging in dialogue with our stakeholders", page 57
- "Engaging our people", page 74
- "Fostering resilient societies: Swiss Re Foundation ", pages 88 – 89

And in the Business Report 2020 on pages 22 – 27.

Our topics, targets and achievements

For all of our Sustainability Topics we have set targets – some of them quantitative, others qualitative. On the following six pages, we briefly describe why these topics are important for Swiss Re, the targets we have set for them, what we achieved during the reporting year, and their principal links to the SDGs.

Our Sustainability Topics	Our targets
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 our net-zero commitments and 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.	• Achieve net-zero emissions across the Swiss Re Group: by 2030 in our own operations, and by 2050 in our underwriting and investment portfolio. • 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. • As a member of the Insurance Development Forum (IDF), collectively committed in a Tripartite Agreement 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.
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.	• 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. • Adjusted: In partnership with Women's World Banking, bring life and health insurance to two million low-income customers by 2023.
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.	• 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. • Refine our understanding of societal challenges related to the digital transformation.

Key achievements 2020	Links to the UN Sustainable Development Goals*
• For progress on our net-zero commitments, see the following sections on page 19: Managing sustainability risks; Investing responsibly; and Driving sustainable operations. • By the end of 2020, advised a total of 130 (sub-)sovereigns on climate risk resilience and offered them protection of USD 10.7 billion, thus exceeding our committed target (page 32). • In 2020, the Tripartite formed 13 country teams, with three more in the exploration phase. Swiss Re contributed to the projects alongside ten other industry members (page 32). • In 2020, insured more than 5 600 wind and solar farms, avoiding more than 22 million tonnes of CO_2 emissions (page 34). • For further details on climate-related achievements, please refer to our climate-related financial disclosures (TCFD) in the Financial Report 2020, pages 148–179.	
• Completed a number of innovative transactions providing insurance protection to smallholder farmers against various natural perils, eg in Vietnam (page 31). • Further aligned our activities to the SDGs, both in re/insurance and our investments, to better understand our societal impact (pages 15 and 47–48). • Jointly organised a four-part virtual event series with UNEP FI on Sustainability Leadership in Insurance (pages 54–55). • By the end of 2020, brought life and health insurance protection to around 296 000 beneficiaries through our partnership with Women's World Banking (page 33).	
• Completed several transactions that increased access to insurance through digital means, thus helping close the protection gap. Examples include our iptiQ platform and a parametric insurance structure for the Indian state of Nagaland (pages 30 and 35). • 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 84).	

* Note: SDG 17 "Partnerships for the Goals" is important for most of our Sustainability Topics.

Our Sustainability Topics	Our targets
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. Even when absolutely legal and economically beneficial, any business activity we undertake may also have unintended social and environmental consequences, which we define as sustainability risks. We manage these risks through our Sustainable Business Risk Framework, an advanced risk management instrument. The assessments flow directly into our re/insurance and investment decisions.	• Consistently identify new sustainability risks, adapt the Sustainable Business Risk (SBR) Framework accordingly and apply it to full scope of our business. • Completed: Increase share of structured and automated sustainability assessments in the SBR process. • New: Achieve total phase-out out of thermal coal-related re/insurance in OECD countries by 2030, and in rest of the world by 2040. • New: Ensure phase-out of direct and facultative re/insurance for the world's most carbon-intensive oil and gas companies (top 10%) by 2023. • New: Include quantitative ESG risk assessments for insurance underwriting in the SBR process. • New: Quantitatively reflect Biodiversity Risks in the SBR Framework.
Investing responsibly Institutional investors such as re/insurers are naturally suited to investing responsibly because of their businesses' long-term nature. Swiss Re systematically integrates environmental, social and governance (ESG) considerations along the investment process through its three-cornerstones approach: Enhancement, Inclusion and Exclusion.	• Integrate ESG criteria systematically along our overall investment process. • Hold at least USD 4 billion in green, social and sustainability bonds by the end of 2024. • New: Reduce the carbon intensity of our corporate bonds and listed equity portfolio by 35% by 2025 (with base year 2018). • New: Increase renewable and social infrastructure loans by USD 750 million • For details on climate-related targets, please refer to our climate-related financial disclosures (TCFD) in the Financial Report 2020, pages 148–179.
Driving sustainable operations 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 CO_2 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 as early as 2030.	• Completed: Keep per-capita CO_2 emissions from our own operations at 2013 levels until 2020, which we had reduced by 49.3% in the ten years since 2003. • Completed: Reduce our energy intensity by an average of 2% per year until 2020. • Completed: Obtain 100% of power used for our own operations from renewable sources by 2020. • New: Achieve net-zero emissions in our operations by 2030 (interim targets: 10% of emissions compensated by carbon removal in 2021, 50% in 2025). • New: Achieve 30% reduction in CO_2 emissions from air travel by the end of 2021, relative to the level of 2018. • New: Continue to reduce energy intensity by an average of 2% per year and maintain 100% renewable power (until 2030, relative to the intensity level of 2018). • Completed: Require all of our Tier 1 and Tier 2 vendors to be ESG-assessed by the end of 2020. • New: Create a Vendor Development Programme to be piloted in 2021.

Key achievements 2020	Links to the UN Sustainable Development Goals*
• Screened close to 100% of our direct and facultative re/insurance transactions for sustainability risks in 2020 (pages 36–41). • Developed an exit strategy for thermal coal in our treaty business (page 38). • Started to implement our sharpened oil and gas policy, to exclude support to the most carbon-intensive oil and gas companies from July 2021 onwards (page 39). • Started to apply a carbon footprinting methodology developed with the CRO Forum to our direct insurance portfolio (page 38). • Launched the BES Index to enable businesses and governments to factor in biodiversity and ecosystem issues into economic decision-making (pages 14 and 58). • Published a report with the WWF on the concept of spatial finance in understanding threats to World Heritage Sites (page 55). • Published the SONAR 2020 report on emerging risks, including special features on carbon capture and a low-carbon future (page 43).	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Since 2018, close to 100% of our Strategic Asset Allocation considers ESG aspects (page 46). • By the end of 2020, held USD 2.6 billion in green, social and sustainability bonds, which is more than 50% of our 2024 target of USD 4 billion (page 47–49). • Co-led the development of the Net-Zero Asset Owner Alliance Target Setting Protocol enabling target setting for 2025 (page 50; see also 2020 Financial Report, page 170). • Implemented our newly developed Engagement Framework in collaboration with our active listed equities managers (page 50). • For a full overview of highlights per asset class, see page 47.	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND
• Completed our Greenhouse Neutral Programme, cutting CO_2 emissions per FTE by 54% since 2003 without the COVID-19 impact in 2020 (with COVID-19: 80%) (pages 65–67). • Achieved an accumulated reduction in our energy intensity of 69% since 2003 without the COVID-19 impact in 2020 (with COVID-19: 75%) (pages 65–67). • Now cover 100% of power consumption from renewable sources (page 65). • First multinational company to introduce a triple-digit internal carbon levy (USD 100) per tonne of CO_2, with the goal of increasing it to USD 200 per tonne by 2030 (pages 62–63). • Provided over 33 000 subsidies to our employees for a range of climate-friendly technology investments through which they can reduce their private carbon footprints through our CO_{you2} Programme from 2007 to 2020 (page 69). • Completed 100% Tier 1 and Tier 2 ESG communication; 95% Tier 1 and Tier 2 ESG assessments completed (pages 68–69).	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

* Note: SDG 17 "Partnerships for the Goals" is important for most of our Sustainability Topics.

Our Sustainability Topics	Our targets
Engaging our people We are 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 adaptable 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.	• Continue to build an engaged, inclusive and adaptable organisation. • New: Support the personal resilience of our employees during the challenging COVID-19 pandemic and beyond.
Ensuring good corporate governance and compliance We consider good corporate governance 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 ethically and with integrity, applying the principles of our Code of Conduct and complying with all applicable laws.	• Continuously assess our corporate governance against regulatory developments, best practice and new stakeholder demands. • Manage compliance risks through maintaining frameworks, delivery of effective training and awareness to our employees, oversee implementation within the business, and provide assurance of operating effectiveness.
Fostering resilient societies: the Swiss Re Foundation The Swiss Re Foundation partners with NGOs, social entrepreneurs, foundations and academic institutions. To help build resilient societies, the Foundation offers its partners tailored grant funding and access to Swiss Re's expertise. Its initiatives address three focus areas: natural hazards and climate risk management, access to health and income opportunities, and innovation to build resilience. The Foundation operates in regions where the protection gap is biggest – in emerging and developing countries and where Swiss Re has offices.	• Contribute to resilient societies by increasingly engaging Swiss Re employees with their skills and expertise. • New: By end of 2020 support our existing partners during the COVID-19 pandemic. • By 2021, aim to have improved financial access to basic healthcare for a total of one million low-income people.

Key achievements 2020	Links to the UN Sustainable Development Goals*
• Reached our highest employee engagement index (71%) since we started measuring in 2015 (page 79). • 81% of our employees agree that Swiss Re provides an open and inclusive work environment (page 78). • Further roll-out of Pathways, Swiss Re's mental health network as well as Mosaic, Swiss Re's network for racial and ethnic diversity (page 78). • 87% of our employees believe Swiss Re is appropriately assisting employees during the COVID-19 pandemic (page 72).	
• For an overview of 2020 corporate governance focus areas, highlights and trends, see our Financial Report 2020 (pages 81–83). • Formally integrated sustainability-related performance targets into compensation framework (Group Annual Performance Incentive pool funding process) and achieved most of the ambitious targets set. Targets focused on several themes: ranking in the Dow Jones Sustainability Index, alignment of business goals with the Paris Agreement, and an increase in the share of sustainable business volume and services (page 82). • Demonstrated commitment to tax transparency including the publication of our tax transparency report (page 86). • Provided tailored training and awareness activities to nurture a 'speak up' culture, enhance transparency of the compliance investigation process, and provide a reminder of the available reporting channels (page 85). • 90% of employees agree their colleagues act ethically and with integrity (page 83). • 87% of employees agree that if misconduct has been, or is being committed, they know how to report it (ie whistleblowing) (page 85).	
• Swiss Re expert volunteers supported our partners for more than 9 400 hours in 2020 (page 89). • CHF 5.36 million committed to 82 partners in 29 countries to support the COVID-19 response (page 89). • To achieve the impact goal we are dedicating our key initiative Entrepreneurs for Resilience Award to "Making healthcare financially accessible to low-income people". We expect to award three social ventures that impact more than 500 000 people (page 89). • For more information, see the Swiss Re Foundation website.	

* Note: SDG 17 "Partnerships for the Goals" is important for most of our Sustainability Topics.

Sustainability governance

Swiss Re has set up a governance framework to define, implement and monitor our Group Sustainability Strategy. You can find further information about it on page 82, in the "Ensuring good corporate governance and compliance" chapter and on our website.

Swiss Re's sustainability governance

See website

About the organisation 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 Sustainability Report 2020:

Re/insurance solutions
Within our core business of re/insurance, we strive to develop innovative solutions that help tackle sustainability 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 and opportunities in our core business.

Investments
We integrate ESG criteria across our investment portfolio. Our approach is based on the three strategic cornerstones 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.

Operations
We apply best-practice standards of resource management to our properties and logistic operations, including business travel, as well as guidelines to our sourcing activities. In doing so, we aim to minimise 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.

Swiss Re Foundation
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 shown and described on pages 16 – 21. The activities of the Swiss Re Foundation to foster resilient societies are described in detail in its own Activity Report.

Report profile and reporting frameworks

Our Sustainability Report is an essential part of Swiss Re's commitment to sustainability and is our primary means of reporting progress on the implementation of our Group Sustainability Strategy. To get the full view of how we provide accountability to all our stakeholders, the Sustainability Report should be read in conjunction with the Annual Report, the report published by the Swiss Re Foundation and additional information available on our website.

The Sustainability Report 2020 covers the whole Swiss Re Group as it was organised on 31 December 2020, 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. The report covers the calendar year of 2020 and follows the 2019 edition. We plan to maintain our yearly disclosure rhythm and will next report on our sustainability performance in the first quarter of 2022.

The Sustainability Report as well as the chapter on climate-related financial disclosures (TCFD) in the Financial Report have received independent assurance from PricewaterhouseCoopers. Their assurance report is included on pages 92 – 93.

Our Sustainability Report incorporates our 2020 Communication on Progress (CoP) for the UN Global Compact. You can view the full list of references to the Compact's ten principles in the online version of the report.

Furthermore, we continue to report against the Principles for Sustainable Insurance (PSI). Our Public Disclosure of Progress is also available in the online version of the report.

In the online version of our Sustainability Report, you can also find two reference tables showing where content relevant to the Sustainability Reporting Standards as defined by the Global Reporting Initiative (GRI), as well as the Sustainability Accounting Standard for the insurance industry as defined by the Sustainability Accounting Standards Board (SASB), can be found.

In our Financial Report 2020 we provide detailed climate-related disclosures as recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

Global Reporting Initiative (GRI) reference table

See online version

UN Global Compact Communication on Progress (CoP)

See online version

Sustainability Accounting Standards Board (SASB) reference table

See online version

UNEP FI Principles for Sustainable Insurance (PSI) disclosure of progress

See online version

Climate-related financial disclosures (TCFD)

See Financial Report

Creating solutions for sustainability

2020 highlights:

- USD 4.1 billion natural catastrophe premiums across Swiss Re Group.
- USD 10.7 billion climate protection offered to 130 (sub-)sovereigns since 2014.
- >5 600 wind and solar farms insured.
- Swiss Re Corporate Solutions considered a "lead market" for offshore wind risks.
- 296 000 beneficiaries benefitting from life and health insurance cover through Women's World Banking microinsurance programme.

As a lead re/insurer of offshore wind farms, Swiss Re is helping to advance the transition to cleaner energy sources.

Our re/insurance solutions help address key environmental and social challenges. We focus on mitigating climate risk and advancing the energy transition, building societal resilience, and driving affordable insurance with digital solutions to advance access to insurance.

By managing risks and covering losses, re/insurance creates stability and enables economic growth. However, some environmental and social challenges may undermine sustainable progress if left unaddressed. Helping our clients and society tackle such risks is a key part of our commitment to sustainability and of our vision to make the world more resilient.

Building on our efforts in recent years, our focus is on the three overarching 2030 Sustainability Ambitions we have defined in our Group Sustainability Strategy (see pages 9–10).

We develop our solutions as part of our established risk modelling and underwriting activities or by creating innovative new products in close cooperation with our clients and partners. Thus, our solutions frequently include:

- Index-based insurance products: We are a pioneer in creating innovative insurance solutions that use an index to determine payments.
- Climate-related risk analytics, models and tools: Our sustainability solutions for insurance clients improve their current and future performance and provide ground for the development of new products.
- Public-sector partners: Besides direct insurers and corporate clients, we also develop risk transfer solutions for, and in cooperation with, governments and various public-sector organisations.
- Insurance-linked securities (ILS) or catastrophe bonds: We are a leading developer of these products, which enable cedents to transfer large risks to the capital markets.

Our solutions support our clients in their journey towards sustainability. They rely on our models and tools for underwriting, which consider sustainability-related aspects, eg the impact of climate change on floods. Equally, our clients benefit from our digital platforms for launching new products, eg parametric earthquake insurance.

Across our efforts, we seek to develop solutions that improve access to insurance protection, especially in emerging markets. If governments and communities are financially protected against risks such as windstorms, earthquakes, drought and flooding, they can better cope with the immediate consequences of a disaster.

Just as importantly, our solutions help create the conditions for sustained social and economic development because they protect investments, allow governments to stabilise budgets and give people the financial stability required to build and maintain businesses.

Natural catastrophes and climate change

Natural catastrophes are a key risk in our property and casualty (P&C) business. The damage caused by storms, floods, droughts, earthquakes and other natural catastrophes can affect millions of lives and the economies of entire countries. In 2020, natural catastrophe losses were largely driven by the Atlantic hurricane season, which included a record 30 named storms, and numerous secondary perils across the globe.

Providing effective re/insurance protection against large natural catastrophes creates significant benefits for our clients and for society at large. In 2020, our clients paid us USD 4.1 billion of natural catastrophe premiums[1] for natural catastrophe covers exceeding losses of USD 20 million, equivalent to approximately 10% of total premiums.

USD 4.1[bn]

Natural catastrophe premiums across Swiss Re Group
(USD 3.5 billion in 2019)[1]

Climate-related financial disclosures (TCFD)

See Financial Report

Worldwide economic as well as insured losses from natural catastrophes were high in each of the past four years but have steadily increased on average for more than 20 years. The main reasons for this are economic development, population growth, urbanisation and a higher concentration of assets and operations in exposed areas.

This general trend will continue. But, crucially, economic losses will be further aggravated by climate change. The scientific consensus is that a continued rise in average global temperatures will have a significant effect on weather-related natural catastrophes. According to the Intergovernmental Panel on Climate Change (IPCC)[2], a changing climate gradually leads to shifts in the frequency, intensity, spatial extent, duration and timing of extreme weather events.

If climate change remains unchecked, the makeup of the main drivers will thus gradually shift, with climate change accounting for an increasingly large share of natural catastrophe losses.

To assess our P&C business accurately and to structure sound risk transfer solutions, we need to clearly understand the economic impact of natural catastrophes and the effects of climate change. This is why we invest in proprietary, state-of-the-art natural catastrophe models, developed and advanced by a team of more than 40 scientists, as well as from regular collaboration with universities and scientific institutions.

Based on our research, there is a trend towards increasing losses from secondary perils[3]. These are often highly localised small to mid-sized events, or a resulting effect of a primary peril that can include hurricane-induced rainfall, storm surge, as well as drought and wildfire outbreaks. We explicitly factor the main risk trends into our modelling to underwrite catastrophe business sustainably and build global resilience.

Biodiversity and Ecosystem Services (BES) Index integrated into CatNet®
Our BES Index, launched in 2020, is fully integrated into Swiss Re's online natural hazard information and mapping system, CatNet®. The BES Index enables our clients – businesses and governments – to factor in biodiversity and ecosystem issues into economic decision-making.

Nature-based solutions
We can insure and protect nature and ecosystem services in the same way we protect man-made property and personal assets. Read more about the BES Index and nature-based solutions on pages 14 and 58, and on our website.

While the impact of climate change will increase gradually over the coming decades, most of our business is renewed and repriced annually, and our risk models are refined regularly. Risks are normally covered for 12 months (up to five years for catastrophe bonds). Thus, re/insurance premiums do not reflect expected loss trends over the coming decades. Rather, for underwriting and risk management purposes, our models provide an estimate of the current risk. But as natural catastrophe losses continue to rise as a result of the different factors listed above, our models will gradually factor in this trend.

In addition to providing re/insurance covers, we offer our clients strategic expertise and integral risk assessments of natural disasters and climate adaptation. These include free client access to Swiss Re's CatNet® tool, which includes our Global Storm Surge Zones service, and our expertise publications (for examples, see pages 52–59).

Natural catastrophe data
In the Financial Report 2020, we provide detailed quantitative information on natural catastrophe perils: the five perils with the highest annual expected losses (page 172) and the liquidity requirements stemming from four extreme loss scenarios (insurance risk stress tests, page 71).

[1] In previous years, we reported natural catastrophe premiums for our Property & Casualty (P&C) Reinsurance business only, but switched to Group-wide figures to provide a more complete picture.

[2] IPCC, Fifth Assessment Report (AR5, 2014) and Special Report on Global Warming of 1.5°C (SR15, 2018).

[3] sigma 2/2019

Strengthening risk resilience: 2020 highlights

In this section, we describe a selection of the innovative transactions and initiatives we were involved in during 2020 to help strengthen risk resilience. These transactions help meet the three 2030 Sustainability Ambitions defined in our Group Sustainability Strategy, often more than one at the same time. The transactions help our clients and their communities become more resilient to the risks they face by ensuring that adequate funding is in place when it is needed.

Protecting solar panels in Puerto Rico

Located approximately 1 600 kilometres southeast of Miami, Puerto Rico sits directly in the path of potential North Atlantic tropical storms and hurricanes. The devastating human toll and physical destruction caused by hurricanes Irma and Maria in 2017 underscored the archipelago's vulnerability to hurricanes. Strong winds toppled power lines, leaving 1.4 million customers in the dark and hampering recovery efforts. Puerto Rico's reliance on an ageing, fossil-fuel-powered energy infrastructure with a centralised distribution network contributed to what would become the largest and longest blackout in US history: it took 11 months to restore power to the island's most remote locations.

Decentralised microenergy networks such as residential solar panels can help boost Puerto Rico's resilience to energy disruptions caused by storms. But in 2020, one of the leading local providers of residential solar panels and energy storage solutions was struggling to find risk capacity for hurricanes. Swiss Re Corporate Solutions was able to offer a parametric named storm insurance solution for this provider's solar panels in Puerto Rico. But what really set our solution apart was the fact that it also provided coverage for two important but often overlooked risks: the risk of lost income when a downed power grid prevents the transfer of excess energy back into the grid, and the risk that customers might miss the lease payments on their solar panels following a devastating hurricane.

By providing risk protection for solar panels in Puerto Rico, not only does Swiss Re support our ambition to accelerate the transition to cleaner energy, it also contributes to local communities' resilience in the aftermath of powerful storms.

Financing solar utility-scale projects in the US

In September 2020, Swiss Re Corporate Solutions and its data partner, kWh Analytics, successfully developed a ten-year Solar Revenue Put for an investor in large, utility-scale solar projects. The client was familiar with this Business Unit's power-generation expertise and claims experience from previous insurance transactions.

The Solar Revenue Put is an insurance product that guarantees up to 95% of a solar farm's expected output, helping to mitigate a central risk of generating solar power – lack of sunshine. The client pays a premium for the product and, if the plant does not generate enough power, Swiss Re covers the lost revenue.

To learn more about how the Solar Revenue Put helped our client refinance their portfolio of projects, please refer to page 39 of the Business Report 2020.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Using proceeds of Mexico's cat bond to finance World Bank development projects

According to the World Bank, over 40% of Mexico's territory and up to one-third of its population are exposed to hurricanes, storms, floods, earthquakes and volcanic eruptions. As a result, more than 70% of the country's GDP is considered to be at-risk from two or more hazards.

For this reason, the government of Mexico has been a leader in managing natural catastrophe risk, having been the first country to issue a catastrophe bond to raise funds for disaster relief and reconstruction efforts in 2006. Since 2009, the government of Mexico has used the World Bank's International Bank for Reconstruction and Development (IBRD) catastrophe bond issuance platform, whereby sovereigns pass risk to the World Bank, who in turn issues the notes to investors. Swiss Re has long been a trusted partner to the government of Mexico, having helped place nearly all of its catastrophe bond issuances.

In March 2020, the World Bank successfully issued four tranches of catastrophe bonds that provide the government of Mexico with financial protection of up to a record USD 485 million against losses from earthquakes and named storms until 2024. Swiss Re Capital Markets acted as Joint Structuring Agent and Joint Bookrunner and Swiss Re as transformer between Mexico's state-owned insurer, Agroasemex, S.A., and the World Bank. Payouts to Mexico are triggered when the earthquake or named storm meet the bond's predefined parametric criteria for location and severity, thus providing faster access to funds when they are needed most.

In addition, proceeds of the catastrophe bond will be invested in a range of sustainable development projects supported by the World Bank, earning it a "Sustainable Development Bond" label. Such projects aim to improve healthcare and education, reduce poverty, improve living standards, strengthen social security and pension systems, and protect and empower most vulnerable members of society. Swiss Re's role in structuring this transaction supports our sustainability ambition to build societal resilience and provide sovereigns with climate risk cover and advice, while contributing to sustainable development.

Pandemic Emergency Financing: a first of its kind

In 2017, the World Bank and the World Health Organisation (WHO) designed an innovative response mechanism, the Pandemic Emergency Financing facility (PEF), featuring a USD 425 million parametric insurance coverage against infectious disease outbreaks. The PEF's risk was placed with investors and re/insurers, with Swiss Re Capital Markets acting as joint structurer and sole bookrunner of the catastrophe bond. In April 2020, that coverage was triggered by the COVID-19 outbreak and paid out USD 196 million to the World Bank, the full amount allocated to this specific peril. The funds were used to support the public health response in the neediest countries, in collaboration with agencies such as the United Nations.

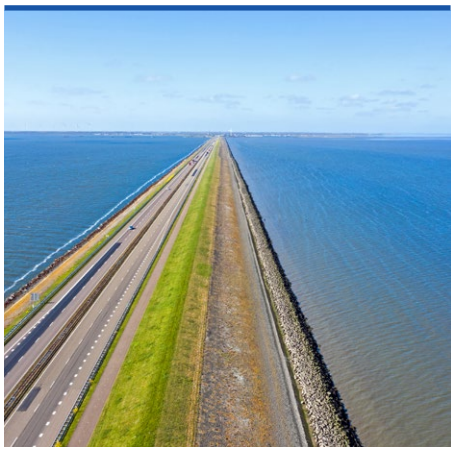
To learn more about how public-private partnerships (PPPs) such as the PEF can support the global response to pandemics, read the interview with Ivo Menzinger, Head Public Sector Solutions EMEA, in the Business Report 2020 (page 25).

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Protecting the Netherlands from storm surge



The Netherlands, one-third of which famously sits below sea level, has long been known for its extensive experience in managing its vulnerability to water. The 32-kilometre Afsluitdijk is a feat of Dutch engineering that has protected the country against storm surge and sea level rise for almost 90 years. But climate change – and the dyke's age – meant that the Afsluitdijk would have to be reinforced in order to ensure that it could continue to withstand any combination of severe weather, high water levels and crashing waves.

In 2018, the Dutch Ministry of Infrastructure and Water Management (Rijkswaterstaat) embarked on a multi-year infrastructure project to renovate the iconic causeway. Key elements of the renovation include raising the height of the dyke, reinforcing its outer wall with specially designed concrete blocks to protect against waves and adding two solar-powered pumping stations to drain water out of Lake Ijssel when natural drainage is not possible. In addition, the Afsluitdijk will serve as a test centre for renewable tidal energy where water emptied from Lake Ijssel meets the Wadden Sea.

To design, build and finance the refurbishment efforts, the Levvel Consortium was selected as the Design, Build, Finance, Maintenance (DBFM) contractor, with Swiss Re Corporate Solutions as the lead provider of professional indemnity cover to Levvel as well as the co-lead insurer for the Constractors' All Risks Insurance.

Swiss Re's involvement in an infrastructure project of such scale reinforces our ambition to mitigate climate risk while advancing the energy transition. And as an integral component of the Dutch government's long-term Delta Programme – which aims to protect the low-lying country from flooding, mitigate the impact of extreme weather events and secure freshwater supplies – the Afsluitdijk renovation will contribute to making the Netherlands and its economy more resilient to climate-related risks for years to come.

elipsLife: closing the life protection gap in Italy

In February and March 2020, Italy found itself at the epicentre of the COVID-19 pandemic as hospitalisations and the tragic death toll in its northern provinces rose. It was the first European country to go into lockdown while the world was still struggling to comprehend the severity of the disease. This prompted many individuals to wonder how their families would cope financially should the worst happen.

In Italy, the protection gap for uninsured families in the case of the death or disability of the primary breadwinner amounts to an estimated EUR 8.2 billion. When 4.5 million Italians emerged from lockdown to return to work, there was greater awareness among employees and employers about the importance of life and health protection. Small and mid-sized employers sought to provide life coverage for their low-income employees. In response, elipsLife – a wholly-owned subsidiary of Swiss Re specialised in group life and disability products for pension funds, companies and foundations – adapted a product in Italy to make it affordable for low-income employees who rarely have access to group life coverage. Launched in April, the solution provides broad coverage, including for COVID-related deaths, and is flexible, easy to understand and simple for employers to implement. Premiums start at as little as EUR 13.50 annually, with the option to double the insured benefit for covered individuals with mortgages or minor children.

Initially distributed in the spring by a leading regional insurance broker, elipsLife's risk insurance solution quickly gained recognition in the Italian market as an innovative product that provides peace of mind to an underserved segment of the population. elipsLife has since partnered with 17 additional brokers to distribute this risk insurance solution to 6 000 Italian employees in 2020. As an expert in employee benefits, elipsLife and Swiss Re remain committed to reducing the protection gap in Italy while strengthening the financial resilience of families.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

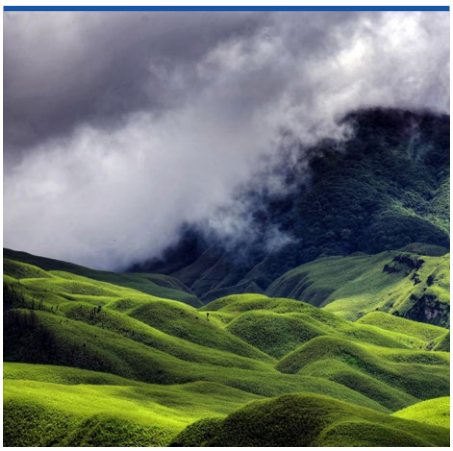
Promoting greener shipping technologies with marine insurance

The shipping industry is responsible for transporting over 90% of international trade across our oceans. But it also accounted for almost 3% of global CO_2 emissions in 2018, while the burning of bunker fuel used by ships is responsible for over 90% of all sulphur emissions. In response, the International Maritime Organization (IMO) introduced a sulphur emissions cap of 0.5%, which went into effect in January 2020. It has also set an industry-wide target to reduce the sector's overall greenhouse gas emissions by 50% by 2050, relative to 2008 levels. As a result, shipping companies are under pressure to develop and deploy innovative technologies that reduce harmful pollutants.

One prime example is Baleària, Spain's leading shipping company for passenger and freight transport between the Spanish mainland and the Balearic Islands, the Canary Islands and North Africa. In 2020, it unveiled its first fast ferry powered by liquefied natural gas (LNG). Swiss Re Global Marine provided reinsurance cover for the construction of this ship and continues to provide reinsurance cover for its hull. At 123 metres in length and with a capacity for 1 200 passengers and 450 cars, it is the world's largest LNG-fuelled fast ferry. More importantly, it reduces CO_2 emissions by 30%, nitrogen oxide by 85% and sulphur by almost 100% compared to the heavy fuel oil typically used in the shipping industry, contributing to improved air quality. As a pioneer in greener shipping technologies, Baleària aims to have nine LNG-powered ferries in its fleet by the end of 2021.

By providing reinsurance capacity for shipping companies that invest in technologies to reduce their emissions, Swiss Re continues to support the industry's efforts to accelerate the transition to a low-carbon economy while protecting the environment.

Protecting the state of Nagaland during monsoon season



Located in north-eastern India and west of Myanmar, Nagaland is one of the country's smallest states. Featuring a largely mountainous terrain where agriculture constitutes about 70% of its economy, Nagaland has high levels of humidity and heavy rains in the monsoon months of May to September. As a result, the state is susceptible to damage from heavy rainfall, windstorms/hailstorms, floods and landslides, particularly during the monsoon season.

Working as reinsurance partner to Tata AIG General Insurance Company, Swiss Re provided the Nagaland State Disaster Management Authority (NSDMA) with reinsurance protection for the 2020 monsoon season. To do this, we created a new parametric insurance structure that covers the Indian state of Nagaland for excess rainfall that can lead to severe flooding. The coverage is based on a geospatial dataset where rainfall intensity is derived from satellite observations and rain gauges. By design, the state is divided into multiple regions and a stepped payout feature allocates funds to regions in proportion to the amount of recorded rainfall, which mirrors the anticipated levels of loss.

As Swiss Re's first disaster risk financing arrangement in India, this transaction marks a positive step towards strengthening the country's resilience to natural disasters. And as cyclones hit India's coastal areas in early 2020, the Nagaland transaction also serves as a model for other states looking for similar innovative re/insurance solutions that help protect their significant natural catastrophe exposures.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Vietnam RIICE: using satellite technology to protect rice yield

An estimated 10 million farmers in Vietnam, many of them smallholders, rely on agricultural outputs for their livelihoods. At the same time, Vietnam's extensive coastline makes it particularly susceptible to tropical cyclones and coastal flooding, threatening food security, farmers' livelihoods and one of the country's main agricultural exports: rice. With harvests of up to 45 million tonnes of rice per year, Vietnam is the world's second largest rice exporter. For this reason, the ability to monitor the health of its rice crops is critical to Vietnam's economy.

In 2020, Swiss Re partnered with the Vietnam National Reinsurer (VINARE) to develop the first index-based rice insurance product adopted within a public scheme by the Association of Southeast Asian Nations. The scheme draws on satellite technologies to measure rice production and damage to fields, and then uses an index-based trigger to enable swift payouts through a simplified claims process.

The technology providing yield data for paddy rice is enabled by RIICE (Remote Sensing-based Information and Insurance for Crops in Emerging Economies), a public-private partnership (PPP) between sarmap, the International Rice Research Institute (IRRI), the Swiss Agency for Development and Cooperation (SDC), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Swiss Re.

By enabling the deployment of affordable insurance to farmers, the combination of insurance and satellite technologies is proving increasingly useful for public insurance schemes that wish to build resilience in their agricultural sectors.

Protecting farmers' livelihoods from drought

Drought is the number one threat to farmers around the world and climate change has only exacerbated this risk. Within the last ten years, the frequency and severity of droughts have only increased as the five hottest years on record have all occurred since 2015, with 2020 being the second warmest year behind 2016. Not only do high temperatures and droughts put farmers' livelihoods at risk, they also make it difficult for farmers to secure suitable insurance cover for their crops: Less than 10% of farmers worldwide have drought insurance.

To help insurance providers on the ground offer affordable, easy-to-use crop insurance to farmers, Swiss Re has partnered with VanderSat, a Dutch-based provider of soil moisture data to develop the Soil Moisture Deficit Index. This technology-driven tool uses satellite data to measure real-time soil moisture levels around the world. Why soil moisture? Because it is a more accurate measure of water availability than rainfall, which does not consider other factors that affect crop yields, such as run-off, evaporation and groundwater levels. In short, low soil moisture levels are closely linked to the drop in yield that occurs due to drought.

Soil moisture is also a truly objective indicator that cannot be influenced by the farmer or insurance provider. Swiss Re's drought insurance solution uses a parametric trigger to determine payouts: If the soil moisture deficit reaches a certain predefined level, the farmer is compensated immediately, eliminating the need to make time-consuming loss adjustment calculations in the field. The entire process is fully digitised and runs on Swiss Re's Opti-Crop web-based index tracker, which provides both farmers and insurers with real-time soil moisture data, making the solution transparent, cost-effective and scalable.

Initially launched in three European countries in 2019, the Soil Moisture Deficit Index was further rolled out to insurers in ten additional countries in 2020. Thanks to this innovative drought insurance solution, thousands of farmers in 13 countries across Europe as well as various countries in Latin America, Africa and Asia now benefit from access to financial protection from drought.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Our commitments
... to the United Nations

USD 10.7 bn

Total amount of climate protection offered to sovereigns and sub-sovereigns since 2014
(USD 10.0 billion by 2019)

Many of our efforts to expand insurance protection cover losses from natural catastrophes and weather volatility, such as tropical cyclones, drought or excessive rainfall. As climate change is predicted to increase these losses, such transactions also help communities strengthen their climate resilience. Furthermore, we have found that partnering with public-sector clients, especially national and regional governments, is an effective way to develop solutions.

Building on these experiences, we made a significant commitment to the United Nations at its Climate Summit in September 2014. Personally addressing the government leaders present at the summit, our then Group CEO Michel M. Liès made the following pledge: "By the year 2020, Swiss Re commits to having advised 50 sovereigns and sub-sovereigns on climate risk resilience and to have offered them USD 10 billion against this risk".

We are proud to have met this target as early as 2019, one year ahead of schedule (see table below). As of the end of the commitment period in 2020, we had advised 130 sovereigns and sub-sovereigns on climate risk resilience and offered a total of USD 10.7 billion in re/insurance protection. We thus exceeded our pledge by USD 0.7 billion and 80 (sub-)sovereigns advised. With this success, we conclude this commitment.

Total climate protection offered to (sub-)sovereigns since 2014

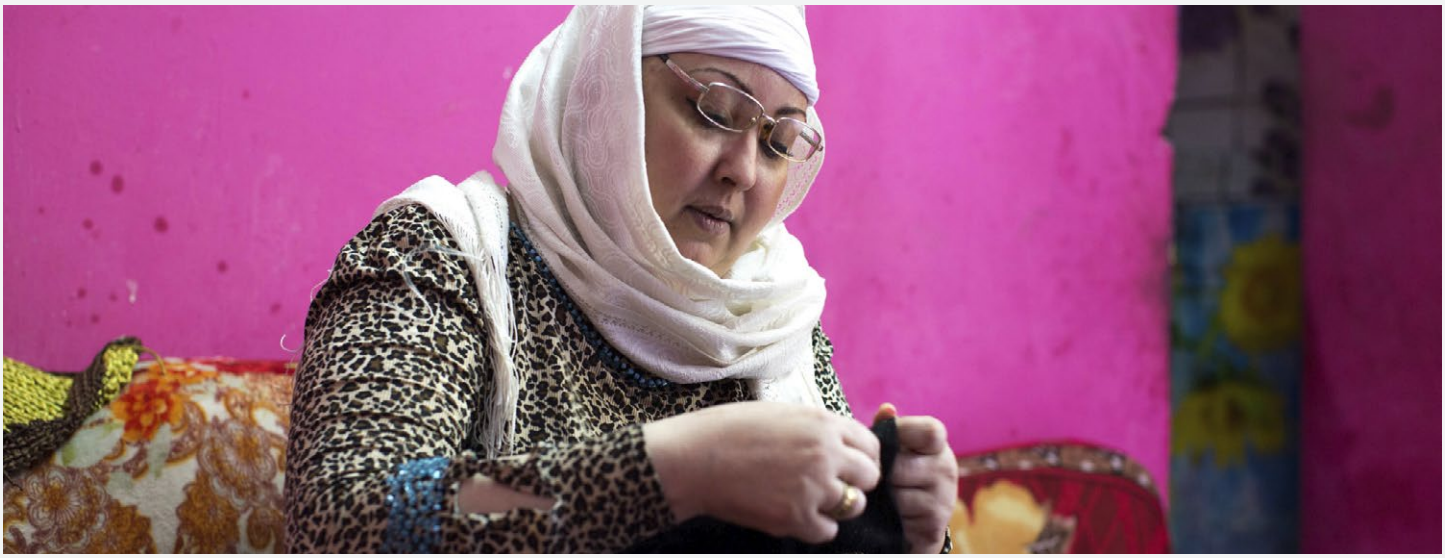
	By 2018	By 2019	By 2020
Number of (sub-)sovereigns advised	96	120	130
Amount of climate protection offered (in USD)	8.2 billion	10.0 billion	10.7 billion

... working together with the Insurance Development Forum

To increase insurance protection in climate-exposed countries, the Insurance Development Forum (IDF) and the UN Development Programme, along with the government of Germany, entered into a Tripartite Agreement in which they jointly announced a series of coordinated commitments in 2019. At the UN Climate Action Summit in September 2019, industry members collectively committed to offer up to USD 5 billion of risk capacity for climate risk insurance to contribute to the G7 InsuResilience target of protecting 500 million individuals by 2025 against climate risk. As a member of the IDF, Swiss Re has endorsed this commitment together with a number of peer companies.

The commitment aims to accelerate the implementation of risk management and risk financing solutions as a means to strengthen adaptation measures and the resilience to climate risks in exposed countries. In 2020, the Tripartite formed 13 country teams, with three more in the exploration phase. Swiss Re contributed to the projects alongside ten other industry members.

The IDF is a public-private partnership (PPP) led by the insurance industry and is supported by international organisations. It aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks.



Women's World Banking customers Manal Sayed Ahmed runs her own embroidery business in Egypt.

... with Women's World Banking

Since 2018, Swiss Re has partnered with Women's World Banking to provide low-income women in Egypt with an affordable microinsurance solution that protects them against the loss of income in the case of illness or childbirth.

The programme originally aimed to reach two million customers in Egypt and beyond by the end of 2020. While there have been many achievements to date, such as the extension of coverage to include the women's immediate family members, the outbreak of the COVID-19 pandemic created a number of logistical and practical challenges that hampered the expansion of the programme during the year.

But where there are challenges, there are opportunities. The past year has also offered important lessons, prompting Women's World Banking to make adjustments to the design and distribution of the microinsurance solution in Egypt and elsewhere in order to better serve its beneficiaries.

A total of 95% of microinsurance customers work in the informal sector. As communities went into lockdown, many of these customers lost their income, forcing them to prioritise basic needs and household expenses over paying their microinsurance premiums. To support its customers, Women's World Banking has worked with its local microinsurance partners to allow customers to pay their premiums in arrears, ensuring they can maintain their health coverage in times of financial difficulty.

One unexpected outcome of the pandemic was a drop in claims, rather than an increase. As the pandemic raged on, overwhelmed hospitals limited non-COVID-19 admissions, some customers were unable to reach hospitals due to a lack of transportation options during lockdown, and others avoided hospital visits out of fear of becoming infected. In response, Women's World Banking has been encouraging its local partners to waive premiums or offer coverage for home births, for example.

Microinsurance providers on the ground also had to cope with the practical challenges surrounding local COVID-related restrictions as their own employees went into lockdown. To ensure that customers' claims are processed quickly and efficiently in times of financial need, Women's World Banking is working with its local partners to offer digital filing solutions.

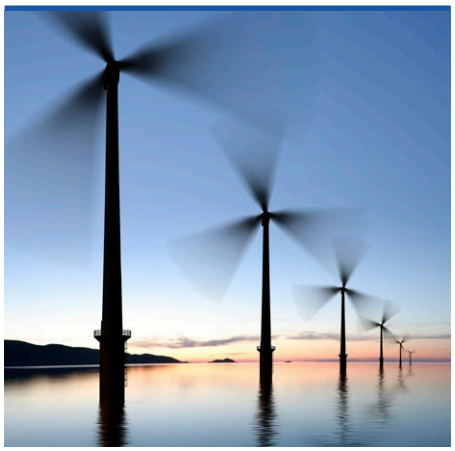
As microfinance and microlending institutions, the local partners themselves also suffered the financial impacts of the pandemic as their own customers struggled to repay their loans. In turn, they focused their efforts on safeguarding their core business needs rather than expanding the microinsurance arm of their business, limiting the programme's ability to provide health coverage to more customers.

Despite these challenges, around 296 000 customers and their family members benefitted from insurance cover by the end of 2020. Swiss Re remains committed to reducing the protection gap by providing affordable health and life insurance to low-income individuals. As the lead reinsurer of the Women's World Banking microinsurance programme in Egypt, we will continue to support its expansion across Egypt as well as its potential replication in other countries in Africa and Asia. Although the rate of this expansion will largely depend on how the COVID-19 pandemic evolves over the next few months and years, we are confident that we can reach two million beneficiaries by 2023.

296 000

Customers and their family members benefitting from insurance cover by the end of 2020

Insuring offshore wind farms



We offer a range of re/insurance solutions to manage the risks of different kinds of renewable energy projects, in line with our 2030 Sustainability Ambition to advance the energy transition. At the end of 2020, Swiss Re was providing risk cover to more than 5 600 wind and solar farms, avoiding over 22 million tonnes in CO_2 emissions.

Offshore wind is considered a promising renewable energy source. Swiss Re Corporate Solutions has both the large capacity and the technical expertise to help manage its complex risks. We are continually enhancing our understanding of these risks, are in contact with many stakeholders in this industry segment and share our insights with our clients. As an initiator and co-founder of the European Wind Turbine Committee established in 2011, we were instrumental in developing the Offshore Code of Practice (OCoP), a best-practice guide for risk management in the sector. Mirroring these efforts, we are now considered a lead market for offshore wind risks. In recent years, Swiss Re Corporate Solutions has participated in numerous offshore wind power projects, including standalone offshore substations and export cables.

In 2020, we were involved in a number of new offshore wind farm projects, among these was the following:

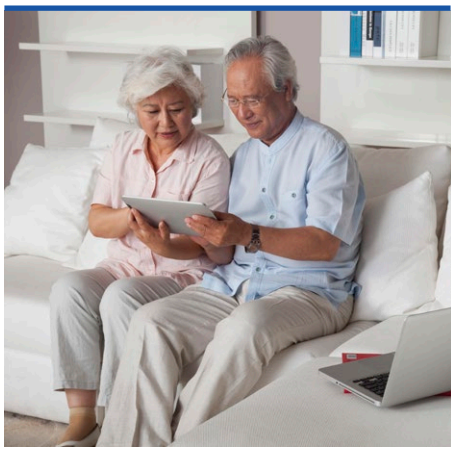
Enabling the expansion of offshore wind in Taiwan

With a presence in over 25 countries, German-based wpd is one of the world's largest independent power producers, operating 2 270 wind turbines with an installed capacity of 4 720 megawatts powering over 3.2 million households.

For its 640-megawatt, USD 1.6 billion Yunlin offshore wind project located eight kilometres off the west coast of Taiwan, wpd was looking for a lead insurer. However, Taiwan is highly exposed to natural disasters – particularly typhoons and earthquakes – meaning that insurers must carefully manage their risk capacities. As a result, Swiss Re Corporate Solutions needed to secure a strategic partner that would enable us to offer an attractive quote as the lead insurer. Corporate Solutions was able to find that partner in-house and in 2018 joined forces with our Swiss Re Reinsurance Business Unit to offer greater combined risk capacity as well as reinsurance cover for the construction of the Yunlin offshore wind project, securing the business in 2019. Despite travel restrictions imposed by the COVID-19 pandemic, we strengthened our relationship with wpd during the project phase through monthly phone calls in which we shared our expertise with the project team on the ground. Construction began in 2020 and, once it is completed in 2021, the Yunlin wind farm will consist of 80 wind turbines, which are expected to power approximately 605 000 households.

Swiss Re's role as the lead insurer for the Yunlin project has further strengthened our position as one of the leading insurers of offshore wind energy projects. Not only will Swiss Re provide insurance cover for the operational phase of the wind project following its construction, but we are also the preferred insurance provider for wpd's upcoming 350-megawatt Guanyin offshore wind project near Taipei airport, which is set to enter the construction phase in 2022.

Magnum Go expands into China



New technologies are changing the way life insurers write business, handle sensitive data and engage customers. This is particularly true in China's large, broker-driven insurance market, where the sheer number of brokers and volume of insurance transactions require a streamlined, automated process. At the same time, tech-savvy local consumers increasingly expect a better insurance buying experience. Not only do they wish to avoid a cumbersome application process, they also expect customisable products, more convenient transactions and quicker decisions. And in 2020, demand for user-friendly mobile solutions only accelerated as the outbreak of the COVID-19 pandemic prevented insurance agents from meeting with customers in person.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Thanks to Magnum, Swiss Re's automated, online life insurance underwriting platform, we are well-suited to respond to Chinese regional and national insurers' needs. In addition to saving time and reducing operating costs, Magnum offers insurers better insight into the business they are writing. To enable the automation of underwriting decisions, years of our own expertise on the latest medical, regulatory and technical developments from Life Guide – Swiss Re's market-leading underwriting manual – are built directly into the Magnum platform. Customers also benefit from a more flexible, personalised and swift application process that can be carried out anywhere, anytime, including through popular local platforms such as WeChat.

During the past few years, we have continued to roll out Magnum to three of China's larger life insurance providers. We also deployed a nimbler version last year, which leverages the cloud-based platform using a more flexible hosting option, making the service easily accessible to smaller and mid-sized insurers who lack their own hosting infrastructure. Overall, Magnum enabled the processing of more than 6.3 million insurance applications across the country in 2020. We remain committed to continuously enhancing our digital platform to keep pace with fast-moving technological developments in China, ensuring that we can continue to improve customers' access to life insurance products.

Life Guide: a leading life and health underwriting manual
Life Guide is a key component of the Magnum underwriting platform. It has also played a critical role during the COVID-19 pandemic. To learn how insights from Life Guide have supported our insurance partners during the COVID-19 crisis, please refer to page 25 of the Business Report 2020.

iptiQ broadens its scope to provide flood protection in Germany

Over the last five decades, climate change and its associated impacts, such as increased precipitation and rising sea levels, have led to both increases and decreases of flood discharges in Europe. At the same time, urbanisation and increased runoff caused by more paved surfaces have put higher concentrations of people and properties in harm's way, making flooding one of the costliest climate-related physical risks. This was particularly evident in 2002 and 2013 when severe flooding in Germany resulted in a combined USD 22 billion in losses, of which only USD 4 billion were insured. Despite greater awareness of potential flooding, the inability to effectively underwrite flood risk makes private insurers reluctant to offer coverage to homeowners located in high-risk areas.

Domcura, one of Germany's leading broker pool providers specialising in homeowner insurance, sought to offer flood protection to its customers. It was therefore looking for a long-term strategic partner who could support product innovation in this area while providing additional capacity for its core business.

Developed by Swiss Re, iptiQ is a digital insurance platform that makes insurance more accessible and affordable. Through its B2B2C business model, iptiQ provides partners such as insurers, insurance intermediaries and banks with transparent, customised insurance solutions. By leveraging Swiss Re's natural catastrophe modelling expertise and pricing capabilities via our Reinsurance network, iptiQ was the only insurer capable of offering standard flood protection via the broker channel to the approximately 95 000 properties located in Zürs 4 – Germany's highest risk flood zone where floods are expected to occur at least once every ten years. Not only did such collaboration between iptiQ and Reinsurance offer a simple, more streamlined risk assessment process giving Domcura an edge over other broker pools, it also meant that Domcura would have access to both a primary and reinsurance partner at once.

While flood risks are such that no one insurer can solve this challenge alone, our innovative approach and partnerships with local insurers mean that communities can become more resilient and recover more quickly after a storm event. Using technology, iptiQ enables its partners to distribute affordable life, health, property and casualty insurance products, extending financial protection against life's uncertainties to a growing number of people.

iptiQ's global growth continues
Globally, iptiQ has continued to enjoy strong growth since its creation in 2016. To illustrate, iptiQ's premiums rose from USD 211 million in 2019 to USD 371 million in 2020 and our in-force policy count increased from 377 000 to over 668 000, supported by an increase from 29 to 40 distribution partners between 2019 and 2020.

Additional business solutions

See Business Report

Extending our risk intelligence

2020 highlights:

- Developed an exit strategy for thermal coal in our treaty business.
- Started to implement our sharpened oil and gas policy.
- Started to measure the carbon footprint of our direct insurance portfolio, applying a methodology developed with the CRO Forum.
- Further automated our Sustainable Business Risk assessments.
- Launched an updated version of our "Sustainable Business Risk Framework" publication.
- Published our yearly SONAR report.

In oil and gas production, the burning of excess natural gas through flaring is an important source of CO_2 emissions. With our revised oil and gas policy, we have committed to gradually shifting away from the most carbon-intensive production.

As part of our comprehensive risk management, we address sustainability and emerging risks. For this, we have developed specific tools and know-how.

Risk management is an integral part of Swiss Re's business model and key to the controlled risk-taking that underpins our financial strength. It is embedded throughout our business and ensures that the Group and the two Business Units have the necessary expertise, frameworks and infrastructure to support good risk-taking. This allows us to be a reliable partner for our clients and make the world more resilient. You can find out more about the core categories of Swiss Re's risk landscape in the Financial Report 2020, page 68.

As a company committed to sustainability, we also place emphasis on specific risks that may undermine long-term value creation. We consider sustainability and emerging risks to be of particular relevance in this respect and have developed instruments to identify, assess and address them. This allows us to determine those risks we think we should avoid – because of their environmental and social impacts as well as their potential to increase losses. Furthermore, we have policies and tools in place to address cyber-related and political risks. You can find information about these on our website.

The carbon risks embedded in our core re/insurance business (ie the "liability side") have recently become a priority. To achieve the net-zero emissions target we have set ourselves for 2050 we are developing a comprehensive carbon steering mechanism and are sharpening relevant policies of our Sustainable Business Risk Framework.

Decarbonising our business model

Swiss Re supports the worldwide reduction of greenhouse gas emissions and contributes to the goal of limiting global warming to 1.5°C above pre-industrial levels. We continuously review measures to assist the transition to a low-carbon economy and, formalising our commitment, in 2015 signed the Paris Pledge for Action to affirm our support for the Paris Agreement.

In addition to our risk management, our efforts to fulfil the Paris Pledge for Action include the development of suitable re/insurance solutions for our clients (pages 24–35), our Responsible Investing strategy (pages 44–51) and our operations (pages 60–69).

Data protection and privacy compliance at Swiss Re

See website

Political risks

See website

Our commitment to reach net-zero emissions
In 2019, we made a public commitment to reach net-zero emissions by 2050 across our whole business by signing the UN Global Compact Business Ambition for 1.5°C. This joins our active role as a founding member of the UN-convened Net-Zero Asset Owner Alliance, through which we have also made a net-zero commitment specifically for our investment portfolio by 2050 (see page 51).

Thermal coal policy
Through our Sustainable Business Risk Framework (see pages 38–41), we have continued to implement our thermal coal policy in our underwriting, including direct, facultative and treaty business. We first introduced this policy in mid-2018, pledging not to provide re/insurance to businesses with more than 30% exposure to thermal coal utilities or mining.

For transactions located in low- and middle-income countries that derive more than 70% of electricity from coal, existing power plants (ie operational before 2018) can be covered until 2025 if there is evidence that the insured is implementing an effective emission reduction strategy.

In 2020, we developed an exit strategy for thermal coal in our treaty business (through which we reinsure whole portfolios of direct insurers), holding over 400 client engagements in the process. This treaty approach complements the policies we have already developed focusing on our direct and facultative business. Together, they set us on course to reach our Group-wide target of completely phasing out our thermal coal business in OECD countries by 2030, and in the rest of the world by 2040.

Our approach introduces coal exposure thresholds for treaties across our property, engineering, casualty, credit and surety, and marine cargo lines of business. The initial exposure thresholds will become effective in 2023 and differ for specific lines of business and geographical areas. They will then be gradually lowered until the final phase-out targets are reached.

These coal-related actions in our treaty business are important steps on our path to reaching a net-zero emissions re/insurance portfolio by 2050. They are also in line with the commitment we made in 2019 by becoming a member of the Powering Past Coal Alliance.

Oil and gas policy
We have also committed to shifting away from the most carbon-intensive oil and gas production, and made this public in our 2019 Sustainability Report. You can read more about this commitment and what we have been doing to meet it on page 39.

Carbon steering mechanism
Our new thermal coal policy and revised oil and gas policy have been introduced as initial steps towards the development of a comprehensive carbon risk steering mechanism. This is needed to measure our carbon intensity and associated risks embedded in our re/insurance business. In 2019, we helped launch a project with peers via the CRO Forum to develop a robust carbon footprinting methodology for the quantification of these exposures.

120 t CO_{2e}/USDm revenue

estimated weighted average carbon intensity of our direct insurance portfolio

The project, in which Swiss Re took a leading role, was completed in 2020 with the presentation of a public report (see page 55). We have made progress in applying the methodology to our direct and facultative insurance portfolios. Thus, in 2020 the weighted average carbon intensity of our direct insurance portfolio was estimated to be 120 tonnes of CO_2 equivalents per million USD of revenue. Continuously measuring our carbon footprint in line with the methodology proposed by the CRO Forum will provide the basis for our carbon steering towards reaching net-zero emissions on the liability side of our business by 2050.

Our Sustainable Business Risk Framework

In a properly regulated market environment, profitable business activities create economic value. Occasionally, however, they may also have adverse effects on the environment and certain vulnerable groups. If such impacts are ignored, they may pose a threat to societies' long-term sustainable development.

Many businesses – including our own – grapple with the issue that some business transactions may be economically beneficial and perfectly legal, yet may still have adverse environmental or social impacts. We believe it is important to recognise the existence of such dilemmas and address them responsibly throughout our business.

Our Sustainable Business Risk Framework is an advanced risk management instrument that allows us to identify, assess and address potential social and environmental risks associated with our transactions. This framework applies to our entire business, including all our re/insurance transactions and investments, to the extent that we can influence their various aspects.

Phasing out the most severe oil and gas transition risks

The CO_2 intensities from the production, refining and end use of various hydrocarbons (naturally occurring compounds which form the basis of crude oil, natural gas, coal and other important energy sources) can vary substantially. Both their type (liquids vs gas) and their quality (eg heavy vs light oil) are key drivers of their value-chain CO_2 intensity. Hence the decision to extract a certain hydrocarbon will set the direction for emissions occurring not only during extraction, but also during refining and end use combustion.

Another relevant factor is flaring, where excess natural gas during production is burned instead of being captured and utilised. As a result, the average value-chain CO_2 emissions (kg) associated with getting one unit of energy (MJ or barrel of oil equivalent, boe) from hydrocarbons can be much higher for some oil and gas companies than for others, depending on the quality of their oil and gas fields and on the efficiency of their production processes.

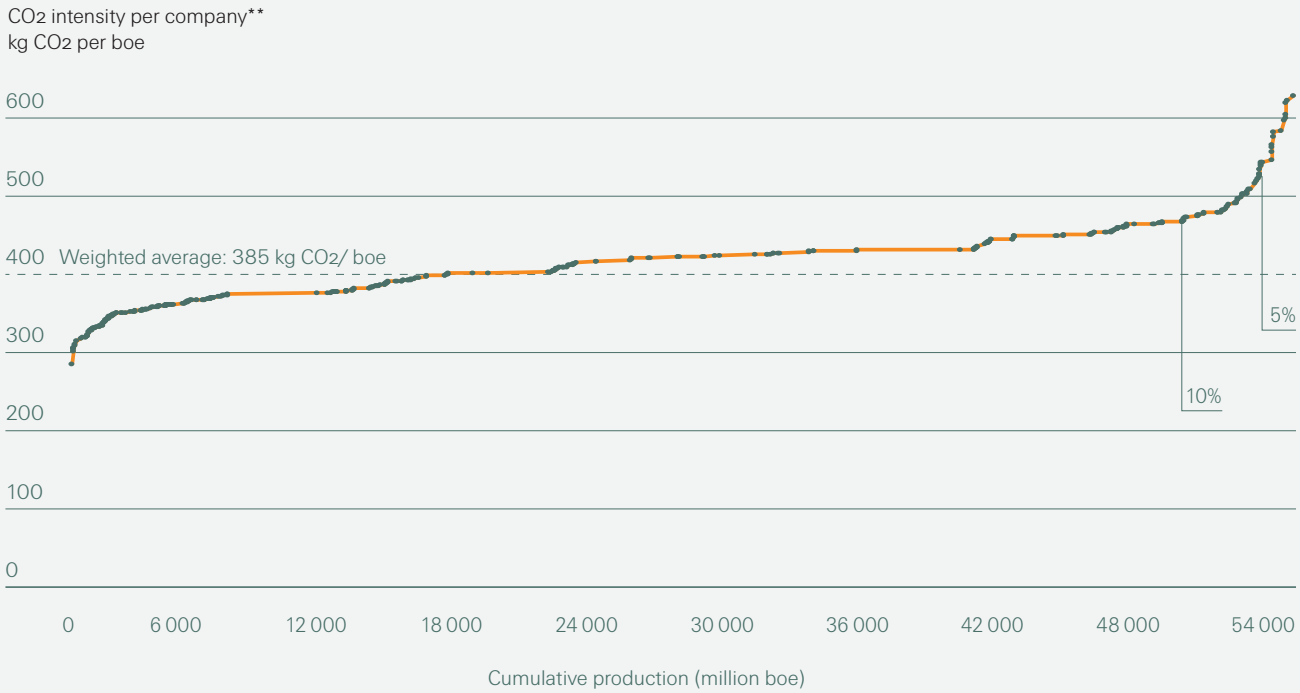
In a project with Rystad Energy, a leading energy research and business intelligence company, we have studied the value-chain CO_2 intensities associated with global oil and gas production. The graph below ranks the oil and gas production (million boe) of the world's producers with respect to their CO_2 intensity (kg CO_2/boe). The results show that a small proportion of companies produces hydrocarbons with a disproportionally high CO_2 intensity.

Oil and gas will play a role for decades to come, though they will be gradually replaced by renewable energy sources. Climate change mitigation will therefore be most effective if the withdrawal from oil and gas starts with the most carbon-intensive production. This is reflected by the policy we have recently developed to gradually shift away from the most carbon-intensive oil and gas production.

From July 2021, we will no longer provide individual insurance covers for those oil and gas companies that are responsible for the world's most carbon-intensive oil and gas production (top 5%).

From July 2023, we will no longer provide individual insurance covers for those oil and gas companies that are responsible for the world's most carbon-intensive oil and gas production (top 10%).

Value-chain CO_2 intensity* for global oil and gas production in 2019



Source: Rystad Energy EmissionsCube;

* CO_2 emissions generated from direct upstream production including flaring, refining/processing and end use combustion (adjusted for feedstock). Emissions from refining/processing and end use combustion are allocated to upstream assets, by considering the quality and mix of products.

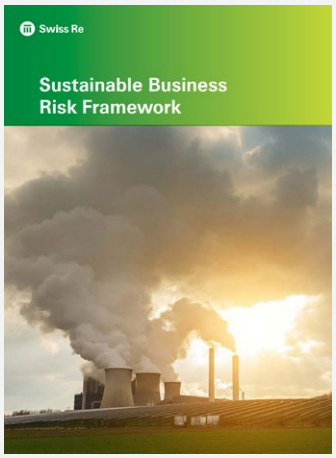
** Only companies with more than 10m boe in production.

The Sustainable Business Risk Framework consists of:

- Two umbrella policies on human rights and environmental protection plus eight specific guidelines on sensitive sectors or issues
- The Sustainable Business Risk (SBR) process comprising a sustainable business risk rating in a semi-automated assessment and referral tool – due-diligence mechanisms to assess our business transactions
- Company exclusions
- Sector exclusions in specified countries beyond mere compliance with international trade controls (ITCs)

Brochure "Swiss Re Sustainable Business Risk Framework"

In 2020, we updated our publication on the Sustainable Business Risk Framework. Over 21 pages it describes the Framework and its core elements in detail.



See website

Policies and guidelines

Our Sustainable Business Risk Framework is based on the overarching principles of respecting human rights and protecting the environment, encapsulated in two umbrella policies that are valid for all our transactions. In addition, specific guidelines apply these overarching principles to eight sectors or issues in which we perceive major sustainability risks: the defence industry; oil and gas; mining; dams; animal testing; forestry, pulp and paper, and oil palm; nuclear weapons proliferation; and thermal coal.

We regularly review all the policies and guidelines of our Sustainable Business Risk Framework to ensure they stay abreast of new risk developments and changing stakeholder expectations. In 2020, we developed a thermal coal phase-out strategy for our treaty business and continued with the implementation of our revised oil and gas policy. These improvements to the Sustainable Business Risk Framework form an important part of the efforts we have taken towards gradually decarbonising our business model (see pages 37–38).

The Sustainable Business Risk process

We implement the framework's policies through a due-diligence process with three elements: the Sustainable Business Risk (SBR) Assessment, the SBR Referral Tool and an appeals process. This process is firmly embedded in the Group's underwriting guidelines and processes.

In 2020, we further automated the SBR assessment and fully embedded it in the underwriting processes for direct and facultative transactions. The SBR Assessment in the underwriting workflow now provides our underwriters with a sensitivity rating for the human rights and environmental impacts of their transactions, and provides them with clear guidance on what to assess in further detail.

The transactions identified as the most critical are transferred through the SBR Referral Tool to Swiss Re's team of sustainability experts, who conduct in-depth research to decide whether the transaction at hand is acceptable according to the policies of the Sustainable Business Risk Framework.

This decision takes the form of a binding recommendation either to go ahead with the transaction, to go ahead with certain conditions attached or to abstain. If there is disagreement about the recommendation, the case can be escalated to the next management level and, ultimately, to the Group Chief Risk Officer and the Group Executive Committee.

The number of SBR referrals rose from 238 to 258 in 2020. In total, we issued negative recommendations in 28 cases and positive recommendations with conditions in 57 cases (see graphs on page 41). No recommendations were escalated.

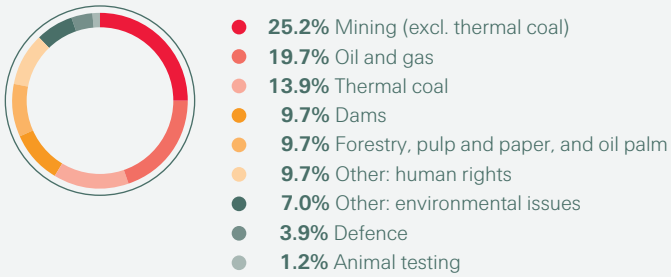
Company exclusions

Each policy of our Sustainable Business Risk Framework specifies certain criteria that may lead to the exclusion of a company from both our re/insurance transactions and our investments, to the extent that such an exclusion is permissible (eg by virtue of mandatory law or internal policies) and possible (eg if existing documentation relating to such re/insurance transactions and investments provide for it). No business may be conducted with any of these companies by any part of Swiss Re while they remain on the exclusion list.

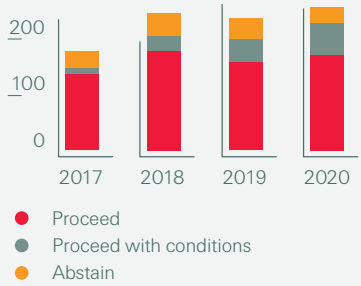
Main concerns addressed by the policies of our Sustainable Business Risk Framework

See website

Sustainable Business Risks referred to our expert team in 2020, by sector/issue



Number of Sustainable Business Risk referrals and decisions taken



258

Sustainable Business Risk transactions referred to our team of sustainability experts
(238 in 2019)

Excluded sector and country combinations

Swiss Re excludes high-risk industries in combination with countries where human rights are violated in a severe and systematic way, and where no reasonable prospect of imminent improvement can be foreseen. This measure goes further than compliance with ITCs.

Our goal is to refrain from directly underwriting risks or making investments in entities that are involved in high-risk industries in countries with a poor human rights record.

As the Sustainable Business Risk Framework is based on the principles of respecting human rights and protecting the environment, the SBR process with its two due-diligence tools, company exclusions and country exclusions is our principal means to ensure compliance with the UN Global Compact in our core business.

Training

We offer our employees regular in-house training on the Sustainable Business Risk Framework. Three years ago, we developed a completely new eLearning course for this purpose and updated it in 2020. It is compulsory for all our employees who work in underwriting and with our clients as well as for all our new entrants. In 2020, a total of approximately 4 000 employees completed the mandatory training course.

Client and industry interaction

Over the year, we had a number of important external engagements on sustainability risks with clients, brokers, investors, industry peers and civil society groups such as environmental and humanitarian NGOs. We held meetings with clients operating in sensitive sectors such as mining, forestry, and oil and gas, discussing potential measures they could take to address their sustainability risks.

As part of our ongoing efforts to implement our thermal coal policy (see page 38), we had over 400 engagements with clients across the globe in 2020. Many of them have introduced a thermal coal policy themselves and in turn are helping us reduce our carbon exposure in our own business.

In the context of implementing our revised oil and gas policy, we held several meetings with brokers to explain our approach to avoid exposure to the world's most carbon-intensive oil and gas production.

In partnership with other re/insurers, we are also developing risk assessment tools designed to help the industry better understand and manage sustainability risks. One of these ongoing partnerships is the UNEP FI Principles for Sustainable Insurance (PSI). In 2020, we jointly organised and held a four-part virtual event series on "Sustainability Leadership in Insurance". You can find more information about this series and other collaborations with partner organisations on pages 54–55.

Emerging risks

Re/insurers operate in a rapidly changing and increasingly complex risk landscape. Demographic, economic, technological, socio-political, regulatory or environmental trends may change existing risks or create new ones. In addition, growing interdependencies between these developments can lead to accumulations of risk and create significant knock-on effects. People's risk perceptions are shifting, liability and regulatory regimes continue to evolve and stakeholder expectations are growing.

This complex landscape provides fertile ground for "emerging risks" – newly developing or changing risks that are not yet entirely understood and managed. Such risks are difficult to quantify, and their potential impact on society and the re/insurance industry is not yet sufficiently accounted for.

Detecting and investigating such risks early on forms an important part of our comprehensive approach to risk management. In analysing how risks are evolving and related to each other, we seek to assess their potential impact on Swiss Re. This is vital to reduce uncertainty and prevent unforeseen losses, raising awareness within the Group and across our industry.

Mental health issues have recently been on the rise. For the re/insurance industry this poses an emerging risk because it has implications for disability claims and cases of early mortality. Swiss Re not only seeks to adequately diversify risk tansfer solutions, but advocates awareness building, destigmatisation and preventive measures.

Emerging risk case study: mental health

Mental health conditions cover a wide range, from psychological disorders such as depression to neurological ailments like dementia. Recently, the number of people diagnosed with mental health issues has been rising, and so have related healthcare costs and disability claims. For the re/insurance industry, the task of adequately diversifying risk transfer solutions is as much in focus as are preventive approaches.

Severe depression is of particular concern since it carries the risk of causing inability to work, higher suicide rates and increased likelihood for physical health impairment. Often it starts as mild mood or anxiety disorders, which in turn may be triggered or fostered by stress, social isolation, sleep deprivation, personal loss and similar issues. As the contribution of depression to the global "burden of disease" increases, the potential progression from risk triggers and mild phenomena to severe states is brought into sharper relief.

A notable development in this context is the increase of mental health issues among teenagers and young adults. If conditions remain untreated and persist, affected individuals may develop more severe mental health issues later in life, as well as physical health problems such as obesity, cardiovascular diseases, back pain or diabetes. Preventing mental illness from developing or escalating can thus not only improve personal wellbeing, but reduce health costs, too. For re/insurers this has direct implications, especially regarding disability claims and cases of early mortality.

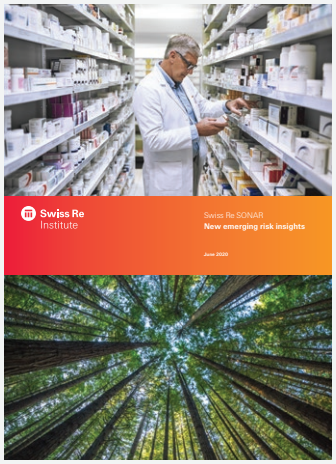
Swiss Re advocates destigmatisation as key to tackling mental health issues, favouring prevention, early intervention and continuous mental wellness management. Awareness should be raised especially on recognising mild and moderate disorders, regarding mental as well as physical health protection. Promising support services are likely to be provided by emerging technological tools: eg lifestyle and mood monitoring devices, alarm and intervention apps or support bots to provide advice in acute situations.

To help build re/insurance awareness and knowledge, Swiss Re pursues comparative research and continuously explores the potential of different approaches. With a focus on Asia, Swiss Re Institute has issued several publications on mental health risks.

Internally, we maintain a mental health network and have been running several campaigns to raise awareness, strengthen our employees' resilience and help reduce the stigma surrounding mental health issues (see page 77).

See website

Swiss Re SONAR:
New emerging risk insights
Swiss Re's SONAR report features emerging risk themes that have the potential to impact the re/insurance industry. These topics derive from our SONAR process and have been assessed by our emerging risk management experts in recent years.



See website

Our SONAR framework

SONAR ("systematic observation of notions associated with risk") is our Group-wide framework specifically designed to manage and communicate emerging risks. Firmly embedded in the Group's risk management organisation, SONAR allows us to identify, assess and report these risks in a timely manner and to factor them into our strategic business decisions.

The SONAR process involves several integrated layers. The first is an interactive intranet platform which enables our employees to share and discuss risk notions based on trends and developments in the re/insurance landscape. This enables bottom-up identification and peer reviews.

Our emerging risk specialists periodically cluster and further assess these risk notions for their potential impact on our business. Further "early signals" are harvested from external research institutions and experts, and digitally enabled horizon scanning tools are also deployed. Finally, our specialists carry out in-depth investigations and internal reviews on selected topics.

You can learn more about one of these topics – mental health – in the case study on page 42. To share some of our key insights on these emerging risks with external audiences, we published the eighth edition of our comprehensive SONAR report in 2020 (see box on the left). On page 57 you can also find information on two special features included in the SONAR 2020 report, which focus on emerging risks associated with the journey towards net-zero emissions.

Strategic foresight

Identifying and addressing emerging risks can be challenging. Their novelty and interconnectedness make it difficult to determine when a particular risk notion must be considered an emerging risk. Timing is of crucial importance. If measures to price and, eventually, exclude a particular risk are taken too early, we may not be able to offer our clients adequate re/insurance protection; if measures are taken too late, we may end up with increased loss potential.

Our strategic initiatives on emerging risks

See website

Given these challenges, we believe it is essential to foster risk dialogue with various partners. By sharing perceptions and assessments, all parties can gain a better understanding of potential emerging risks.

Further information on emerging risks

In addition to the SONAR 2020 report and this publication, you can find further information on selected emerging risks in our Financial Report 2020 and on our website:

Financial Report 2020:
Significant long-term emerging risks we consider to be particularly important for Swiss Re's business:

- Cyber risks – Edge computing
- Climate change – Moving to a low-carbon future
- Prolonged large-scale power blackout

Emerging risks particularly important for our business

See Financial Report

swissre.com: Top emerging risks and trends
Links to four articles on top emerging risks and trends identified in the SONAR 2020 report:

- Special feature: Moving to a low-carbon future
- Special feature: Locking it up – carbon removal and insurance
- Computing at the edge – cybersecurity overstretched?
- Tipping the scale? – Intergenerational imbalances on the rise

Top emerging risks and trends

See website

Being a responsible investor

2020 highlights:

- Held USD 2.6 billion in green, social and sustainability bonds at the end of 2020, which is more than 50% of our 2024 target of USD 4 billion.
- Set a target to increase our social and renewable infrastructure portfolio by USD 750 million by the end of 2024.
- Implemented our newly developed Engagement Framework in collaboration with our listed equities managers.
- For a full overview of highlights per asset class, see page 47.

Through the Inclusion cornerstone of our Responsible Investing strategy, we make investments into social infrastructure, for example schools and student dorms.

We are convinced that integrating environmental, social and governance (ESG) considerations into our investment portfolio makes economic sense. Our Responsible Investing strategy is based on the three cornerstones Enhancement, Inclusion and Exclusion.

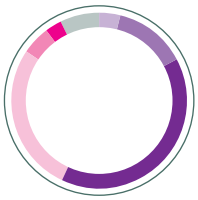
"We make the world more resilient" is Swiss Re's vision. More than ten years ago, our Asset Management unit embarked on a journey to not only generate risk-adjusted, stable long-term returns, but to also consider environmental, social and governance (ESG) aspects in our investment decisions. With this approach, our Asset Management has been steadily contributing to the Group's vision of making the world more resilient.

Highlights among our achievements include the switch to ESG benchmarks in 2017, the selection to the PRI Leaders Group in 2019, the significant reduction in the carbon footprint of our corporate bond and listed equities portfolio since the start of measurement in 2015, and our net-zero commitment in 2019 in conjunction with co-founding the UN-convened Net-Zero Asset Owner Alliance.

Our Responsible Investing strategy

Asset-liability management (ALM) continues to be the foundation of our investment philosophy. To meet future claims and benefits, we invest the premiums generated by our underwriting activities in assets whose cash flows match the durations and currencies of our re/insurance liabilities. Therefore, we generally invest the majority of our portfolio in higher-quality fixed income securities with stable long-term returns. At the end of 2020, such investments accounted for 69% of our total assets under management[1] (see graph below).

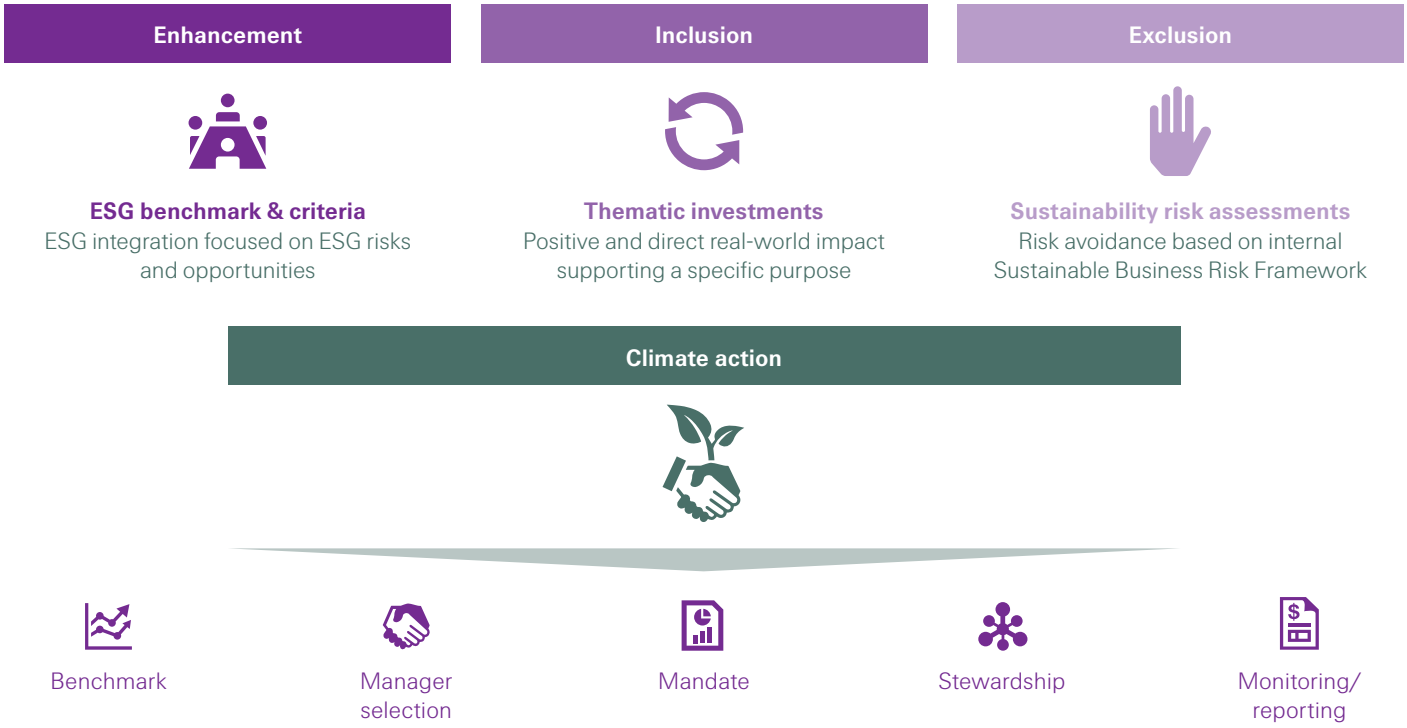
Overall investment portfolio
USD 125.7bn, as of 31 December 2020



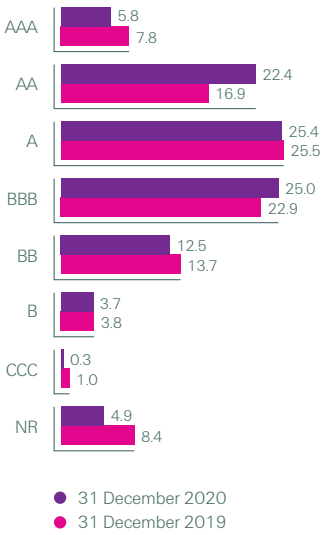
- **4%** Cash and cash equivalents
- **13%** Short-term investments
- **39%** Government bonds
- **27%** Credit bonds
- **7%** Equities[2]
- **3%** Mortgages and other loans
- **7%** Other investments (incl. policy loans)

[1] Asset classes considered are government bonds, credit bonds, and mortgages and other loans
[2] Includes equity securities, private equity, hedge funds and Principal Investments

Swiss Re's approach to responsible investing



ESG rating distribution across our corporate bond and listed equities portfolio in %



The ESG rating distribution scope for the listed equities portfolio has been adjusted to include ETFs and exclude strategic holdings.

Responsible Investing in practice

See website

Including ESG criteria along the investment process makes economic sense as it improves risk-adjusted return profiles and reduces downside risks, especially for long-term investors. Managing risks arising from climate change is another important part of our Responsible Investing approach, and comprises setting targets, taking actions, measuring and reporting.

Our Responsible Investing strategy relies on the three cornerstones Enhancement, Inclusion and Exclusion, of which Enhancement is the most meaningful for Swiss Re.

Enhancement

Enhancement refers to the systematic integration of ESG criteria along the entire investment process, from the Strategic Asset Allocation (SAA) to monitoring and reporting. Today, close to 100% of our SAA considers ESG aspects.

Swiss Re Asset Management invests in companies that are well-prepared for future sustainability challenges, by analysing their exposure and ability to manage underlying ESG risks. As part of this, we have been successfully applying a minimum ESG rating threshold of BB to sovereign, supranational and agency bonds for several years (see overview on page 47). Any possible exception to the minimum rating would be driven by ALM considerations.

In 2017, we took an important step forward for our actively managed listed equities and corporate bond portfolios: As part of our active risk management, we switched to ESG benchmarks consisting of better-rated companies from an ESG perspective. Limited leeway for deviations is given, whereby such investments are required to have either a positive ESG trend or provide compensation for the additional underlying ESG risk (see overview on page 47).

Implementing these benchmarks makes economic sense for us, as they provide downside protection while delivering better risk-adjusted returns. We regularly evaluate the performance of our ESG benchmarks against traditional benchmarks. The latest analysis is available on our website. It shows that Swiss Re's Responsible Investing approach helped to reduce downside risk amidst financial market volatility.

See website

If benchmarks are not applicable, a minimum ESG rating threshold is applied to our mandates, such as the buy-and-maintain corporate bond mandates. By consistently applying these prerequisites, we were able to further improve the ESG profile of our portfolio throughout the year, as shown in the graph on the left.

Overview of ESG considerations in Swiss Re's investment portfolio

		Enhancement	Inclusion	Exclusion	Highlights
Government Bonds	■ Investment universe requiring ESG ratings BB and better, taking ALM considerations into account ■ Green, social and sustainability bonds consider ICMA Principles and/or Guidelines	● ● ●	● ● ●	● ● ●	■ USD 1.7bn of government bonds invested in green, social & sustainability bonds[1] ■ Carbon footprint measurement implemented
Credit	■ Active mandates benchmarked against ESG BB and better index with limited leeway to deviate from the benchmark ■ Reinvestment universe of buy-and-maintain mandates restricted to ESG rating BB and better ■ Green, social and sustainability bonds consider ICMA Principles and/or Guidelines ■ ESG inclusion in infrastructure loans	● ● ●	● ●	● ● ●	■ USD 0.9bn of corporate bonds invested in green, social & sustainability bonds[1] ■ Target to increase social and renewable infrastructure portfolio by USD 750 million by the end of 2024 ■ Infrastructure loans & private placements: Fossil fuel guidelines implemented & coal avoided[1]
Listed Equities	■ Active mandates benchmarked against MSCI ESG Leaders indices and restricted to ESG rating BB and better ■ Active engagement & voting approach across active mandates applied	● ● ●		● ● ●	■ Listed equities with an ESG overlay increased by 22% pts ■ Engagement framework successfully implemented
Private Equity	■ New investments only made into private equity funds that adhere to ESG guidelines ■ ESG performance and compliance reviewed for each potential investment	● ●	● ●	● ● ◐	■ Systematic tracking of customised ESG rating ■ Impact and SDG contribution measured and reported
Real Estate	■ Benchmarked against different sustainability standards (GRESB) and certificates (MINERGIE® standard, LEED certification, NABERS rating, BREEAM certification) depending on the location of the property	● ●	●	● ● ●	■ 31% of Real Estate portfolio invested in certified buildings[1]

[1] For further information. please refer to our Financial Report 2020, TCFD section (148 –179).

● ● ● **Level of ESG integration per asset class**

At the end of 2020, approximately 35% of our investment portfolio was managed externally, and 98% of those assets were managed by signatories to the Principles for Responsible Investment (PRI).

Another important part of our Responsible Investing strategy is our approach as an active shareholder, which we describe in the "How we engage" section on page 50.

For our real estate portfolio, we benchmark our investments against GRESB, an industry-driven organisation transforming the way capital markets assess the ESG performance of real assets.[1]

Inclusion

Thematic investments are an ideal way to address specific sustainability topics. On the one hand, we target investments that contribute to the transition to a net-zero emissions economy and climate change mitigation. An effective way to achieve this is through investments in infrastructure renewables, green bonds and real estate.

On the other hand, we contribute to social improvements through investments in social infrastructure as well as sustainability and social bonds. In this context, we measure the real-world impact of our investments and align them to the Sustainable Development Goals (SDGs). We currently focus on the seven SDGs shown in the graph on page 48.

[1] Due to a change in our investment setup, the 2020 GRESB Assessment does not reflect the portfolio's performance appropriately for 2020.

Our thematic investments support the SDGs[1]

Thematic investments

Renewable and social infrastructure loans

- ≈1 200 hospital beds
- ≈120 000 students provided with school infrastructure
- ≈500 student dorm rooms
- ≈5 000 MW of installed renewable energy capacity
- ≈2 m households with access to modern energy services
- ≈66 000 affordable housing units

USD 0.9bn

Green real estate

- ≈261 000 m² of green real estate floor space

USD 1.6bn

Impact private equity[2]

- ≈115m low-income individuals benefitting from access to financial services
- ≈9 000 live-saving medical deliveries
- ≈17.5 m students educated
- ≈8m metric tons of CO_2 averted
- ≈6 m acres of land under conservation
- ≈715 000 low-income individuals provided with health insurance and products acting as safety nets for health related risks

USD 65m

Green, social and sustainability bonds

USD 2.6bn

Supported SDGs

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
15 LIFE ON LAND

SUSTAINABLE DEVELOPMENT GOALS

[1] Selected metrics reflecting overall project or company impact
[2] Private equity KPIs' Impact generated by selected portfolio companies during 2019

For our green bond investments, we use the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA) as our guidance. For social bonds we use the Social Bond Principles (SBP) and for sustainability bonds the Sustainability Bond Guidelines (SBG), both issued by the ICMA too.

In total, we held USD 2.6 billion in these bonds at the end of 2020, which is more than 50% of our target of USD 4 billion, to be achieved by the end of 2024.

Infrastructure is an attractive asset class for our investment portfolio given its credit quality and inherent liquidity premium. We set a new target to increase our social and renewable infrastructure portfolio by USD 750 million within the next four years to strengthen our positive environmental and social impact. As of the end of 2020:

- 23% of our infrastructure investments were allocated to renewable energy such as wind farms and solar panels.
- 23% of our infrastructure investments were allocated to social infrastructure such as hospitals, student dorms and affordable housing projects.

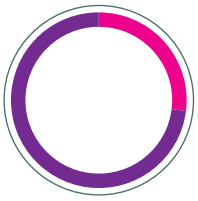
In our real estate portfolio, we focus on certified buildings, such as those adhering to the MINERGIE® standard in Switzerland. By the end of 2020, the value of our MINERGIE®-certified buildings reached USD 0.6 billion or 27% of our Swiss portfolio.

Furthermore, through our externally managed portfolio we predominantly invest in the Australian, UK and US real estate markets, reaching a total size of USD 2.0 billion by the end of 2020.

In the US, the investment manager's approach to sustainability includes ESG considerations and striving for the LEED certification from the US Green Building Council.

With our new target for investments in renewable infrastructure, we can increase our positive environmental impact while working towards achieving net-zero emissions by 2050.

Swiss real estate portfolio



- **27%** MINERGIE®-certified
- **73%** No certification

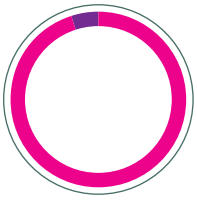
In Australia and the UK, the investment managers' approach to sustainability includes the National Australian Built Environment Rating System (NABERS) and the BREEAM certification framework, respectively.

Exclusion

Swiss Re's approach to exclusion is based on our Group-wide Sustainable Business Risk Framework, which sets criteria for what Swiss Re considers acceptable business and may lead to exclusions of companies or countries from our investment universe. Detailed information is available in this report on pages 38–41. Additionally, we consider the way companies conduct their business by screening their alignment with the ten principles of the UN Global Compact.

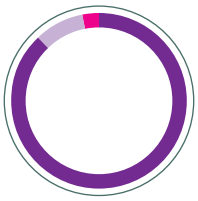
As part of the updated oil and gas policy of our Sustainable Business Risk Framework, we exclude the 10% most carbon-intensive companies in this sector. To mitigate the risk of stranded assets in the light of the accelerating transition to a net-zero economy, we also avoid investments in companies that generate 30% or more of their revenues from thermal coal mining or that use at least 30% thermal coal for power generation. We have also divested from companies with more than 20% revenues from oil sands operations. Further strengthening our efforts, we introduced an absolute coal threshold in 2019: We are committed to not investing in mining companies that produce at least 20 million tonnes of coal per year and in power utility generators with more than 10 gigawatts of installed coal fire capacity.

Our voting activities in 2020



- **95%** Votes cast
- **5%** No votes cast

Our voting behaviour in 2020



- **88%** Voted with management
- **9%** Voted against management
- **3%** Abstained
- **0%** Votes withheld

Our long-term objective for 2030 is to fully exit coal-related assets such as coal mining and coal-based power generation, for our listed equities and corporate bond portfolio via normal portfolio reallocations. To increase efforts to mitigate transition risks in our portfolio, we have also begun to limit investments in companies active in coal mining or coal-based power generation that are planning to expand their capacity. We therefore apply a threshold for capital expenditures above USD 100 million for coal mining expansion and one of 300 megawatts for coal-fired capacity, applicable to the listed equities and corporate bond portfolio.

Climate action

We pursue an integrated Responsible Investing strategy, which also includes our climate actions. Reflecting this, we co-founded the UN-convened Net-Zero Asset Owner Alliance in 2019, committing to transitioning Swiss Re's investment portfolio to net-zero greenhouse gas (GHG) emissions by 2050.

In our Financial Report 2020, we disclose further information on how we set targets, manage our climate-related investment risks and opportunities, and measure our activities in our climate-related financial disclosures (TCFD) section (pages 148 –179).

Climate-related financial disclosures (TCFD)

See Financial Report

How we engage

Stewardship

In 2020, we exercised 95% of our voting rights of our listed equity mandates. We voted on 4 807 voting items through our external managers. We voted in line with the respective management resolution recommendation in 4 225 cases (88%) and against it in 457 cases (9%). In 121 cases (3%), we abstained from voting. The remaining votes were withheld.

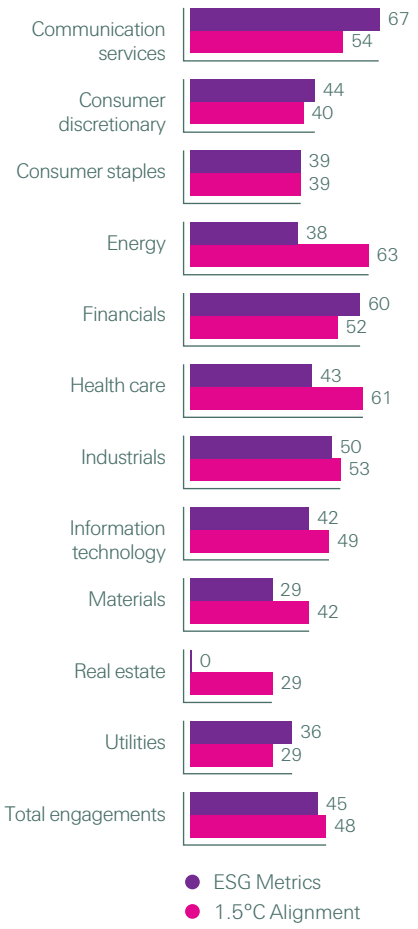
In addition to shares in listed companies, investments in our equities portfolio include equity exchange-traded funds (ETFs). The fund managers cast votes on these ETFs in line with their own voting policies and processes.

In 2020, we implemented our newly developed Engagement Framework, to support our investee companies in strengthening their business performance and achieving shared long-term goals for responsible investing.

We believe that engagement with the real economy is an integral part of our contribution to limiting global warming to 1.5°C. Through our Engagement Framework we aim to encourage companies to develop a climate strategy and formally define how they can manage related risks, ultimately preparing them for the transition to a 1.5°C economy. To this end, the newly created framework aligns well with our own commitment to transitioning to a net-zero economy and the Net-Zero Asset Owner Alliance's Target Setting Protocol.

The framework covers two engagement topics, "Improving Transparency: Disclosure of ESG Key Metrics" and "Alignment of Business Model with 1.5°C Target". It needs to be applied to all actively listed equity mandates in order to further integrate sustainability and, in particular, climate change considerations into investment portfolios. We consider these activities to be relevant to advance the transition of the real economy, as this benefits our portfolio by further reducing the risk of assets getting stranded. Standardised disclosure will increase transparency and hence enable investors to make better-informed investment decisions.

Engagement activities per sector in %



We work closely with our investment managers to execute our two engagement topics for each of our portfolio companies. Regarding engagement frequency and desired outcomes we have set targets. These allow us to monitor progress in a structured way. The framework also takes into account regulatory requirements such as the Shareholder Rights Directive 2017/828 (SRD II).

In 2020, the investment managers of our actively listed equities portfolio started to engage with 45% of our holdings on the first topic, and with 48% on the second topic. Several of the companies we engaged with were prepared to make progress in implementing the measures we had requested. In fact, by the end of 2020, between 20% and 30% of our portfolio companies had already implemented the measures asked for under the two topics.

Promoting responsible investing

Shifting the large institutional asset base towards sustainable investments would mark a big step forward in making the world more resilient. We therefore do not only collaborate with our investee companies but also with other key stakeholders to advance this process. As an example, we contributed to the European Commission's Technical Expert Group on Sustainable Finance and specifically participated in the development of climate-transition and Paris-aligned benchmarks and of ESG reporting needs for benchmarks until the end of the mandate in September 2020. Furthermore, as part of relevant industry organisations such as the Swiss Insurance Association and Swiss Sustainable Finance, we also advise on sustainable financial market developments in Switzerland.

Knowledge sharing is another key aspect of promoting responsible investing. We offer all Swiss Re employees various internal ESG training opportunities to ensure consistent know-how across the Group. We also engage with other investors to foster greater appreciation of responsible investing as an investment approach.

We first formalised our commitment to responsible investing in 2007 by signing the Principles for Responsible Investment (PRI). We have once again been recognised by the PRI for our thought leadership, having our excellent assessment result from the previous year confirmed.

As a founding member of the UN-convened Net-Zero Asset Owner Alliance, we have committed to aligning our investment portfolio with the 1.5°C goal stated in the Paris Agreement by having a net-zero emissions investment portfolio by 2050. We have therefore co-led the development of the Target Setting Protocol (TSP), which allows the setting of reduction targets to be achieved by 2025. We are also represented in the Alliance's Steering Group. Swiss Re has actively promoted the transition to net-zero emissions through the participation in WEF panels, explanatory videos and a podcast in which PRI and Swiss Re discuss the TSP.

Responsible investing governance framework

Our well-defined and strong governance is key to have responsible investing consistently integrated along the whole investment process in a structured and controlled way. For further information about our governance framework, please visit our website:

Responsible investing governance framework

See website

Engaging in dialogue with our stakeholders

2020 highlights:

- Co-organised and held a four-part virtual event series on "Sustainability Leadership in Insurance".
- Devoted several editions of our renowned *sigma* series to sustainability-related topics.
- Continuously shared information on COVID-19 through a dedicated portal on our website.
- Conducted a pioneering study on ecosystem services and biodiversity.
- Produced several publications in cooperation with external partners.

Effectively addressing sustainability challenges requires working in partnership. We engage in regular dialogue with our stakeholders to exchange insights and advance viable solutions.

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

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, corporates, government entities, multilateral organisations, non-governmental organisations (NGOs)
- Financial community: investors/shareholders, rating agencies, shareholder associations, stock exchanges
- Employees
- Political and legal entities: multilateral organisations, 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.

Collaboration with (inter-) governmental and academic institutions

See website

We share, exchange and co-create knowledge through many channels, eg our publications, international dialogue platforms, and client and partner events, as well as cooperation with governments, nongovernmental organisations, and academic institutions. Swiss Re Institute plays a key role in our stakeholder dialogue (see box on the right).

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.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

In the Sustainability Report we present summaries of selected activities in 2020. More information on these and other activities can be found on our website.

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 (see page 43) 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.

See website

"Sustainability Leadership in Insurance" event series

In collaboration with the UNEP FI Principles for Sustainable Insurance (PSI) we co-organised a conference addressing key aspects of "Sustainability Leadership in Insurance". Against the backdrop of the COVID-19 crisis, it was rescheduled as a series of four virtual events held between May and August 2020. It examined how the re/insurance industry can help pave the way for a more sustainable world post-crisis. A year earlier, we had helped organise a similar event focusing on the role of investing.

Setting the agenda for the series, its first event brought together the chief executives of UNEP and Swiss Re and other senior figures with an international audience. The discussion focused on the full implications of the pandemic. While the immediate priority has been to slow its spread and protect people, emphasis was placed on the fact that 60% of all known infectious diseases in humans – and 75% of all emerging ones – are zoonotic. Never before have there been so many possibilities for pathogens to pass from wild and domestic animals to humans. We need to embrace the lesson that deteriorating ecosystems undermine societies' resilience. The re/insurance industry can and must be part of reinforced efforts to address habitat and biodiversity loss, along with climate change.

See website

The second event of the series then looked at how to effectively tackle sustainability risks in underwriting. Two key notions were advanced during the debate: that an integrated, broad-based risk management approach is superior and that sustainable business is good business in the long term. This means that the sustainability agenda really is at the heart of commercial activity. Building on the insights of the first event, it was reiterated that we face a dual challenge: climate change and biodiversity loss. While climate change has been at the top of the agenda in recent years, participants agreed that the financial sector needs to do more to address biodiversity risks. Fittingly, the event served as a launch pad for a report produced jointly with the WWF on spatial finance.

Report: Conserving our common heritage

In cooperation with the WWF, Swiss Re Institute published a report on how the newly emerging concept of spatial finance can help protect World Heritage Sites (WHS). Spatial finance uses geospatial observational data (geographical information systems, GIS) combined with machine learning to assess potential impacts of financing and re/insurance decisions on specific areas, both of a long-term and short-term nature.

Spatial finance thus enables financial service providers to add a geo-spatial layer to their risk management systems and due-diligence processes, and steer their decisions accordingly. This is an important step forward because almost half of all WHS host some sort of economic activity with potentially damaging ecological consequences. Recognising and avoiding such impacts will help preserve biodiversity.

See WWF/Swiss Re Institute 2020: Conserving our common heritage. The role of spatial finance in natural World Heritage protection. Also see www.wwf.org.uk/what-we-do/projects/nature-and-spatial-finance, and https://spatialfinanceinitiative.com/, initiated by the Oxford University Sustainable Finance programme.

See website

In the third event, the focus switched to the UN Sustainable Development Goals (SDGs) and the re/insurance industry's contribution to them. While many of its products and services already support the SDGs, efforts will need to be further strengthened. It was argued that an industry-wide roadmap would create additional momentum. Contributions and discussions then turned to important elements of such a roadmap, identifying consistent frameworks for impact measurement, increasing transparency and innovation utilising digitisation. For all of them, partnerships among multiple stakeholders were said to be vital. To make progress towards these goals, an initiative led by the UNEP FI PSI to develop Insurance SDGs was formally launched at the event.

UNEP FI PSI-led collaborative initiative to develop Insurance Sustainable Development Goals

Through this United Nations-backed alliance, leading re/insurers have committed to supporting the achievement of the SDGs by 2030 via their insurance portfolios through a set of Insurance Sustainable Development Goals (iSDGs). The alliance will: map existing re/insurance products and solutions and how they already support the SDGs, identify gaps where new products and solutions are needed, and assess potential trade-offs between positive and negative contributions.

The fourth and final event of the series put the spotlight on climate change, specifically on how re/insurers can align their businesses with the Paris Agreement. While many have already made significant progress on transitioning their investments, the participants agreed that now is the time to manage climate risks in their re/insurance portfolios more systematically. Three main topics emerged in this context. Firstly, the industry needs more innovation, developing products and services that really incentivise climate risk mitigation. Secondly, the large variations between different real-economy sectors mean that a reliable methodology is required to measure the (mis)alignment of a specific portfolio with the 1.5°C target of the Paris Agreement. A technical paper published by the Chief Risk Officer (CRO) Forum on carbon footprinting methodologies is an important step in that direction. Thirdly, given these challenges, close cooperation with clients, but also with governments, regulators, scientists and other stakeholders, was regarded as essential to achieve real progress.

CRO Forum publication "Carbon footprinting methodology for underwriting portfolios"

This report is the result of an industry-wide effort to summarise options, challenges and opportunities that re/insurance companies face in the process of assessing the carbon footprint of their liability portfolios. It discusses different carbon footprinting methodologies that may be applied to underwriting portfolios. The general methodology presented in the paper proposes an estimation based on company- and industry-specific carbon intensity information, allowing hotspots to be identified and comparisons to be made across liability and investment portfolios. In 2020, we started to apply the methodology to our direct insurance portfolio (see page 38).

See website

sigma 2/2020: Natural catastrophes in times of economic accumulation and climate change

Every year, we devote an issue of our renowned *sigma* series to analysing the previous year's natural catastrophes and sharing insights we have recently gained through our research. Issue 2/2020 focused on the impact that population growth, urbanisation and economic development on the one side and climate change on the other have on expected natural catastrophe losses.

While such losses had been relatively benign in 2019, our *sigma* issue underlined that the combination of socio-economic factors and climate change will lead to increased losses from weather events in the future, causing a major threat to global resilience.

It notes that the ways in which increasing temperatures change natural catastrophe risks are not fully understood due to the short observational history of records. In fact, it could take decades to collect the necessary proof points for an exact quantification of these effects. However, failure to take immediate action could lead to climate systems reaching irreversible tipping points and possibly jeopardise insurability, especially in areas with high asset concentrations.

Nevertheless, Swiss Re Institute believes that weather risks remain insurable if adequate adaptation action is taken. Importantly, re/insurers need to constantly adapt their modelling to this dynamic risk landscape by incorporating socio-economic developments, the latest scientific research on climate change and the status of local mitigation measures. In other words, models must be adapted before events, not afterwards.

Jointly with the publication of this *sigma* issue we organised a media roundtable to discuss our research on natural catastrophes and Swiss Re's climate strategy.

See website

SONAR 2020 report: special features on net-zero emissions

The need to quickly move towards net-zero emissions poses a significant challenge for all players involved, changing existing risks and creating new ones for the re/insurance industry. This is why we included two special features in the 2020 edition of our yearly SONAR report, our principal means of sharing our assessment of key emerging risk trends.

"Moving to a low-carbon future"
The first of the two special features discusses how re/insurance can help mitigate risks posed by the move towards net-zero emissions in four sectors (energy, construction and manufacturing, transport, forestry and agriculture). It also draws attention to some of the general obstacles (eg long-term price dynamics, competition between different innovations) and unintended consequences (eg uneven social impacts, questions of justice and fairness, political resistance) entailed by such a large-scale transformation. It will cause significant trade-offs, gains and losses which need to be adequately monitored and balanced.

See website

"Locking it up – carbon removal and insurance"
The second feature describes the different carbon removal solutions available – nature-based, technological, hybrid – and looks at some of the upsides and downsides of these approaches. For example, solutions requiring the use of natural resources (land and water) will be in competition with food and fodder production and will take time to develop. Technological solutions, on the other hand, will require less land, but large amounts of renewable energy. They are more capital-intensive and have higher operating expenditure.

See website

You can find more information on SONAR on pages 42 – 43, and on our own net-zero commitments on pages 37 – 39, 50, 62 – 63.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Renewable energy: new power for Africa's economy and insurance markets

As part of our efforts to advance sustainable energy sources, Swiss Re Institute launched an expertise publication looking at the current state and prospects of the renewables sector in Africa. With projections for strong economic growth in the longer term, increasing populations and urbanisation, demand for power is expected to grow substantially in future.

Africa has a vast renewable energy potential, and hydropower forms an important part of the power mix today. However, the more environmentally friendly, modern renewable energy technologies, such as solar or wind, have the lowest penetration of any region globally.

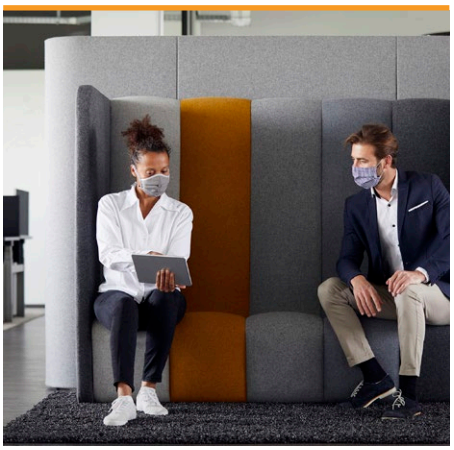
This report argues that renewable energy technologies (RETs) will experience a huge boost in the future, for three reasons: global efforts to decarbonise the economy, digitisation enabling decentralised business models and the competitive costs of production of RETs, which will likely fall further. Based on predictions by the International Energy Agency, we estimate total investment in RETs in Africa to reach between USD 250 billion and USD 1 trillion in the next 20 years.

Meeting this demand for investment will require a much stronger involvement of the private sector. There still remain some important challenges to this, such as political uncertainties and unstable or insufficient regulatory policy frameworks, which need to be addressed.

For their part, re/insurers can play an important role in de-risking private investments against financial and physical risks. This includes traditional risk transfer solutions (property, engineering, marine, liability) as well as non-traditional ones, which provide hedges against volatile production levels or price swings. It will be important for local insurance sectors to build up the necessary skills.

See website

COVID-19: lessons learned and the way forward



The COVID-19 pandemic has caused widespread lockdowns, travel restrictions, business interruption and social distancing. Our financial strength, combined with our powerful research and data capabilities, has enabled us to support our partners during these difficult times. It is how we have been fulfilling our vision of helping to make the world more resilient.

As part of our ongoing dialogue with stakeholders, we have been sharing information on many aspects of the pandemic, ranging from research insights through analysing economic implications to making recommendations for the post-pandemic era. Most of this information can be accessed in the special section "COVID-19: lessons learned and the way forward" at www.swissre.com.

See website

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Food for Thought 2020: The science and politics of nutrition

The food/agriculture/health nexus is a focus area within our 2030 Sustainability Ambition of "Building societal resilience" and a research priority of Swiss Re Institute. Nutrition has a significant impact on chronic diseases like diabetes and obesity, yet there is great controversy about what actually constitutes a healthy diet.

To help resolve such disagreements and drive good science and research in the nutrition space, in 2018 Swiss Re Institute started a partnership with The BMJ, a renowned UK-based medical journal. Through the partnership we sponsored a series of landmark articles by leading nutrition researchers and held an initial Food for Thought conference in Zurich.

Building on the success of this first cooperation, Swiss Re Institute and The BMJ partnered again in 2020, repeating the format of articles and conference. Because of the COVID-19 pandemic, the event had to be transformed into a fully virtual event. On 29 and 30 June, some of the most influential voices in the area of nutrition and health gathered online to discuss the biggest challenges in the field, review progress since 2018 and set the agenda for future research and policymaking.

Sessions focused on: shifting from treatment of diabetes to reversal, guidelines of salt consumption, the impact of nutrition on mental wellbeing, promoting health in the wake of COVID-19, and improving nutritional research and conflicts of interest.

See website

Expertise publication: Biodiversity and Ecosystem Services – A business case for re/insurance

In recent years, the world has made considerable progress in understanding the impact of climate change. There is, however, less understanding of the impact of biodiversity on our lives and the economy, although it is just as important.

Biodiversity and Ecosystem Services (BES) underpin our daily lives and many of our products and services, from water and food to countless other resources. An estimated 55% of global GDP is moderately or highly dependent on BES at present, yet a study by Swiss Re Institute reveals that a staggering one-fifth of countries globally already exhibit weakened land ecosystem services on more than one-third of their territory.

Understanding the extent and impact of this decline and the associated risks is key to minimising further damage. This is why Swiss Re Institute has created the BES Index. Bringing together masses of data and research, it provides a detailed, kilometre-by-kilometre view of the state of biodiversity and ecosystem services in any given location.

The index for the first time gives the re/insurance industry the possibility to incorporate BES data into their risk assessment, thus helping to preserve BES, which are vital to societies' resilience and a sustainable future.

The need to maintain the strength of ecosystems has become especially apparent during the COVID-19 pandemic. One of the largest potential reservoirs of future zoonotic diseases is in the rainforests of our world, but through accelerating deforestation we are making swift inroads into these habitats. Linked with soaring globalisation and urbanisation as well as risky nutrition patterns, this is creating high-speed routes for future pandemics directly into our major cities.[1]

Thus, as COVID-19 shows the potential cost of disrupting the delicate balance between humans and nature, it could become a sentinel.

See website

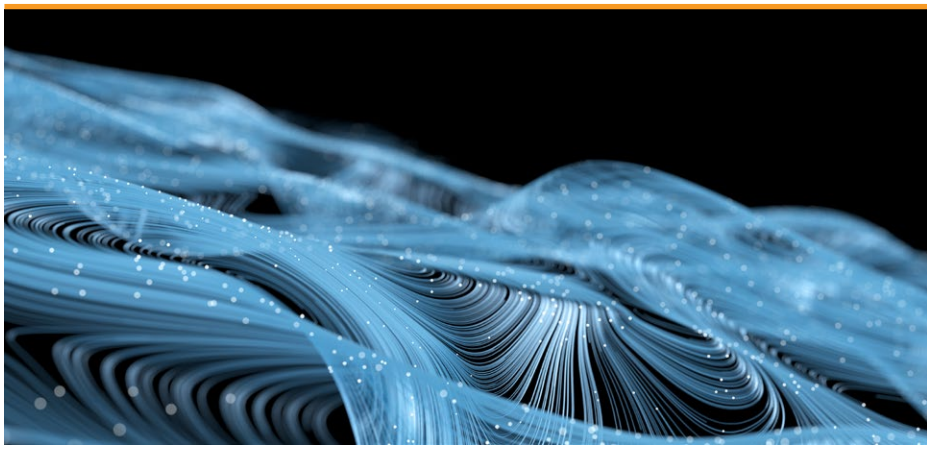
[1] IPBES (2020). Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services. IPBES secretariat, Bonn, Germany.

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

sigma 1/2020: Data-driven insurance: ready for the next frontier?



Led by digitally based technologies, the face of insurance is changing rapidly. The first of our *sigma* editions published in 2020 set out to explain what this means for the industry and to present a potential roadmap for progress.

The digital age has brought an explosion of heterogeneous data from different sources and platforms, which can be used to broaden the reach and boundaries of insurability. As the insurance value chain becomes more digitally connected and disaggregated at the same time, re/insurers will be able to gain better insights into customer segments and partners.

In the short term, consumers of digital insurance offerings will likely continue to be young, educated people with higher levels of income. Being able to choose from a vast amount of newly developed apps, they will raise expectations on how such products are delivered. Over time, innovative digital insurance options will then become increasingly available for all customer groups, making income and education less relevant factors for purchasing decisions.

Based on advanced analytics capabilities, insurers will be able to develop a detailed and more granular understanding of different customer needs and preferences, and thus offer flexible, optimised protection offerings. This will go hand in hand with two further important developments: moving from a traditional product-focused sales approach to one that is geared to customers' broader life-time needs, and optimising interaction across a diverse range of customer touch points.

As a result, consumers will be able to interact via digital channels and to access relevant protection products and services. According to *sigma*, ongoing incremental adoption of digital technologies will thus broaden the scope, accessibility and cost-effectiveness of insurance, helping to close the protection gap.

See website

Machine intelligence in insurance

Our *sigma* edition 1/2020 provides a comprehensive overview of the changes that digitisation will enable in the re/insurance industry, including affordable and accessible products. We shared more information on this process in other contributions, also discussing some of the challenges lying ahead.

For example, in the article "Why data and machine intelligence will become the new normal in insurance", authors from Swiss Re Institute drew attention to the increasing importance of personalisation and the need to get this right. A potential pitfall is to assume homogeneity across specific groups and to develop solutions based on superficial group characteristics. What will be paramount, in contrast, is to tailor services and online experiences to individuals rather than groups.

Care must also be taken if vulnerable groups are to be reached as soon as possible, for example people in lower income brackets or with chronic mental health conditions. If efforts focus too much on millennials, who currently constitute the majority of digital consumers, there is a risk that vulnerable groups are not represented and visible in the data on which customer surveys are based. Products will then not be adapted to their specific needs.

See website

Later in 2020, Swiss Re Institute published a *sigma* edition on "Machine intelligence in insurance" (5/2020). This looked at a key challenge surrounding the transformation to digital insurance: the lack of quality data and data engineering which has so far prevented the insurance industry from fully harnessing advances in machine intelligence. The *sigma* authors argue that this is not because the data are not available, but that they are not being curated, transformed and processed adequately. Addressing this shortcoming will require a major effort to build up the necessary data architecture.

See website

Mitigating climate risk and advancing the energy transition

Building societal resilience

Driving affordable insurance with digital solutions

Driving sustainable operations

2020 highlights:

- Announced introduction of an ambitious triple-digit internal Carbon Steering Levy.
- Set target to reduce CO_2 emissions from air travel by 30% relative to 2018 level, to be followed by ambitious post-COVID target.
- Completed second cycle of our Greenhouse Neutral Programme (2003 – 2013), meeting and exceeding targets for CO_2 emissions per employee as well as energy intensity.
- Met our target to cover 100% of our power consumption from renewable sources by the end of 2020.
- Had 95% of all our Tier 1 and Tier 2 vendors ESG-assessed by the end of 2020.
- Decided to launch a follow-up initiative to our CO_{you2} Programme.

The Hellisheidi geothermal power plant in Iceland is a test site for the geological storage of atmospheric CO_2. We have committed to achieving net-zero emissions in our operations by 2030, which means that for every tonne of CO_2 we cannot yet avoid, another tonne needs to be removed from the atmosphere.

We lead by example and work to minimise the environmental impact of our operations. Bringing CO_2 emissions to net zero by 2030 is our key target.

As a knowledge company in the financial services sector, we do not cause large environmental or social impacts through our own operations. Nonetheless, we firmly believe that as a company committed to sustainability we should minimise our operational footprint and lead by example through ambitious targets and measures.

For our core re/insurance business, climate change represents a key topic. Reflecting this, we have been focusing on our own CO_2 emissions and energy consumption for many years. Our pioneering initiatives include the Greenhouse Neutral Programme and the CO_{you2} Programme, both of which were successfully wrapped up in 2020.

In 2019, we committed to achieving net-zero emissions in our operations by 2030. From 2021 we are implementing this new commitment by setting separate targets for emission reductions and carbon removal, both under the follow-up CO2NetZero Programme.

Furthermore, we apply sustainability guidelines to our supply chain activities. Extending our efforts beyond our company, we continue to play an active role in the Swiss Climate Foundation.

Management system and certification

See website

2000-Watt certification for our Campus Mythenquai

See website

Partner initiative: Swiss Climate Foundation

See website

Achieving net-zero emissions in our operations by 2030

In 2019, we committed to reaching net-zero emissions in our own operations by 2030. In making this major new commitment, we built on the many initiatives and achievements of our Greenhouse Neutral Programme (see pages 64 – 67), at the same time bringing our efforts to a new level of ambition.

Net-zero emissions is a challenging concept. It means that at a certain point in time the net amount of emissions entering the atmosphere must reach zero. In other words, for every tonne of CO_2 that cannot be avoided yet, another tonne needs to be removed from the atmosphere and stored permanently through so-called carbon removal solutions. To keep global warming well below 2°C as stated in the Paris Agreement, the world needs to reach net-zero emissions by 2050 and stay at net-negative emissions throughout the second half of the century. The climate models predict that this will take billions of tonnes of negative emissions per year.

It is important to note that claiming "net-zero emissions" is not the same as claiming "emission neutrality". The former marks a clear – and necessary – step up in climate change mitigation efforts. Here's the difference in a nutshell:

- Emission neutrality: Emitters pay third parties to **avoid** equivalent amounts of emissions to those the emitters cannot yet avoid themselves, by purchasing carbon avoidance certificates (commonly known as "carbon offsets").
- Net-zero emissions: Emitters pay third parties to **remove** equivalent amounts of emissions to those they cannot yet avoid, by purchasing carbon removal certificates (also known as "removals").

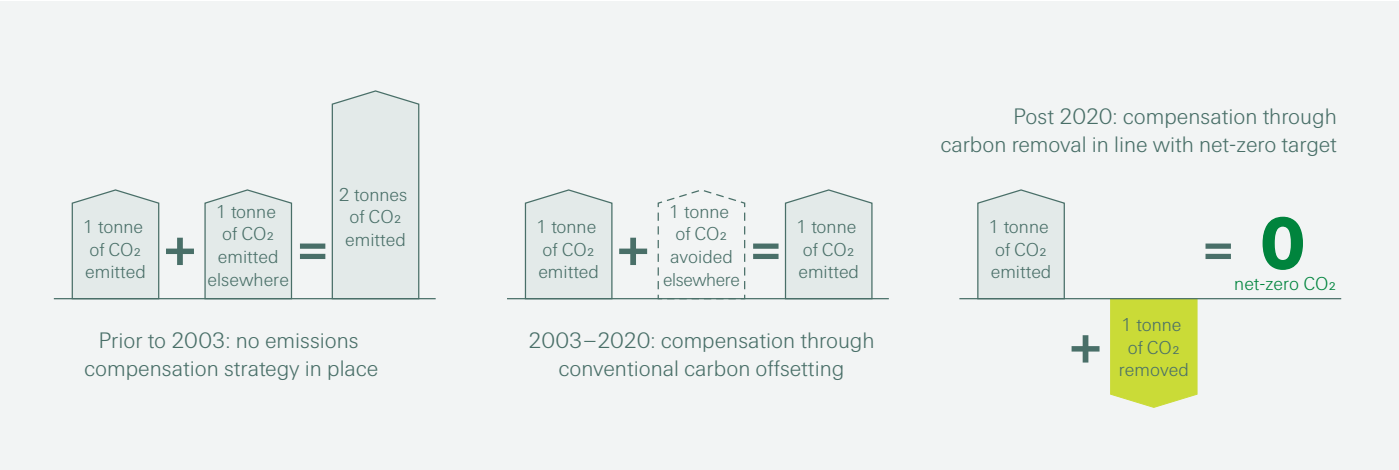
The illustration below shows the difference between these concepts and how they have evolved at Swiss Re:

We have set our internal net-zero emissions target for 2030, which is highly ambitious. It requires us to take concerted action under the motto: "Do our best, remove the rest".

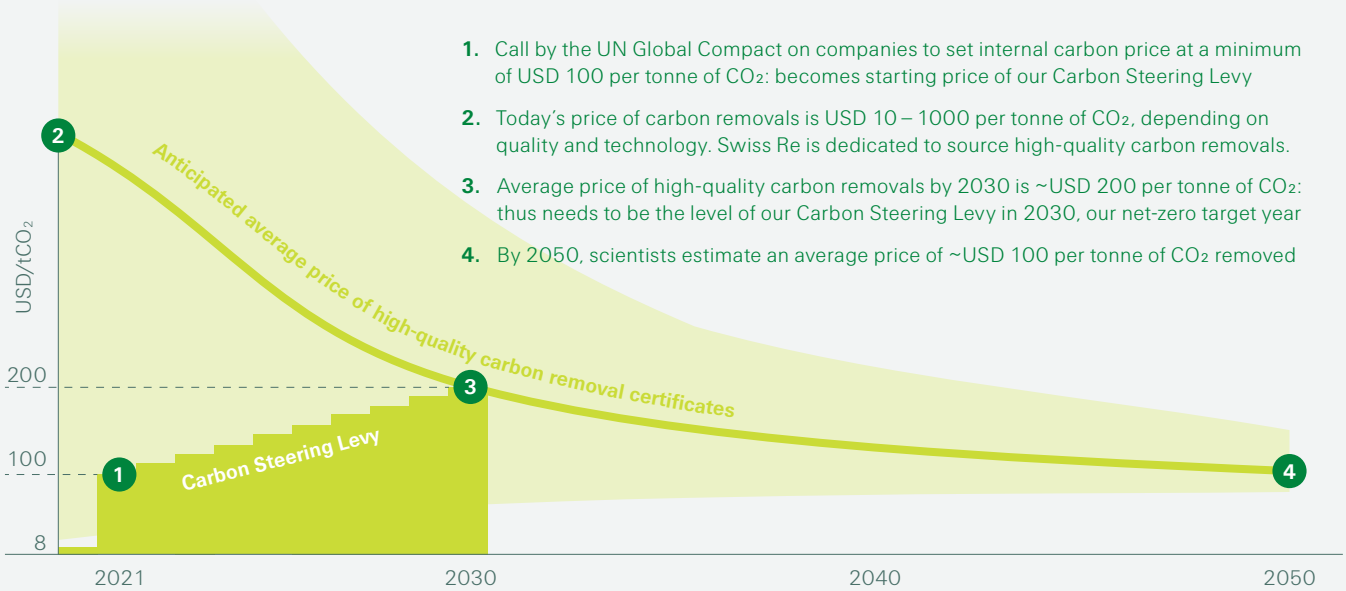
Firstly, we are further reinforcing our efforts to reduce the CO_2 emissions caused by our own operations. We have set a target to reduce emissions from air travel by 30% in 2021, relative to the 2018 level, and will define a new, ambitious target for the post-pandemic period. In addition to this, we are committed to continuing to reduce our energy intensity (kWh/FTE) by 2% per year throughout the decade, relative to the 2018 level.

Secondly, we need to purchase carbon removal certificates from impactful projects. As the carbon removal market is still in its infancy, we are keen to catalyse its development through our early engagement.

The most important step to meet these two objectives is the announcement of a triple-digit real internal carbon levy we made in 2020. You can read more about this on page 63.



The illustration shows how the different stages of emissions management at Swiss Re have been impacting the climate balance.



Rationale behind the price level of our Carbon Steering Levy: The anticipated average price of high-quality removals is illustrative, based on today's market intelligence and price projections of various carbon removal solutions (weighted by their potential) as in the Special Report on Global Warming of 1.5 °C published by the Intergovernmental Panel on Climate Change in 2018 (IPCC SR15).

Introducing our triple-digit Carbon Steering Levy

In September 2020, we took a significant step forward on our journey towards net-zero emissions in our operations, announcing the introduction of a triple-digit real internal carbon price.

Starting in January 2021, we are increasing our internal carbon price from USD 8 to USD 100 per tonne of CO_2, thus following the call by the UN Global Compact on companies to price carbon at a minimum of USD 100 per tonne of CO_2. Swiss Re is the first multinational company to announce a triple-digit real carbon levy on both direct and indirect operational emissions (such as business travel). By 2030, the levy will gradually increase to USD 200 per tonne of CO_2, the market price we expect for high-quality removals at that point in time, based on cost projections by the Intergovernmental Panel on Climate Change (IPCC) and current market intelligence.

The new ten-year carbon pricing scheme will directly support our two principal measures aimed at achieving net-zero emissions by 2030, ie "Do our best, remove the rest". Firstly, a stringent price on carbon will help us achieve further emission cuts by incentivising concrete reduction measures, hence its name Carbon Steering Levy. To this end, we are making sure that the levy is displayed at all times and all levels of decision-making, for instance in the travel booking tool when comparing flight options.

Secondly, the levy will secure the funds required to purchase removal certificates from high-quality, ie impactful, durable and scalable carbon removal projects. Since carbon removal is still a nascent industry, this new way of compensating emissions comes at a price, and securing sufficient funding is crucial.

Based on the funds expected from the levy, we have developed a spending plan for our emissions compensation requirements over the next ten years until 2030. Until 2020, we purchased 100% high-quality carbon offsets in the price range of USD 5–20 per tonne. Thanks to the new levy, we will be able to add more and more high-quality carbon removals to our compensation mix, which at present can cost up to several hundreds of USD per tonne. By purchasing a mix of the two certificate types, we can set the average compensation cost so as to match the price level of the Carbon Steering Levy.

For 2021, this means a split of 10% removal and 90% carbon offsets, together costing USD 100 per tonne on average. By 2025, we will have increased the levy to USD 145 and expect to purchase a mix of 50% offsets and 50% removals. In 2030, when the levy will be at USD 200 per tonne, we expect to be able to purchase 100% removals – as required by our net-zero target.

We will procure the removals using a combination of three approaches: long-term Carbon Removal Purchasing Agreements (CRPAs) with strategic partners, payments into aggregation solutions like a Carbon Removal Fund (CRF), and conventional "over-the-counter" purchases.

With a ten-year planning horizon and a transparent, triple-digit price level, our new Carbon Steering Levy sends a powerful market signal to the emerging carbon removal industry. By entering long-term CRPAs, Swiss Re can establish itself as a credible partner in the carbon removal space, which also has benefits for our business: It should open doors for our underwriters and asset managers to access the new risk pools and asset classes of the emerging low-carbon economy.

Our Greenhouse Neutral Programme

Climate change has been Swiss Re's most important sustainability issue for some 30 years. It is a key topic for a re/insurer because it leads to more extreme and more frequent weather events as well as other negative impacts.

To reduce the CO_2 emissions from our own operations, we launched our Greenhouse Neutral Programme in 2003, at the time a pioneering initiative. It has combined two principal commitments: firstly, to reduce our CO_2 emissions per employee (full-time equivalent, FTE), and secondly, to compensate all the remaining emissions by purchasing high-quality carbon offsets, thus making our company fully greenhouse gas neutral.

After two full commitment cycles, we wrapped up the Greenhouse Neutral Programme at the end of 2020. From 2021 onwards it will be seamlessly succeeded by the CO2NetZero Programme, through which we will implement our commitment made in 2019 to achieve net-zero emissions in our operations by 2030 (see page 62).

Overall goals and scope

In the Greenhouse Neutral Programme's first commitment cycle running from 2003 to 2013, we set increasingly ambitious targets for our operational CO_2 emissions. Ultimately, we reduced them by a total of 49.3% per employee (FTE) and compensated all the remaining emissions.

After this substantial reduction, we set ourselves the target to keep CO_2 emissions per employee stable at the 2013 level for the full second commitment cycle, ie until the end of 2020. In view of our expansive business strategy, especially in high growth markets, this was an ambitious goal.

For the programme's second commitment cycle, we also expanded its scope. In addition to the three originally included emission sources of heating (Scope 1), power consumption (Scope 2) and business travel (Scope 3), we have reported emissions for copy paper use, waste generation, water use and technical gases (all Scope 3) and have fully compensated them. We also report our commuting emissions, based on biannual surveys.

We have implemented our Greenhouse Neutral Programme through a set of concrete measures (see pages 65 – 67).

Directly linked to these measures, we have defined two further quantitative targets along the way, one for our energy intensity, the other for the share of renewable energy used across the Group.

Below is a summary of the programme's principal targets and what we achieved between 2003 and 2020. Because of the distorting effect of the COVID-19 crisis, we also show the figures as of the end of 2019 where relevant:

Thus, we have achieved all the targets defined through the Greenhouse Neutral Programme, independent of the impact of the COVID-19 pandemic. The tables on page 65 provide more detailed information on the development of CO_2 emissions as well as the underlying environmental data between 2013 and 2020.

The effect of the COVID-19 pandemic also becomes apparent from the data in these tables. For example, total CO_2 emissions per FTE in 2020 were just 45% of the 2019 level, resulting in a total decrease of 59.6% per FTE between 2013 and 2020. However, we had already achieved a 10% reduction of total CO_2 emissions per FTE by the end of 2019, thus meeting and exceeding our target.

Complementing the data shown here, we have included a comprehensive environmental data set for the whole Greenhouse Neutral Programme from 2013 to 2020 in an appendix on pages 90 – 91. This, too, includes baseline comparisons for pre-COVID data (ie for the reporting year 2019) in addition to the current reporting year 2020.

Key targets and achievements of our Greenhouse Neutral Programme, 2003 to 2020

Targets	Achievements
Reduce CO_2 emissions per FTE by 45% by the end of 2013, relative to 2003. Then maintain the achieved emission reductions per FTE until the end of 2020	• Reduction of 49% between 2003 and 2013 • Further reduction of 10% between 2013 and 2019 • Drop of 55% between 2019 and 2020, incl. a strong impact from COVID-19 → Total reduction of 80% between 2003 and 2020 (54% between 2003 and 2019)
Continuously reduce energy intensity (power consumption and heating) by 2% per year	• Cumulative reduction of 47% between 2003 and 2013 • Further reduction of 42% between 2013 and 2019 • Drop of 20% between 2019 and 2020, incl. strong impact from COVID-19 → Total reduction of 75% between 2003 and 2020 (69% between 2003 and 2019)
Obtain 100% of power from renewable sources by the end of 2020 (RE100)	• Share of power from renewable sources 100% at the end of 2020
Fully compensate the remaining CO_2 emissions	• Fully compensated the remaining CO_2 emissions through whole programme • For the years 2014 – 2020, compensated a total of 494 000 tonnes of CO_{2e}

CO_2 emissions per employee (full-time equivalent, FTE), Swiss Re Group

		2013[1] kg/FTE	2019[1] kg/FTE	**2020[2] kg/FTE**	Change in % since 2019	Change in % 2013 – 2019	Change in % 2013 – 2020
Scope 1	Heating	396	202	**172**	–15.2	–49.0	–56.6
Scope 2	Power	313	137	**44**	–68.0	–56.2	–86.0
Scope 3	Business travel	3 724	3 849	**1 626**	–57.8	3.4	–56.3
	Copy paper	34	10	**6**	–45.8	–70.6	–83.6
	Waste	50	33	**18**	–47.0	–34.0	–64.9
	Water	13	9	**7**	–28.0	–30.8	–50.6
	Technical gases	97	98	**38**	–61.8	1.0	–61.4
	Commuting	1 225	926	**454**	–51.0	–24.4	–62.9
Total		5 852	5 266	**2 363**	–55.1	–10.0	–59.6

[1] The figures for 2013 and 2019 have been restated due to the sale of our ReAssure business in the UK and the adjustment of how we handle renewable electricity credentials. The appendix on page 90 provides an overview of the restatement.
[2] The figures for 2020 have been strongly impacted by COVID-19 and are not indicative of Swiss Re's future environmental performance.

Underlying environmental data, Swiss Re Group

		2013[1]	2019[1]	**2020[2]**	Change in % since 2019	Change in % 2013 – 2019	Change in % 2013 – 2020
Heating	kWh/FTE	2 038	980	**832**	–15.1	–51.9	–59.2
Power	kWh/FTE	4 715	2 926	**2 314**	–20.9	–37.9	–50.9
Energy intensity	kWh/FTE	6 753	3 906	**3 146**	–19.5	–42.2	–53.4
Business travel	km/FTE	13 581	14 271	**6 020**	–57.8	5.1	–55.7
Copy paper	kg/FTE	29	9	**5**	–44.4	–69.0	–83.7
Recycling paper	%	59	41	**50**	22.0	–30.5	–15.3
FSC label	%	95	96	**97**	1.0	1.0	2.0
Waste	kg/FTE	186	119	**69**	–41.9	–36.0	–62.9
Water	m^3/FTE	18	12	**9**	–28.0	–33.3	–50.6

[1] The figures for 2013 and 2019 have been restated due to the sale of our ReAssure business in the UK and the adjustment of how we handle renewable electricity credentials.
[2] The figures for 2020 have been strongly impacted by COVID-19 and are not indicative of Swiss Re's future environmental performance.

Below you can read summaries of the principal actions we have taken to implement the Greenhouse Neutral Programme.

Using renewable power

Obtaining power from renewable rather than conventional sources has been a key measure of the programme. Starting a gradual build-up in 2005, we set a target to use 100% renewable power by 2020 at all of the Group's locations where it is available in reliable and trustworthy quality.

We reached this target in 2020, all the time adhering to our minimum standard for green power sourcing. The standard states that we seek to maximise impact by bringing new renewable assets onto the grid, known as "additionality". It builds on the three following sourcing methods, with decreasing preference:

- Direct investments in our own solar plants (eg at Armonk, Swiss Re Next in Zurich, Bangalore and Folkestone)
- Indirect investments via long-term virtual power purchase agreements from newly built plants
- Sourcing of high-quality renewable energy certificates (eg naturemade star in Switzerland and NaturEnergie in Germany)

To improve access to high-quality sources of renewable energy around the world, we helped launch the RE100 initiative as a founding member in 2014 (see page 66).

100%

Share of total power consumption from renewable sources in 2020
(92% in 2019)

RE100 and EP100
Established in 2014 by the Climate Group, the RE100 initiative has united the world's most influential companies in a shared commitment to using 100% renewable power by no later than 2050. To achieve this, the RE100 initiative has encouraged policymakers and regulators at national and sub-national level to make renewable energy more available. RE100 grew substantially again in 2020 and now includes more than 280 of the world's largest companies. As a co-founder of the initiative, we reached our own RE100 target as early as 2020.
www.theRE100.org

In 2016, we also signed up to the Climate Group's EP100 initiative. This is a shared commitment by leading global companies to double their energy productivity or, in other words, to get more economic output from each unit of energy.
www.theclimategroup.org/project/ep100/

Reducing energy consumption

In parallel with our switch to using renewable power, we have made continuous efforts to lower the actual amount of energy consumed per employee or, in other words, to reduce our energy intensity (measured as kWh/FTE). Through many small measures to improve energy efficiency and by concentrating back-office tasks in fewer and more energy-efficient buildings, we managed to cut our energy intensity by a total of 46.5% between 2003 and 2013.

For the second phase of our Greenhouse Neutral Programme from 2013 until 2020, our target was to continuously reduce our energy intensity by 2% per year. At the end of 2020, the total reduction reached since 2013 was 53.4%. This figure was distorted by the effect of the COVID-19 pandemic, but we had already achieved a reduction of 42.2% by the end of 2019.

We mainly achieved these savings by decommissioning existing office buildings and moving into more energy-efficient ones. For example, at our Zurich headquarters we achieved a LEED (Leadership in Energy and Environmental Design) Platinum certification for the newly constructed Swiss Re Next building. Our most recent move took place in 2019 in Tokyo, where our new office building possesses an energy-efficient CASBEE shell and has been fitted out according to LEED Gold standards.

In addition, substantial upgrading of existing building technologies has brought further efficiency gains (eg the whole heating, ventilation and air conditioning system at our Americas headquarters in Armonk).

Finally, we have managed to improve office utilisation by creating more flexible and modern office environments that offer our employees optimal working conditions while using space and resources more effectively.

Our commitment to improving energy efficiency (kWh/FTE) continues beyond 2020. We aspire to achieve a 2% efficiency gain per year against the 2018 baseline. This translates into a target of 13% for 2025 and 22% for 2030.

Minimising business travel

As a result of the substantial cuts we have achieved in CO_2 emissions from power consumption and heating since 2003, business travel now easily constitutes Swiss Re's largest emissions source. In recent years, we have taken several measures to reduce the need for business travel and to curb unnecessary business trips.

For a start, we have built up a dense network of video conferencing equipment across the Group. Recently, we enhanced these facilities with state-of-the-art technology that creates a real-time, life-size virtual meeting experience in normal meeting rooms. By the end of 2020, we had a total of 158 standard video conference facilities worldwide and 54 enhanced facilities.

Recently, we also introduced an interoperability solution which allows us to connect our video conferencing facilities with workplace-based collaboration software. This has provided our employees with fully digitised workplace equipment including video conferencing from home, which has been highly beneficial in the context of the COVID-19 pandemic.

We continuously monitor all travel budgets and collect travel data centrally. Furthermore, in 2014 we introduced an internal carbon price on air travel, based on the "polluter pays" principle. It has allocated the costs of the Verified Emission Reductions (VERs) we need to buy to offset our CO_2 emissions to the Group's Global Functions in proportion to their respective share of air travel; previously they had been borne centrally by Group Finance.

Despite these measures, the average amount of kilometres travelled per employee and the associated CO_2 emissions increased slightly for a number of years before the outbreak of the COVID-19 pandemic, mainly driven by our continued expansion in high growth markets. (In 2019, the figure was 14 271 km/FTE, 5% higher than in 2013.)

In view of this trend and in line with our commitment to achieving net-zero emissions in our operations by 2030, we have introduced an ambitious triple-digit internal carbon price and set a 30% reduction target for air travel, relative to the level of 2018 (see page 63 for details).

Finally, we promote low-carbon options for our employees' daily commutes through mobility concepts at major office locations. Typically, they involve car sharing via our intranet, subscriptions for public bike rental services, public transportation subsidies, last-mile shuttle services, shower facilities with lockers, etc.

Paper, water and waste

In the second commitment cycle of our Greenhouse Neutral Programme, we have also calculated and compensated our CO_2 emissions from the Scope 3 sources of copy paper, waste generation and water use. The overview of our emissions sources on page 65 shows, however, that these are less material for our business than other environmental impacts, which is why we have not set quantitative reduction goals for them.

Some of the measures we have taken to reduce paper, water and waste include: reusable dishes and cutlery at major locations, "pull printing" (which eliminates uncollected printouts and has helped us reduce emissions from paper use by more than 80% since 2013), cloud-based collaboration and document management platforms.

Offsetting our remaining CO_2 emissions

Along with achieving a significant reduction of the emissions from our own operations, the second commitment of our Greenhouse Neutral Programme has been to compensate all remaining CO_2 emissions for the full period between 2003 and 2020. When we launched our Greenhouse Neutral Programme in 2003, this was a pioneering concept.

We initially invested in the Community Development Carbon Fund (CDCF) run by the World Bank, the first fund designed not only to generate emission reductions, but also community benefits through the projects it finances: access to clean water, improved health conditions, creation of jobs, empowering women and more.

Later, when mature markets had developed with labels and standards to guarantee the quality of offsets in terms of accountability, social and environmental safeguards, etc, we started to purchase our offsets from these markets. We have exclusively supported Gold Standard-certified projects, which means they have come with the same level of co-benefits as the CDCF projects we had supported before.

For the period between 2014 and 2020, we bought and retired carbon offsets for a total of 494 000 tonnes of CO_{2e} emissions. In 2019, we also purchased a first batch of third-party verified carbon removal certificates to test that upcoming market. For 2020, we bought carbon offsets for a total of 27 250 tonnes of CO_{2e}, a significant drop from the previous year (70 303 tonnes of CO_{2e}) due to the COVID-19 pandemic. To meet our commitment to net-zero emissions in our operations by 2030, we will now gradually switch from conventional carbon offsetting to carbon removal (see page 62).

External verification of our CO_2 and environmental data

Ever since we first launched our Greenhouse Neutral Programme in 2003, we have disclosed our CO_2 emissions and their relative performance over time, expanding our reporting scope from 2013. The method we use to calculate our emissions is based on the guidelines of the Greenhouse Gas Protocol, the most widely used emissions accounting standard.

Before our environmental data are published, PricewaterhouseCoopers checks them to verify our calculations. Their complete assurance report for the whole Sustainability Report is included on pages 92 – 93.

27 250

Tonnes of CO_{2e} compensated in 2020

(70 303 in 2019)

IT and data services are one of our main sourcing categories. For the procurement of all our goods and services from external vendors we use a Group Sourcing Standard, which incorporates requirements on human rights, labour conditions, environmental impacts and anti-corruption. In 2020, we completed an ESG assessment for 95% of our Tier 1 and Tier 2 vendors.

Sustainability in our supply chain

To run our operations, we continuously procure a wide range of goods and services. In line with our overarching Group Sourcing Standard, we select suppliers that offer the best value for money, meet high quality standards and adhere to Swiss Re's Code of Conduct.

Furthermore, as a signatory to the UN Global Compact, we are committed to honouring all its ten principles. Amongst other things, these prohibit any sort of discrimination or the use of child or forced labour, and require that the freedom of association and the right to collective bargaining be upheld. These principles of the UN Global Compact are included in our Code of Conduct by reference and specifically cover our relationships with external service providers under the headings of human rights, labour conditions, environmental impacts and anti-corruption.

The procurement of all goods and services from external vendors is conducted in accordance with our Group Sourcing Standard, which also refers to these headings from the UN Global Compact. When selecting new products and suppliers, we examine whether they comply with these requirements as part of the overall evaluation process. We take a fresh look at existing strategic suppliers in our periodic contract reviews and visit individual suppliers to inspect them on-site. In the context of the COVID-19 pandemic, we have partnered with our vendors to collaborate virtually. Internally, we hold regular awareness training sessions with our sourcing staff.

For some sourcing categories, we have also developed Minimum Standards that further specify our requirements. Besides power (see page 65), they cover paper, cleaning services and agents, refrigerant agents and building materials.

In the years 2016 and 2019, respectively, we began partnerships with EcoVadis and IntegrityNext, two collaborative platforms for sustainable supply chain management that cover a wide range of screening criteria across the topics of environmental impacts, human rights, labour practices, ethics and sustainable procurement. These collaborations allow us to assess the sustainability performance of our suppliers more systematically with the help of key performance indicators and to engage them in improvements. They also help us reduce and manage potential sustainability risks in our supply chain.

In 2020, we were fully engaged in an integrated, risk-based approach toward sustainable supply chain management. Our internal vendor system has been augmented to include ESG assessments as part of our due-diligence process. Our collaboration with IntegrityNext and EcoVadis has allowed us to scale up and accelerate our vendor ESG assessments, helping us to make substantial progress towards reaching our goal of having all Tier 1 and Tier 2 vendors ESG-assessed. Together, these major vendors account for approximately 80% of our outsourced spending.

By the end of 2020, all Tier 1 and Tier 2 vendors were approached to participate in our ESG assessments, resulting in a completion rate of 95%. This important achievement sets the stage for the next step and core piece of our supply chain sustainability journey, the Vendor Development Programme (VDP). Its aim is to monitor and improve minimum standards within our supply chain for ESG criteria (anti-bribery and anti-corruption, environmental protection, human rights and labour, health and safety, and supply chain responsibility) as well as additional criteria for diversity. This work will be carried out in a collaborative relationship with our vendors. In 2021, we plan to run a pilot for the VDP.

95%

Share of our Tier 1 and 2 vendors ESG-assessed by the end of 2020
(35% by the end of 2019)

Engaging our employees on climate change

Reducing our own carbon footprint has long been an important element of our efforts to tackle climate change. In parallel with the many operational actions we have taken (see pages 64 – 67), we also wanted to raise awareness of the issue among our employees and encourage them to take action themselves. This is why in 2007 we launched the CO_{you2} Programme, offering our employees subsidies of up to 50% for a range of investments to help them reduce their private carbon footprints. To our knowledge, it was the first global corporate initiative of its kind at the time.

The programme has been a resounding success. In the 14 years between 2007 and 2020, it paid out more than 33 000 subsidies, engaging over 15 000 employees in the process. The main product categories were home appliances, home infrastructure and mobility. If all investments are used regularly over their full lifetime, we estimate that our employees and their households will have potentially avoided over 70 000 tonnes of CO_2.

But 14 years on, we have raised our own ambitions to a new level. Therefore, we have decided to let the CO_{you2} Programme expire at the end of 2020 and replace it with a new employee programme to be introduced in 2021. It will be designed to complement the significant business and operational initiatives we have launched to achieve our net-zero emission targets – and, in line with this, encourage our employees to follow our motto to "do our best, remove the rest" (see pages 62 – 63).

>33 000

CO_{you2} subsidies granted to our employees between 2007 and 2020

Engaging our people

2020 highlights:

- 71%: Our highest score in the employee engagement index since we started measuring in 2015.
- 87% of our employees believe Swiss Re is appropriately assisting employees during the COVID-19 pandemic.
- 81% of our employees agree that Swiss Re provides an open and inclusive work environment.
- Further roll-out of Pathways, Swiss Re's mental health network, as well as Mosaic, Swiss Re's network for racial and ethnic diversity.

The COVID-19 pandemic had far-reaching consequences for our personal and professional lives. It sent us to work from home, put a stop to many social activities, required us to cope with home schooling and changed our daily habits in many ways. Our Swiss Re vision and culture helped us stay connected, support each other and remain resilient, enabling us to deliver our best for our clients and colleagues.

We are an organisation where diverse talents come together globally to apply fresh perspectives and knowledge to make the world more resilient.

Our vision

Our vision is to ensure our employees find meaning in their work and have a deep sense of purpose. We also aim to ensure they have an attractive, flexible and inclusive work environment. We are constantly looking for new ways to improve the wellbeing of our people and prepare for the changing needs of the future, drawing on the know-how and experience of our diverse employees. We collaborate in the spirit of "Let's be smarter together", convinced that only by doing so can we maximise our full potential. We are passionate about building an environment of trust, respect and responsibility, in which how we achieve results is every bit as important as what we achieve.

> "For me personally, it's important that I can make a positive contribution to society.

Jaap Berghuijs
Senior Structurer, Reinsurance, Zurich

Together we are a diverse group of people. We want everyone at Swiss Re to feel heard, respected and included, regardless of their background, gender, race/ethnicity, sexual orientation or other categorisation. We draw upon our diversity to understand our clients and markets, develop smarter solutions together and help the world to rebuild, renew and move forward. In this way, we work towards our vision to make the world more resilient.

COVID-19 is a global crisis with far-reaching implications for all of us. To make the world more resilient, we need to ensure we build organisational and personal resilience within our teams first. We introduced significant measures to respond to the immediate crisis based on two employee surveys conducted in 2020, in which we aimed to understand how our employees are coping with these new challenges and what we can do to support them. We also provided training for our employees and leaders on to how to navigate through the crisis. Our efforts were rewarded with positive feedback: in our second employee survey of 2020, 87% of our employees agreed with the statement that Swiss Re is appropriately assisting employees during the COVID-19 pandemic.

At Swiss Re, we are aware of the risk COVID-19 poses to employees' mental health. We provided support in a variety of ways, for example by organising mental health first aid training sessions, which are outlined in more detail in the following pages. Personal resilience will remain a priority for the foreseeable future.

To read more about how Swiss Re addresses COVID-19, go to page 74 and to the 2020 Business Report, pages 23–27.

We are delighted that our efforts have once again been recognised through various awards in 2020. For example, we were certified as "Top Employer in Switzerland", by the Top Employers Institute for the first time. We are committed to creating a workplace where everyone can thrive, and we are proud to see that our performance is recognised externally.

Employee facts and figures 2020

- 13 189 people representing 121 nationalities, equalling 12 127 full-time equivalents (as of December 2020, regular staff)
- 54% work in Europe, the Middle East and Africa (EMEA), 26% in the Americas and 20% in the Asia-Pacific (APAC) region
- 4.6% growth in number of employees compared to 2019, mainly in the EMEA and APAC regions, and a reduction in the Americas. This is in line with the evolution of our business and our focus on growth in new markets
- The fastest growing locations are our Business Solutions Centres in Bratislava, Slovakia and Bangalore, India, which provide us with access to new talent pools
- Improving trend on voluntary attrition in 2020
- Average tenure of Swiss Re employees remains high at over seven years, a testament to the engaging and fulfilling work environment we seek to offer

Please find detailed information on our employee data in the table below, and on our website.

Employee data, Swiss Re Group

	2018	2019	**2020**	Change in % 2019–2020
Headcount				
Regular employees	12 570	12 612	**13 189**	4.6%
Full-time	11 485	11 508	**12 127**	5.4%
EMEA total	5 705	5 735	**6 070**	5.8%
Switzerland	2 577	2 545	**2 697**	6.0%
Slovakia	1 490	1 592	**1 743**	9.5%
EMEA (without Switzerland/Slovakia)	1 638	1 598	**1 630**	2.0%
Americas total	3 582	3 374	**3 363**	–0.3%
Asia-Pacific total	2 198	2 399	**2 694**	12.3%
India	1 088	1 223	**1 401**	14.6%
Asia-Pacific (without India)	1 110	1 176	**1 293**	9.9%
Part-time	1 085	1 104	**1 062**	–3.8%
Temporary employees	252	297	**330**	11.1%
Attrition rate				
EMEA total	6.9	7.4	**5.8**	
Switzerland	5.4	5.3	**4.2**	
Slovakia	12.1	12.1	**8.2**	
EMEA (without Switzerland/Slovakia)	5.4	7.1	**6.2**	
Americas total	6.0	7.4	**5.1**	
Asia-Pacific total	10.4	10.6	**7.5**	
India	10.9	13.0	**7.5**	
Asia-Pacific (without India)	9.9	8.3	**7.4**	
Average tenure regular staff (in years)				
EMEA total	8.0	8.1	**8.1**	
Switzerland	9.6	9.8	**9.8**	
Slovakia	3.5	3.8	**4.2**	
EMEA (without Switzerland/Slovakia)	8.7	8.8	**8.8**	
Americas total	7.8	8.1	**8.2**	
Asia-Pacific total	4.8	4.9	**4.9**	
India	4.0	4.1	**4.1**	
Asia-Pacific (without India)	5.5	5.7	**5.8**	

The figures for 2018 and 2019 have been restated due to the sale of our ReAssure business in the UK. Accordingly, the above table shows the number of employees excluding ReAssure employees.

As part of our new Group People Strategy, we lead, we build and we perform to bring the entire organisation together as One Swiss Re.

Our Group People Strategy
One Swiss Re

In 2020, Swiss Re launched a new Group Strategy, and with this, a new Group People Strategy. Our clients and partners are at the heart of our People Strategy. We achieve our common goals through our human capital, or simply put: our people. This is captured in the Group People Strategy 2025, which sets out what we desire to achieve in order to create the environment that enables each one of us to give our personal best. Delivering on the Group People Strategy 2025 is a key enabler for the success of the new Swiss Re Group Strategy.

Our strategic ambitions are built **on three pillars and one desired outcome:**

- Lead We are accountable for our own performance and development and help others to be the best they can. We create excitement for the future and connect on a personal and emotional level.
- Build We understand, develop and build the capabilities to win in the future. We embrace continuous learning and growth to make each one of us more resilient. We have a strong employer brand and can attract the talent we need.
- Perform We all take responsibility and hold each other accountable for results, behaviour and integrity. We invest and spend money with an "owner" mindset. We challenge complexity and work in adaptable and cross-functional networks of teams that allow decision-making at the lowest possible level.

One Swiss Re
This is our desired outcome

We create an inclusive environment where people feel respected for who they are. We have a growth mindset, put client needs at the heart of our decisions, embrace digital opportunities, and focus on sustainable, commercial and financial outcomes. We aim to bring our entire organisation closer together as One Swiss Re and leverage strengths across the Group.

Swiss Re Group Strategy

See Business Report

Swiss Re People Strategy

See website

Caring for the wellbeing of our employees during stormy times: the COVID-19 crisis

In 2020, our working environment changed profoundly. We do not believe that we will return to how things were before and therefore need to embrace the "new normal". To define the future of work at Swiss Re we seek to strike a balance between employee needs, desired corporate culture, the need for in-person collaboration and innovation, engagement, talent attraction, sustainability, productivity and wellbeing. We see the future as a hybrid model between the workplace and the home and aim to remain at the forefront of those changes.

In 2020, the wellbeing of our employees was our top priority. We took many steps to keep up with this topic:

Personal resilience

Two wellbeing surveys conducted in 2020 enabled us to listen to and understand how employees have been coping with the evolving situation. We actively sought their feedback on how we could support them better.

Employee health

When monitoring sickness data, we found that 2020 was an outlier, with employees recording fewer sick days compared to previous years (see graph to the right). We are committed to boosting our employees' personal resilience and hence are investing in additional activities to support employees and the organisation. To read more about our mental health initiatives, see page 77.

Support work from home

- To reflect the challenges of work disruptions, Swiss Re gave the majority of employees a discretionary one-time award in August 2020 equivalent to ≈USD 200 net. This payment aimed to help employees cover the costs of, for example, electronic equipment or furniture for their workspace at home.

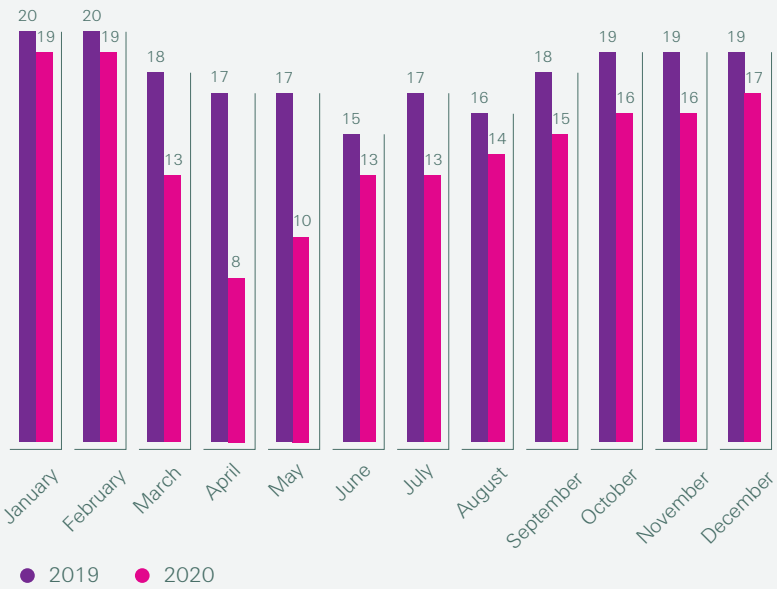
- Feedback from surveys showed that COVID-19 has added immense pressure, in particular to workload, impacting the way we work and, in many cases, testing our personal resilience.

  In recognition of these challenges, we celebrated the first Swiss ReSilience Day: a one-off event in January 2021. All employees were given the day off in addition to their annual leave and received another one-time award of ≈ USD 200 towards helping them recharge their batteries.

- During periods of lockdown, our gastronomy team in Switzerland shared recipes to encourage home cooking and offered take-away meals, as employees were unable to access our staff restaurants.

Absences due to sick leave in 2020 (% of employees)

The percentage of employees who were sick was significantly reduced in 2020



Excluding countries and entities where data is not available (mainly Americas and iptiQ). The above table shows the figures excluding ReAssure employees.

We lead

In our Group People Strategy, we put a strong focus on developing our employees to build our leadership pipeline. In 2019 we introduced a new set of "Leadership Imperatives" – our enhanced behavioural framework to promote greater ownership and accountability at all levels. In this context, we launched a revised performance management approach to foster individual growth and development, with stronger emphasis on continuous dialogue and frequent conversations between employees and their managers, which aims to provide forward-looking, ongoing and timely feedback. This change in our performance development practice followed the encouraging results of a number of pilot initiatives conducted over the last two years with over 2 000 employees. As a part of these changes, we removed year-end ratings in 2020 to focus on developmental and qualitative aspects of performance management.

Additionally, we have continued to invest in developing fit for future leaders at all levels by identifying and developing internal top talents and recruiting new leaders. Our efforts showed an improvement of eight percentage points over the last 18 months on employees' perception of the statement "Swiss Re's senior leadership fills me with excitement for the future of Swiss Re".

Investing in our leadership and a strong pipeline

We continued to roll out our behavioural framework (the Leadership Imperatives) to all employees by establishing target behaviours to "adapt at speed", "be courageous" and "create joint movement". In 2020 alone, we provided training on leadership skills to 2 432 managers, with an average of 11.7 hours invested per manager.

> At Swiss Re, people are always ready to support each other.

Miriam Beltran
Property Facultative Underwriter, Reinsurance Latin America

We build

As Swiss Re evolves, understanding and sourcing critical, strategic, future-ready skills is essential for our journey to be a tech- and data-enabled risk knowledge company. In 2020, out of 2 037 vacant positions, 27% (546) were filled internally. In 2020, we made significant progress on our transformation across all Business Units. For example, in our Reinsurance Business Unit, we drove a number of specific initiatives:

- Culture transformation: a cultural change programme resulting in improved client focus, efficiency, engagement and commercial thinking. The programme included change leadership workshops with around 300 leaders
- Underwriting transformation: skills assessments resulting in significant change and key strategic hires in senior leadership to help drive change
- Origination transformation: a global sales training programme designed to upskill around 1 400 employees

Developing our employees

Our vision for the future of learning at Swiss Re includes an increased focus on an outstanding learning experience that is digital, social, accessible and commercial. We believe that learning should enable employees to deliver their best performance towards fulfilling Swiss Re's strategy.

In 2020, we further leveraged our learning experience platform LearningOne, which was introduced in 2019. It is a comprehensive platform aimed at making the learning experience seamless by providing employees with convenient access to their training needs. There are, on average, 5 000 visits per month to the platform, where our employees have access to over 600 000 learning resources. A total of 90% of our employees have already used LearningOne at least once.

LearningOne was crucial to supporting employees and line managers with training opportunities during the COVID-19 pandemic. We held over 367 distinct virtual sessions in 2020.

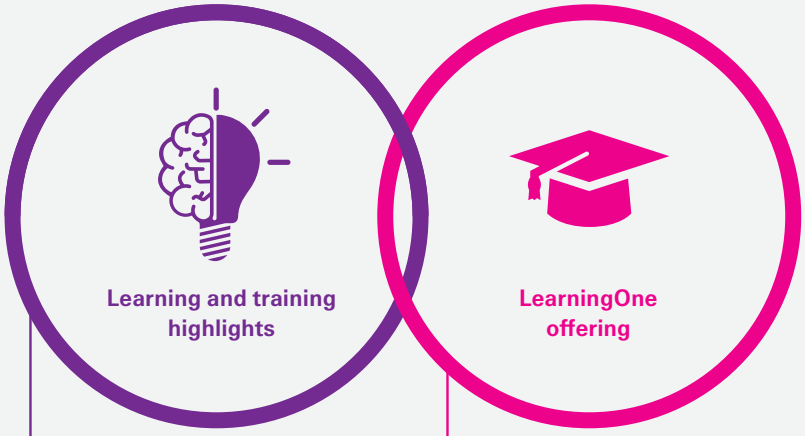
We lead

See website

We build

See website

In-house training data for 2020



- **12 396** employees trained
- **2 432** managers trained with an average of **11.7** hours per manager
- Average of **10.4** hours spent on training by each employee

- **600 000+** available training sessions and resources
- **90+** mostly business-owned channels
- **600+** skills supported by artificial intelligence

Classroom and in-house eLearning data, Swiss Re Group

	2018*	2019	2020
Total learning hours	165 440	174 420	**128 106**
Learning hours per employee	11.0	10.8	**10.4**
Learning costs per employee (in USD)	513	434	**247****

* In 2018, we began changing Swiss Re's learning landscape with LearningOne and adopted a new learning philosophy, which gives our employees access to bite-sized learning nuggets at their convenience. We no longer track these learning hours as of 2018.

** In 2020, many classroom training sessions were cancelled due to COVID-19, and fewer training sessions were conducted, which resulted in a drop in learning costs per employee.

The above table shows the figures excluding ReAssure employees.

We are delighted that our actions towards reaching our vision on the future of learning were recognised in 2020 with the HR Excellence Award for the Best Learning & Development Strategy.

Engaging the next generation: graduates@swissre

Every year, our award-winning graduates@swissre programme offers entry-level positions to university and college graduates and provides an excellent opportunity for young talents to discover the exciting world of a leading global re/insurer.

To learn more about our graduates programme, please visit our website.

Attracting talent to Swiss Re

Despite the challenges surrounding COVID-19, Swiss Re was recognised as an attractive employer through various external awards around the globe. We also saw a significant increase of 35%, on average, in new candidates in 2020 compared to 2019. Our Net Promoter Score (NPS) is compiled based on feedback that Gartner, an external service provider, collects from people who have left Swiss Re. The NPS increased by 2 points in 2020, which is 20 points above the global benchmark of –18. Overall, 74% of leavers rated their employment experience favourably, which is significantly above the global benchmark of 67%.

Employee relations

Many of our locations have active employee advocacy groups, in line with local practice, that contribute to the company's success by offering valuable perspectives and by helping us identify employment-related challenges. These bodies are elected by local employees and have clearly defined information and consultation rights. Although there are significant local differences in the applicable legislation, the advocay groups' rights typically concern working conditions, benefits, reorganisation and restructuring, redundancies, disciplinary actions and conflict cases. We support and appreciate the cooperation with these groups.

At our Zurich headquarters, where almost one quarter of our employees is employed, we work closely with the Personnel Committee (PECO), which represents the interests of our Swiss-based employees. PECO is involved in changes or adaptations to the General Working Conditions or other important policies, such as the Social Plan. It also focuses on gender parity as well as challenges faced by employees with family obligations. In the UK, similar activities are carried out by the Employee Liaison Group (ELG), and our Munich office has a works council with clearly defined code termination rights in several areas. Other offices in Europe (eg in France, Italy, Luxembourg and Denmark) also have work councils or staff delegates, depending on the size of the branch and local regulations.

We perform

Our compensation framework is designed to attract, motivate and retain the qualified talent we need to succeed globally, and to create a tangible link between performance and pay. We aim to provide compensation that is competitive in local labour markets to ensure that our employees focus on delivering outstanding results while supporting appropriate and controlled risk-taking.

Swiss Re has a gender-neutral approach to determining pay for all our roles at all levels, and we regularly monitor this together with market practices and address concerns to ensure we continue to treat employees fairly. Progress has been made through detailed gender pay analysis, establishing a gender pay equity group as well as undertaking targeted Group investments and participating in external gender equality and pay certifications and reporting.

Monetary and non-monetary recognition to acknowledge individual employees for extraordinary efforts and behaviours takes place throughout the organisation via several recognition schemes. Employees also have access to attractive benefit programmes. The comprehensive offering of reward components contributes to a performance culture where employees are motivated, protected and engaged to make the world more resilient and focus on client needs.

Managing performance

Our performance management approach supports our aim for a high-performance culture in which our individual and team goals, as well as our behaviour, are aligned with our firm's purpose and business strategy. We continue to improve our approach to performance and introduced a new, more continuous and ratings-free performance management approach in 2020. This new approach focuses on frequent feedback conversations to foster individual growth, real-time improvement and faster, smarter adaptation to business needs. We are also experimenting with new reward concepts in agile teams.

We perform

See website

Compensation

See Financial Report

Own The Way You Work™

Swiss Re recognises that different people have different needs and preferences when it comes to their working patterns. We are committed to accommodating informal and formal flexible work arrangements in line with business requirements. Our Own The Way You Work™ Programme motivates and engages high-performance teams by allowing employees decide how, when and where to carry out their tasks while considering client and team needs, and in compliance with the applicable laws, rules and regulations of their particular region.

Own The Way You Work™ enabled a smooth transition to working from home during the COVID-induced pandemic measures: In the April 2020 edition of our Employee Engagement Survey, 92% of respondents agreed that the programme enabled them to adjust and remain productive during the pandemic.

Mental health

Swiss Re is committed to supporting the wellbeing of our employees. We encourage everyone to be open about their health – both physical and mental – and work hard to overcome the stigma surrounding mental health issues. We understand that in order to make the world more resilient, our employees need to be resilient first. We provide support on many levels and aim to drive the topic even further going forward. We significantly expanded activities around mental health in 2020.

Key activities included:

- Started as a local grassroots initiative in the UK, Pathways, Swiss Re's mental health network, went global in 2020. Global executive sponsors are leading this initiative.
- Employees in all locations can volunteer to become Mental Health Champions. We now have a global network of 160 Mental Health Champions who raise awareness of mental health challenges among employees, challenge mental health stigma and provide peer support to colleagues.
- We offer mental health first aid training. Employees learn to identify risk factors and warning signs for mental health and addiction concerns, how to help someone in both crisis and non-crisis situations, and where to turn for help. We have trained over 100 people to date and are committed to training 5% of our employees (ie 750) in the longer term.
- We offer independent and confidential advice and counselling to those facing difficult circumstances through external Employee Assistance Providers, in every location, free of charge.
- We offer peer group discussions (mental health talks), mindfulness sessions and coaching to all employees, across the globe.
- Swiss Re is a signatory to "Time to change", a pledge to end mental health discrimination. It is based in the UK but we have signed the pledge in line with our global ambition.

Being a parent at Swiss Re

At Swiss Re, we understand that having children and raising them is a source of great joy and that new priorities shape day-to-day routines. We want to help our employees balance their career and family responsibilities, allowing them to always put their families first. To this effect, we offer a range of programmes and support services.

Our CO_{you2} Programme, launched in 2007, has continued to offer our employees subsidies for a range of climate-friendly technology investments through which they can reduce their private carbon footprints. The programme was terminated at the end of 2020, and a follow-up programme will be rolled out in 2021.

You can read more about our CO_{you2} Programme on page 69.

Promoting an inclusive culture

At Swiss Re, we embrace and build a diverse group of people that bring together the best of multiple generations, cultures, skillsets and thinking. We can only unleash the motivation and creativity of our employees if they can be who they are and feel included. An inclusive culture is therefore key to our business success.

Our inclusive culture is one of Swiss Re's greatest strengths, as confirmed by our employee survey: 81% of our employees agreed that we have an inclusive environment that is open to individual differences (2019: 68%). To further support our inclusion ambitions, we offered employees the opportunity to voluntarily self-identify based on race/ethnicity, sexual orientation and gender identity for the first time in our employee survey in 2020. We first introduced the collection of this sensitive demographic information in the UK, South Africa, the US and Switzerland as a pilot initiative, which was well received by our employees with relatively high levels of consent (between 60%–82%).

Inclusion & Diversity achievements in 2020 included:

- Gender: For the second time, Swiss Re was included in the Bloomberg Gender Equality Index in 2020.
- LGBTI+: We equalised leave, gift and insurance benefits where no legal or regulatory barriers exist and improved the external visibility of our activities.
- Race and ethnicity: We worked with external partners to attract people of different ethnicities to the insurance industry. Internally, we created platforms to improve awareness and facilitate dialogue, such as our "Being Black in America" virtual town hall in June 2020 with around 1 800 participants. Mosaic, our network for racial and ethnic diversity, has launched active chapters in the US, Mexico, South Africa, Switzerland and the UK.

Launching a new Inclusion & Diversity plan

Our approach to Inclusion & Diversity (I&D) evolves as we continue to build our corporate culture. For several years Swiss Re has focused on gender diversity and LGBTI+, and we will continue to invest in these areas. The Black Lives Matter movement, which gained momentum in 2020, generated an intense debate about race and ethnicity, including at Swiss Re. Considering these events, we believe that there is a need to reflect on our progress and the long road ahead for us, and to accelerate our I&D efforts.

The Group Executive Committee (Group EC) agreed on a detailed I&D plan to be executed over the coming years.

The main elements and commitments of the new I&D plan are:

- Five global I&D focus areas defined: inclusive leadership & culture; gender; LGBTI+; race and ehnicity; mental health.
- Increasing communication, awareness and transparency
- Improving I&D data collection in order to drive outcomes
- Setting clear accountability and goals
- Putting clear roles and responsibilities in place to execute the strategic plan
- Reviewing main people processes to ensure they are inclusive

Women in leadership

We use the gender promotion ratio as an internal performance metric. The aim is to ensure that the proportion of women promoted into management and above is at least equal to the proportion of women in the "donor pool". We recognise that women continue to be underrepresented in our executive and senior management and are committed to monitoring and actively improving on our gender equality metrics. We do so through specific actions, such as our diverse candidate slates and selection panels. We also use a self-service online tool that helps to improve and remove biases from the language used in job descriptions in order to attract more diverse talent. All of our guidelines on recruiting are designed to help managers make fair and unbiased decisions.

Our Group EC has committed to increasing the representation of underrepresented groups in the organisation. Our current focus is on improving gender diversity at senior levels, as well as increasing racial and ethnic diversity in our leadership teams and the employee population.

> "The different backgrounds and viewpoints of my colleagues inspire me every day.

Sara Li
New Partnership Manager,
Life & Health North Asia, Beijing

Inclusion & Diversity

See website

We as One Swiss Re

Central to our sharpened Swiss Re Group strategy is the emphasis on bringing our entire organisation closer together as One Swiss Re, leveraging strengths across businesses as a more integrated Group.

Listening to our employees

We foster a culture of open dialogue and actively encourage employees at all levels to provide their feedback in regular, personal dialogue between employees and managers, and through regular employee surveys. This enables us to continually assess our progress in fostering an engaging, open and inclusive work environment and an agile, commercial culture.

This year we conducted two employee surveys: the first, a pulse survey carried out in April 2020 in response to the outbreak of the COVID-19 pandemic, aimed to gain a better sense of our employees' wellbeing. The second survey, conducted in September 2020, was broader in scope and focused on themes such as engagement, agile culture, organisational and personal resilience, inclusive culture, and risk and integrity.

Wellbeing pulse survey, April

We were pleased to see that most of our employees (89%) experienced a consistently positive level of wellbeing.

Most of our employees believe the care with which decisions to close the office were made, along with timely and transparent communication and work support they received, had a strong positive impact on their resilience.

Employee survey, September

We saw strong results with a significant increase in employee engagement at 71% (+8 points since 2019), the highest score since we started measuring in 2015, bringing Swiss Re above the industry benchmark.

Whistleblower programme

Swiss Re is committed to maintaining the highest standards of honesty and accountability. We therefore encourage our employees to tell us if anyone within Swiss Re or connected to Swiss Re is, or is suspected of, acting illegally, improperly or unethically. In line with our Code of Conduct, we foster a culture of speaking up on discrimination and harassment and provide training and awareness sessions on these topics.

Read more about our whistleblower programme on page 85.

Women in management positions, Swiss Re Group (in %)

	2018	2019	2020
Total employees	46.9	**47.2**	**47.1**
Executive/senior management positions*	24.5	**26.7**	**28.7**
All management positions**	34.0	**35.1**	**35.7**

* Executive/senior management positions comprise the management levels of Director/Senior Vice President and upwards.

** All management positions refers to Vice President and above.

The figures for 2018 and 2019 have been restated due to the sale of our ReAssure business in the UK.

Additional data

See website

Ensuring good corporate governance and compliance

2020 highlights:

- Formally integrated sustainability-related performance targets into compensation framework.
- Demonstrated commitment to tax transparency including the publication of our tax transparency report.
- 90% of employees agree their colleagues act ethically and with integrity.
- 87% of employees felt that if misconduct had been, or was being committed, they would know how to report it (ie whistleblowing).
- For an overview of key corporate governance highlights in 2020, see our Financial Report 2020 (pages 81 – 83).

Swiss Re's corporate governance and compliance are based as much on sound frameworks and policies as on a spirit of transparency and integrity.

Corporate governance

Environmental, social and governance (ESG) issues have grown in importance and become key focus areas in Europe, the US and other jurisdictions.

Legislators, regulators, asset managers, shareholders and other stakeholders are increasingly looking to corporate governance as a means of improving transparency and accountability for sustainability. In particular, companies are now expected to have appropriate governance structures and governance priorities to address ESG issues. Corporate governance objectives over which boards in recent years have assumed greater oversight responsibility, such as diversity, better alignment of executive compensation and stakeholder engagement, are increasingly seen as having ESG aspects, making these topics even more important.

ESG is figuring more prominently particularly in Europe, but also in the US and in other key jurisdictions, in investment decisions and in corporate disclosure. We expect to see an increased focus on corporate disclosure, particularly around climate change. Europe is taking the lead on climate-related disclosures, and there is an emerging consensus on the need for greater standardisation of climate disclosures and performance measures.

We also expect that demonstrating leadership on ESG topics will be seen by asset managers, shareholders and others, including employees and customers, as a differentiating factor, providing advantages across a range of areas for those able to demonstrate a commitment to, and significant transparency around, ESG themes. For more information on our sustainability governance, please see page 82 and refer to the Financial Report 2020, page 82.

Swiss Re's corporate governance framework

The Board of Directors (BoD) has ultimate responsibility for the success of Swiss Re Ltd and the Group within a framework of effective and prudent controls. It is responsible for the overall direction, supervision and control of Swiss Re Ltd and the Group and of the Group Executive Committee (Group EC), as well as for supervising compliance with applicable laws, rules and regulations. Such responsibilities cannot be delegated and therefore rest with the entire BoD. The BoD has delegated the management of Swiss Re Ltd and the Group to the Group EC. This corporate governance framework ensures sustainability, fosters transparency and facilitates a quality assessment of the Swiss Re Group's organisation and business.

Corporate governance

See Financial Report

Swiss Re's corporate governance documents

Swiss Re's Code of Conduct provides key principles that guide Swiss Re in making responsible decisions and achieving results using the highest ethical standards. It is built on the five Swiss Re values: integrity, team spirit, passion to perform, agility and client centricity (see section "Compliance" to the right).

The Corporate Governance Guidelines set out Swiss Re's harmonised governance principles and standards, ensuring a consistent and tailored corporate governance approach across the Group.

The Articles of Association define the legal and organisational framework of Swiss Re Ltd as the Group's holding company. The Bylaws define Swiss Re's governance framework and include the responsibilities of the BoD and the Group EC and their members. The Board Committee Charters outline the duties and responsibilities of the Board Committees and form part of the Bylaws. The Bylaws and the Board Committee Charters are not publicly available.

Sustainability governance

We have set up a governance framework to develop, enhance, implement and monitor our Group Sustainability Strategy.

At Swiss Re's highest governance level, the BoD is responsible for overseeing the development and adoption of the Group Sustainability Strategy and related policies. It has assigned detailed sustainability-related responsibilities to four BoD committees (see graph).

While the BoD is responsible for oversight, the Group EC ensures the implementation of the Group Sustainability Strategy. The Group EC members who head Swiss Re's Group Functions, the Business Units Reinsurance and Corporate Solutions, the iptiQ Division as well as Public Sector Solutions have explicit responsibilities related to sustainability.

Sustainability governance

See website

Responsible investing governance framework

See website

The Group EC has established the Group Sustainability Council (GSC), an advisory body, to better coordinate and align sustainability activities at Group level. The GSC reviews the annual sustainability assessment as well as the sustainability-related performance targets, which are considered for determining the Group Annual Performance Incentive (API) pool (see below). The GSC is composed of Group EC members and other senior management representatives and is chaired by the Group Chief Risk Officer.

On an operational level, the business and many Group Functions have defined their own sustainability bodies, dedicated roles and built up networks to implement our Group Sustainability Strategy. In 2020, we also created a new team that drives the implementation of the Group Sustainability Strategy and related initiatives across the Group.

You can find detailed information about Swiss Re's sustainability and climate-related governance, including a description of the responsibilities of the governing bodies, on our website.

Sustainability-related targets linked to compensation

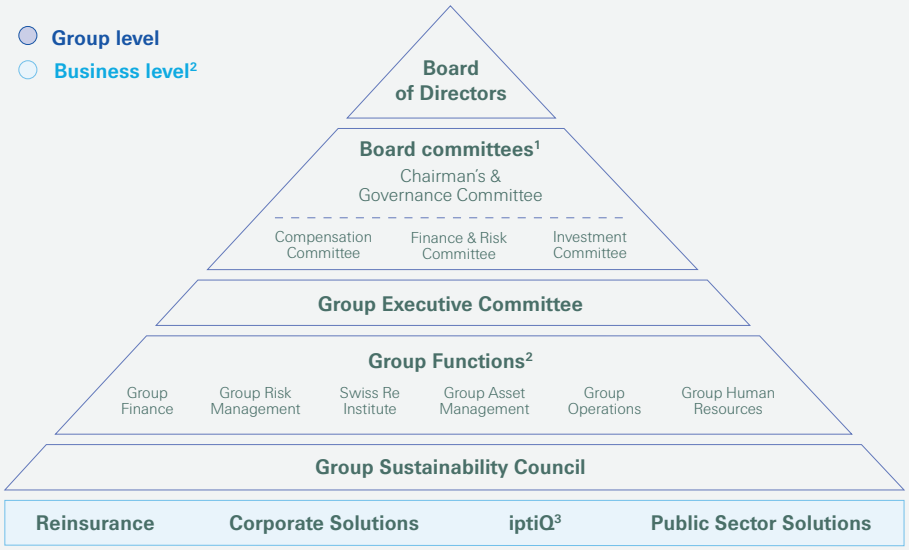
To further embed sustainability in all our business activities, we have continued to strengthen the link between remuneration and sustainability performance. As part of our Group Sustainability Strategy implementation, we introduced sustainability as an additional qualitative assessment dimension for determining our Group Annual Performance Incentive (API) pool. This establishes a clear connection between sustainability targets and compensation for all employees, including the Group EC.

The sustainability assessment in 2020 is primarily based on qualitative key performance indicators (KPIs) and targets. These are aligned with our 2030 Sustainability Ambitions and our net-zero commitments.

In the course of 2020, we further enhanced the framework by defining quantitative KPIs and respective targets, which will form the basis for the 2021 performance assessment. Swiss Re will continue refining sustainability-related KPIs and targets to ensure we are reaching our ambitious sustainability commitments.

For a description of the Group API pool funding process, see our Financial Report 2020, pages 121 – 122. For performance outcomes on the qualitative assessment in 2020, including sustainability aspects, see the table on pages 16 – 21 in this report, as well as pages 133 – 134 in our Financial Report 2020.

Swiss Re's sustainability and climate-related governance



[1] Only those Board committees with allocated responsibilities related to sustainability and climate change listed.
[2] Dedicated sustainability and climate change roles, networks and/or committees in all Group Functions and on Business level.
[3] The iptiQ Division has been in place since 1 January 2021. The Business Unit Life Capital was disbanded at the end of December 2020.

Compliance

By adhering to the highest standards, we ensure behaviour across the Group that is compliant and demonstrates integrity.

Our Code of Conduct ("Code") is one of the key documents governing the management of risks and driving the culture within our company. It sets the framework and defines the basic compliance and integrity principles we adhere to globally. The Code is built on the five Swiss Re values, which guide us in making responsible decisions and achieving results using the highest ethical standards: integrity, team spirit, passion to perform, agility and client centricity.

The Code also offers practical guidance and examples for deciding the appropriate course of action and solving ethical dilemmas. It further sets out how all employees should react when they observe a possible breach of the principles in the Code. All employees are obligated to uphold both the letter and spirit of the Code, its policies and standards, and the Group's corporate governance principles in their daily business activities, and to respect and obey applicable laws and regulations in all jurisdictions where we do business. In 2020, 90% of Swiss Re employees agreed their colleagues act ethically and with integrity (2019: 86%).

We regularly review and update the Code to reflect changes in regulations and principles. In 2020, updates were made to clarify Swiss Re's commitment to mitigate conduct risks by taking decisions that account for our end-customers' best interests. The Code is supported by detailed policies and standards that document Swiss Re's requirements in line with applicable laws and regulations. It is available to our employees in eight languages: English, French, German, Italian, Japanese, Portuguese, Slovak and Spanish.

Assurance

Assurance activities to monitor adherence to the Code are a core part of our Compliance Programme. Compliance performs independent risk-based monitoring to ensure the adherence to and the efficiency of processes and controls mitigating our key compliance risks across Swiss Re. In 2019, we implemented a new data-driven strategy to set the foundation for continuous monitoring. In 2020, efforts to develop and implement our data-driven strategy to support us in identifying and generating meaningful insights continued.

Our Code of Conduct

See website

Policies

Our Code addresses the following key compliance topics under two headings, "Our responsibility towards one another and Swiss Re" and "Our responsibility towards our business partners and society":

Our responsibility towards one another and Swiss Re

- Business information and information technology
- Communication
- Conflicts of interest
- Diversity and inclusion and fair and equal treatment
- Fraud
- Health, safety and security
- Intellectual property

Our responsibility towards our business partners and society

- Bribery and corruption
- Data protection
- Inside information
- Fair competition
- International trade controls and economic sanctions
- Licensing and permanent establishment
- Money laundering
- Sustainability and human rights

Below we present additional information on some key topics in the Code:

Bribery and corruption

The Code addresses our position on bribery and corruption and, operationally, we have a Global Compliance Risk Framework for Anti-Bribery and Corruption ("Framework"), including policies, standards, training, assurance activities, enabling advice and tools to help manage this risk. The Framework is reviewed at least annually and updated as required. In 2020 it was updated to clarify the prohibition of giving cash and cash equivalent gifts. This year, we also performed industry benchmarking on the framework that confirmed our gift and hospitality register threshold requirements remain appropriately set in the context of our industry, regulatory requirements and risk exposure.

We recently implemented a new data analytics dashboard to support assurance activities by improving the monitoring capabilities of the framework. It provides an overview of gift and hospitality register entries and supplements other existing reports.

Bribery and corruption

See website

Data protection

The Code highlights that we need to handle personal data with the greatest care and use it only for legitimate business purposes.

Our Global Framework on Data Protection, with a Global Policy and a Global Standard on Data Protection (supplemented by local Targeted Standards), addresses our commitment to protecting personal data and respecting privacy rights across our operations. Over the past few years our digital strategy has grown, resulting in increased data circulation. In 2020, a digital governance framework process was introduced to help mitigate privacy and other related risks (eg cyber and cloud amongst others) in a new fast-paced digital environment. This process helps all new digital projects follow our standards.

Data protection

See website

While offering substantial benefits for end-users, the use of artificial intelligence and digital data in insurance can also raise ethical concerns. This is why we have started to develop our own ethical guidance to navigate digitalisation in a responsible way.

Digital responsibility

Digitalisation across the re/insurance value chain is accelerating. It is expected that this will enhance the value provided to customers and help close protection gaps. Thus, it is important to actively promote digitalisation. 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 at Swiss Re, while at the same time ensuring that we maintain customers' trust, differentiate our services and safeguard our reputation as a leading re/insurer.

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.

Swiss Re's internal governance also recognises that while technology offers many business opportunities, it also creates new risks. Digital governance requirements are increasing in both number and complexity. However, fragmentation and, as a result, partially uncoordinated governance approaches make it difficult for owners of digital services to navigate these requirements.

To avoid Swiss Re having to choose between fast and compliant tech innovation, we have developed our Digital Governance Framework (DGF). It aims to balance the needs for fast business innovation and effective risk management. Designed to be comprehensive, risk-based and user-friendly, it makes requirements transparent and positions governance as a fundamental pillar of digitalisation.

The DGF is Swiss Re's one-stop solution that calibrates all relevant risk assessments and regulatory requirement checks related to data, technology and security to ensure a well-defined risk mitigation plan for trustworthy and sustainable digital services. It ensures adherence to internal policies for the compliant and fair use of data, the compatibility between existing IT architecture and new technologies and the security of digital services developed in-house or offered by third parties.

Moreover, Swiss Re is working with the Monetary Authority of Singapore (MAS) and other financial industry partners to create a framework for financial institutions to promote the responsible adoption of Artificial Intelligence and Data Analytics (AIDA). This framework, known as Veritas, will enable financial institutions to evaluate their AIDA-driven solutions against the principles of fairness, ethics, accountability and transparency (FEAT) that MAS co-created with the financial industry in 2018. Since fairness is a key consideration in underwriting for re/insurers, Swiss Re is working through the Veritas consortium to focus on enhancing the fairness assessment methodology applicable to predictive underwriting for life and health insurance products.

The European Insurance and Occupational Pension Authority (EIOPA) has appointed a Swiss Re representative 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 later in 2021.

Within the broader Framework, we use internationally recognised data protection and privacy principles that ensure compliance with a complex and constantly changing set of laws and regulations, and we provide proper training and awareness sessions to our employees. Procedures for reporting security incidents and notifying on data breaches are also established.

We contribute thought leadership on data protection by conducting expert sessions during insurance industry events and by hosting events through Swiss Re Institute. In 2020, we hosted a Data Protection Symposium in front of a 200-person virtual audience. This year's symposium looked toward the future of regulations including a new data ethics frontier, the need for technologies to build citizen trust into their design, digitalisation in insurance (including related new laws and trends), insights into data visualization and machine learning for actionable insights, and how behavioural economics plays a role in effective privacy policies.

Money laundering, international trade controls and economic sanctions (ITC)
The Code draws attention to the risk of becoming involved in money laundering and emphasises the importance of due diligence. It additionally commits us to adherence to all applicable international trade and economic sanctions to protect us against entering into prohibited business arrangements.

Our Global Frameworks on Anti-money Laundering and Sanctions are supported by a Global Policy on Financial Crime and Sanctions and set out in detail key requirements and guidance in relation to our sanctions, anti-money laundering and counterterrorism financing efforts, including the reporting of any suspicious activities.

Money laundering, international trade controls and economic sanctions (ITC)

See website

Sustainability and human rights
The Code includes our formal commitment to sustainability and human rights, providing a guiding principle for our efforts to act as a responsible company.

Reporting misconduct, whistleblowing and investigations
Swiss Re is strongly committed to maintaining a culture in which employees feel free to voice their concerns and report suspected misconduct. Accordingly, Swiss Re explicitly prohibits any retaliatory action against employees who report suspected misconduct in good faith and has implemented processes to support reporting. In 2020, training and awareness campaigns were launched to help nurture a "speak up" culture. Training was provided to line managers to support them in handling misconduct allegations received from employees. An internal awareness campaign featuring real Swiss Re misconduct cases titled "#SpeakUp", was published to further employee understanding of the investigation process, encourage them to speak up if they suspect misconduct has occurred and remind them of all available reporting channels. A total of 87% of employees felt that if they thought misconduct had been or was being committed, they knew how to report it (ie whistleblowing).

Our Global Framework on Whistleblowing, which is supported by the Global Standard on Whistleblowing – updated in 2020 and available in seven languages – provides guidance on the kinds of misconduct that employees are encouraged to report, the available methods for reporting and how these reports are investigated. There are several channels (both internal and external) available for reporting alleged violations of the Code. For our employees, the options are described in the Code, the Global Standard on Whistleblowing, on our company intranet and on our externally hosted and independently operated whistleblowing hotline, which can be used anonymously (where legally permitted). Our whistleblowing hotline is also available to external reporters via our public website. The hotline includes translation services into numerous languages and is available worldwide.

All investigations of alleged Code violations involving an employee or an external contractor are handled by the Investigation Coordination Process (ICP). ICP, which is managed by the Compliance function, serves as a central coordination point across all Swiss Re offices globally that allows all investigations to be handled in a consistent and fair manner. If, following an investigation, the allegations are substantiated, ICP will issue recommendations regarding any appropriate disciplinary or non-disciplinary actions that should be taken. ICP also ensures that any such actions are applied consistently across the Group.

Misconduct cases are systemically presented and discussed with the Group Executive Committee, the Group Board, the Group Audit Committee as well as with legal entity boards as part of reports. In 2020, ICP cases reflected the following indicators:

- 76 cases were investigated by ICP in 2020 and 68 were closed.
- Of the 68 cases closed in 2020, 69% were substantiated and 31% were not substantiated.
- The reporting intake methods for the ICP cases that were investigated in 2020 were: through internal channels, including reporting directly to Compliance, via line managers and via Human Resources (74%), from external sources (11%), the whistleblowing hotline (8%) and process detection (8%).
- The categories of ICP cases investigated in 2020 included external fraud (33%), discrimination and harassment (including bullying) (18%), internal fraud (9%), insider trading (including accidental trading within a close period) (16%) and various other Code violations (24%) – none of these other violations individually exceeded 5%.
- Of the 76 cases that were investigated, 33% were due to the actions of external actors and 67% were due to the actions of internal personnel.
- Disciplinary actions, including termination, written warnings, verbal warnings and performance rating adjustments, were taken in 22% of substantiated cases. The relatively low percentage of such actions should not be taken as an indication of a weak Compliance culture. It is important to note that each investigation is fact- and circumstance-specific. There are certain circumstances where disciplinary actions are nearly always imposed, such as where active employees are found to have engaged in intentional misconduct. However, there are also circumstances where allegations are substantiated but may not lead to disciplinary action, such as cases involving unintentional breaches, cases where the perpetrator(s) cannot be identified, and cases involving external fraud. In cases involving unintentional conduct, in lieu of disciplinary action, non-disciplinary recommendations will be made, such as additional training activities or increased supervision.
- In each case, regardless of the outcome, ICP ensures that any lessons learned from the investigation are communicated within the Compliance function as well as to any relevant stakeholders. In addition, training and communications are updated, and controls and processes are adapted as necessary.

Training

All new permanent and temporary employees joining Swiss Re must undergo mandatory eLearning training called Compliance and our Culture. The eLearning focuses on the Code and additional ethical behaviour in accordance with Swiss Re's values. It also includes individual modules on the following compliance topics:

- Anti-bribery and corruption
- Anti-money laundering and terrorist financing
- Conflicts of interest
- Data protection
- Fraud
- Fair competition
- Insider trading
- International trade controls and economic sanctions
- Licensing

Completion of the training is tracked, and instances of non-completion are escalated until resolution.

In March 2020, the annual attestation process was launched for all permanent and temporary employees to acknowledge personal accountability for complying with specific requirements related to the Code and Global Compliance Policies and Standards. These include, for the avoidance of doubt, responsibility for personal conflict of interest and gift and hospitality register disclosures.

In addition, we deliver mandatory global eLearning sessions to employees to remind them as well as increase their understanding of our key compliance risks and policy requirements. Last year, global eLearning sessions were delivered on insider trading, fair competition, and anti-bribery and corruption. Over the period from 2017 to 2020, we also conducted global eLearning sessions on the following compliance risks:

- Fraud
- Anti-money laundering
- Data protection
- International trade controls and economic sanctions
- Conflicts of interest
- Licensing and permanent establishment
- Bribery and corruption
- Fair competition
- Insider trading

In addition, local compliance officers regularly provide needs-based training on compliance risks tailored to their respective locations and/or areas of business.

Training on Code topics falling outside the Compliance mandate is managed similarly by the responsible functional areas.

In 2017, we enhanced the mandatory training escalation process for all Group-wide Compliance eLearning sessions to enable timely completion of assignments. Employees not complying with their mandatory eLearning assignments on time without valid reasons are subject to potential disciplinary action. This process continues working effectively today. For 2020, we achieved 100% completion of all mandatory eLearning assignments including new hire and refresher training.

Validity for third parties

Third parties representing Swiss Re – such as consultants, intermediaries, distributors and independent contractors – should be carefully selected and need to comply with the Code and relevant policies. When we work with such third parties, we provide them with information about the relevant requirements and, in the event of any infringements, take appropriate action, up to and including terminating a contract.

Policy governance

A policy management tool serves as a central place for finding Swiss Re policies and standards. Eight global policies contain more detailed principles all employees have to be aware of, supporting the principles set out in the Code. Where necessary, underlying global standards are in place to provide additional detail on the specific requirements.

Tax Transparency Report

Taxes are the lifeblood of our societies. In most countries, taxes are the largest source of government revenue and a substantial amount of that burden is met from taxes levied on business. Accordingly, we are committed to paying our fair share of taxes and being transparent about what we pay and where we pay it. We are guided by international tax standards and, as evidenced by our numbers, we do not use "Low or Nil" tax rate jurisdictions for the purpose of avoiding tax.

Furthermore, we are committed to being a leader in international tax transparency discussions.

Our Tax Transparency Report provides an overview of how we meet our tax responsibilities around the world. It describes our Tax Policy and provides an overview of our total taxes administered.

See website

Our policies

On some specific topics, we provide transparency by publishing full policies or statements on our website.

Code of Conduct

Read more

Corporate Governance Guidelines

Read more

Data Protection and Privacy Compliance

Read more

Policy Engagement

Read more

Tax Policy

Read more

Sustainable Business Risk Framework

(including policies on Human Rights and Environmental Protection)

Read more

Approach to Responsible Investing

Read more

Overview of Swiss Re Asset Management's Voting and Engagement Approach

Read more

Own the Way You Work™

Read more

Modern Slavery Act Transparency Statement

Read more

Fostering resilient societies: Swiss Re Foundation

We also delivered major financial support to our long-time partner, the International Committee of the Red Cross (ICRC). The aim was to help bolster their projects in conflict regions where people have been severely affected by the COVID-19 pandemic.

Our COVID-19 programme in a nutshell

CHF 5 356 000
Grant support for COVID-19

82 partners
supported with COVID-19 grants

29 countries
supported with COVID-19 grants

The Swiss Re Foundation in 2020
The report highlights two partnerships that illustrate our goals, approaches and impacts within the two priority themes, enhancing disaster risk reduction at the community level and fostering coastal resilience.

We want to build resilient societies

Who we are

The Swiss Re Foundation's vision is to help societies build capacity to mitigate health, environmental and economic risks, as well as recover quickly from setbacks. We do this in emerging countries and where Swiss Re has office locations.

Together with our partners, we aim to achieve measurable and sustainable impacts. We support them through evidence-based grant funding and give them access to the broad expertise of Swiss Re's employees. In this way, we strive to foster resilient societies and support Swiss Re's sustainability objectives.

Our commitment in times of the COVID-19 pandemic

The Swiss Re Foundation's global set-up meant the pandemic was a concern for us at an early stage. Starting in Asia, it ultimately became a defining event in all our partner countries. To this day, many of our partner organisations are still suffering from the direct and increasingly indirect consequences of the pandemic.

After the Swiss Re Group decided to increase its annual support to the Swiss Re Foundation by more than CHF 5 million for 2020 due to the pandemic, we quickly set up a comprehensive global COVID-19 programme. Its aim was to provide rapid and unbureaucratic support to our existing partners in 29 countries in their efforts to deal with the direct and indirect impact of the pandemic. Within three months, based on a clearly structured assessment process, we were able to support selected partners with more than 80 financial assistance packages. This support also helped them cover their running costs, which would have otherwise threatened their financial viability.

The main goals of the campaign, however, were firstly to finance the purchase of protective material our partners needed. Secondly, we wanted to provide targeted financing of their special projects in connection with the focus area Access to Health.

In addition to our global support effort, our 2020 portfolio development, totalling CHF 5 596 000, also devoted attention to our focus area natural hazards and climate risk management. We sharpened our strategy and defined approaches and goals in the selected three niches of enhancing disaster risk reduction at the community level, coastal resilience and climate-smart agriculture.

To achieve our goals in these niches we have partnered with several innovators and researchers. These individuals and organisations foster resilience by strengthening the risk management capacities of poor communities. The inhabitants of such communities are not only the most vulnerable to the impacts of disasters, environmental degradation and climate risk, but also the least well equipped to cope with them afterwards.

Swiss Re Foundation

See website

Appendix: Operational footprint data

Restatement of CO_2 emissions data

In 2020, we performed a review of our reporting scope and calculation as follows:

- The sale of ReAssure in 2020 resulted in the removal of three offices in the UK from our reporting scope. As they were a significant source of emissions in the EMEA region, this led to a large reduction in the Group's overall emissions.
- After further analysis of green energy assurances for grid power in the UK, we have changed the calculation method for our offices in this region to using market-based factors for electricity emissions. This caused a sharp drop of 46% in overall emissions per employee (kg/FTE) for power.
- An update to our technical gas calculations now allows us to more accurately track leakages from large tanks and generators, rather than only "charging" emissions at the point of refill. This led to a significant increase in the emissions tracked for technical gases.

		Reported 2019		Restated 2020		Adjustment	
	2013 kg/FTE	2019 kg/FTE	2013 kg/FTE	2019 kg/FTE	2013 reported vs restated	2019 reported vs restated	Note
Scope 2							
Power	824	**472**	313	**137**	–62%	**–71%**	1
Scope 1							
Heating	378	**210**	396	**202**	4%	**–4%**	2
Scope 3							
Business travel	3 713	**3 842**	3 724	**3 849**	0%	**0%**	
Copy paper	40	**13**	34	**10**	–15%	**–23%**	3
Waste	50	**28**	50	**33**	0%	**18%**	4
Water	12	**8**	13	**9**	8%	**13%**	4
Technical gases	27	**52**	97	**98**	259%	**88%**	5
Commuting	1 250	**1 000**	1 225	**926**	–2%	**–7%**	6
Total	6 294	**5 627**	5 852	**5 266**	–7%	**–6%**	7

Notes:

1. Our three ReAssure offices in the UK were responsible for a substantial part of our CO_2 footprint. In connection with the sale of ReAssure in 2020, we made two significant changes to our emissions reporting scope and calculation. Firstly, we removed the three offices, which included a large data centre, from the scope. Secondly, we switched from conventional to market-based factors because we use renewable energy at our offices in London and Folkestone.
2. Beyond accounting for the removal of our ReAssure offices in the UK, we made corrections concerning locations where we have clarified that we do not consume heating fuels.
3. The ReAssure offices were paper-intensive due to the nature of their consumer-facing insurance business.
4. As the ReAssure offices had a zero-waste policy and low water consumption, their removal from our reporting scope led to an increase of the Group's average figures in these categories.
5. We now include a 5% estimate for losses on all technical gas stores, whereas only actual refills were previously reported.
6. The employees who commuted to our ReAssure offices had higher-than-average usage rates of CO_2-intensive car travel.
7. Totals are actuals before rounding, rather than the apparent sum of integers.

Extended operational footprint data

Carbon emission intensity	Unit	2013 (baseline)	2018	2019	2020	% vs 2013
Carbon emissions per employee	CO_{2e} kg/FTE	5852	5433	5266	**2363**	–60%
of which from building facilities	CO_{2e} kg/FTE	934	588	524	**303**	–68%
of which from business travel	CO_{2e} kg/FTE	3724	3899	3849	**1626**	–56%
of which from commuting	CO_{2e} kg/FTE	1225	979	926	**454**	–63%

Carbon emissions (Scopes 1 – 3)	Unit	2013 (baseline)	2018	2019	2020	% vs 2013
Absolute carbon emissions total	CO_{2e} tonnes	74972	82944	83361	**33735**	–55%
Scope 1 emissions	CO_{2e} tonnes	5156	4246	4322	**2962**	–43%
Scope 2 emissions (location-based)	CO_{2e} tonnes	17260	15541	14827	**11327**	–34%
Scope 2 emissions (market-based)	CO_{2e} tonnes	3330	2386	1833	**709**	–79%
Scope 3	CO_{2e} tonnes	66486	76312	77207	**30065**	–55%
of which from business travel	CO_{2e} tonnes	50266	61188	62915	**22926**	–54%
of which from commuting	CO_{2e} tonnes	14030	13601	13058	**6486**	–54%
of which from other	CO_{2e} tonnes	2191	1523	1234	**652**	–70%
Carbon certificate amount	CO_{2e} tonnes	60942	69343	70303	**27249**	

Energy consumption	Unit	2013 (baseline)	2018	2019	2020	% vs 2013
Absolute energy consumption	MWh	77354	63140	55070	**44928**	–42%
of which electricity	MWh	54010	47133	41253	**33045**	–39%
non-renewable electricity	MWh	3172	2936	2909	**0**	–100%
renewable electricity	MWh	50838	44196	38344	**33045**	–35%
of which heating	MWh	23344	16007	13817	**11883**	–49%
Percent renewable electricity out of total	%	94%	94%	93%	**100%**	6%
Energy consumption per employee	kWh/FTE	6753	4547	3906	**3146**	-53%
of which electricity	kWh/FTE	4715	3394	2926	**2314**	-51%
of which heating	kWh/FTE	2038	1153	980	**832**	-59%

Business travel	Unit	2013 (baseline)	2018	2019	2020	% vs 2013
Distance travelled per employee	km/FTE	13581	14348	14271	**6020**	–56%
Distance travelled	1000 km	155562	199244	201232	**85970**	–45%
Absolute business travel emissions	CO_{2e} tonnes	50266	61188	62915	**22926**	–54%
of which air travel	CO_{2e} tonnes	49926	60921	62657	**22826**	–54%
of which ground travel	CO_{2e} tonnes	339	266	258	**100**	–71%
Total business travel emissions per employee	CO_{2e} kg/FTE	3724	3899	3849	**1626**	–56%

Commuting	Unit	2013 (baseline)	2018	2019	2020	% vs 2013
Distance travelled per employee	km/FTE	8489	7774	7752	**3893**	–54%
Absolute carbon emissions	CO_{2e} tonnes	14030	13601	13058	**6486**	–54%
Carbon emissions per employee	CO_{2e} kg/FTE	1225	979	926	**454**	–63%

Paper, waste, water	Unit	2013 (baseline)	2018	2019	2020	% vs 2013
Water	m^3	202488	210523	170896	**124636**	–38%
Total paper	t	328	151	121	**67**	–80%
Total waste	t	2131	1854	1675	**985**	–54%
Percent recycled waste out of total	%	52%	49%	50%	**54%**	5%

Notes on methodology:

1 The unit "tonnes" represents metric tons.
2 "Scope 1" includes operational road travel, heating oil/gas, technical gas.
3 "Technical gas" is reported as Scope 1 as Swiss Re has direct control over the majority of its fugitive emissions. Also included is a smaller amount with indirect control.
4 "Scope 2 emissions (market-based)" UK data series corrected in 2020 to include renewable CO_2 factors (previously assumed UK government kept green credentials).
5 "Renewable electricity" figures include green electricity, self-produced (solar) as well as locally-sourced renewable energy certificates.
4 "Commuting" figures obtained by means of biannual survey have considerable measurement uncertainty.
5 "Other Scope 3" includes energy transmission, technical gas, paper, waste and water.
6 "Business travel" figures include air travel, rental cars and rail, and exclude operational shuttle bus.
7 "Carbon certificate offset" covers total absolute CO_2 emissions (less commuting).
8 Dataset rebaselined in 2020 to remove ReAssure after its sale.
9 Reporting year is on a hydrological calendar year basis (ie 1 October 2019 until 30 September 2020).

Independent Assurance Report on the Swiss Re Sustainability Report 2020

We have been engaged to perform assurance procedures to provide limited assurance on the consolidated CO_2 emissions reporting and Sustainability topics and sections disclosed with the Swiss Re Sustainability Report 2020 ("Sustainability Report 2020") as well as with the Swiss Re Financial Report 2020 ("Financial Report 2020").

Scope and subject matter

Our engagement focused on the following data and information for the financial year ended 31 December 2020 disclosed in the Sustainability Report 2020 and Financial Report 2020 of Swiss Re and its consolidated subsidiaries:

- The management and reporting processes with respect to the consolidated sustainability reporting as well as the control environment in relation to the aggregation of data and information;
- The organisational measures and internal key controls in place at the corporate level regarding aggregation of information obtained from the subsidiaries and reporting functions;
- The consolidated data and information disclosed in the Sustainability Report 2020 in the sections "Our approach to sustainability" on pages 8–23, "Creating solutions for sustainability" on pages 24–35, "Extending our risk intelligence" on pages 36–43, "Being a responsible investor" on pages 44–51, "Engaging in dialogue with our stakeholders" on pages 52–59, "Driving sustainable operations" on pages 60–69, "Engaging our people" on pages 70–79 and "Ensuring good corporate governance and compliance" on pages 80–86;
- The consolidated CO_2 emissions 2020 (Scope 1, 2 and 3 in adherence with the Greenhouse Gas Protocol) and environmental data 2020 in the tables of the Sustainability Report 2020 entitled "CO_2 emissions per employee (full-time equivalent, FTE), Swiss Re Group" on page 65, "Underlying environmental data, Swiss Re Group" on page 65, "Operational footprint data" on pages 90–91;
- The retirement of 27 250 tonnes of CO_{2e} (CO_2 equivalents) described on page 67 of the Sustainability Report 2020;
- The consolidated data and information disclosed in the Financial Report 2020 in the chapter "Climate-related financial disclosures (TCFD)" in the sections "Overview" on page 150, "Climate governance" on page 151, "Climate strategy" on pages 152–167, "Climate risk management" on pages 168–171, and "Climate metrics and targets" on pages 172–179.

Criteria

The management reporting processes with respect to the sustainability reporting 2020 were assessed against the internal and external policies and procedures as set forth in the following:

- "Internal Environmental Performance Indicators for the Financial Industry" published by the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (VfU) published in 1997 and 2011;
- "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" published in 2004 by the World Resources Institute and the World Business Council for Sustainable Development;
- DEFRA Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting. AEA for the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (DEFRA);
- The framework document "Environmental Performance Indicators (EPI) Reporting at Swiss Re", version 1.1 from December 2015 including Annex; and
- The defined internal guidelines, by which sustainability data and information are internally gathered, collated and aggregated.

Inherent limitations

The accuracy and completeness of environmental indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. GHG quantification is subject to inherent uncertainty, because of the incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Our assurance report should therefore be read in connection with Swiss Re's reporting criteria (including guidelines, definitions and procedures on the reporting of its sustainability performance).

Swiss Re's responsibility

The Executive Management of Swiss Re is responsible for both the subject matter and the criteria as well as for selection, preparation and presentation of the selected infor-mation in accordance with the criteria. This responsibility includes the design, implementation and maintenance of related internal control relevant to this reporting process that is free from material misstatement, whether due to fraud or error.

Our independence and quality controls

We are independent of Swiss Re in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers AG applies International Standard on Quality Control 1 and accordingly maintains a compre-hensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to perform a limited assurance engagement to express a conclusion on the sustainability indicators.

We planned and performed our procedures in accordance with the International Standard on Assurance Engagements (ISAE 3000) (Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements (ISAE 3410), 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance on the identified sustainability indicators, in all material aspects, in accordance with Swiss Re's policies and procedures.

A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement. The procedures selected depend on the assurance practitioner's judgement.

Summary of the work performed

Our assurance procedures included, amongst others, the following work:

- **Evaluation of the application of Swiss Re's sustainability reporting guidelines**
  Assessing whether the methodology applied by Swiss Re is in line with the reporting criteria;
- **Interviews and management inquiry**
  Evaluating the sustainability reporting and underlying performance indicators by performing analytical procedures and interviewing selected key contacts to assess whether the internal Environmental Performance Indicators Reporting guidelines and sustainability guidance were consistently applied by the selected locations;
  Performing inquiries of personnel responsible for internal sustainability reporting and data collection at the Swiss Re corporate level to evaluate the reporting and aggregation process and to assess its appropriateness;
- **Reconciliation of CO_2 emissions data**
  Reconciling the CO_2 emissions data for energy consumption, business travel, copy paper, waste, water, technical gases and commuting and sustainability data and information to the data used for the internal sustainability reporting of the selected locations;
- **Assessment of the key figures**
  Performing tests on a sample basis of evidence supporting selected sustainability data and information (natural catastrophes and climate change, the commitment to the United Nations, the commitment with Women's World Banking, decarbonising the business model, the sustainable business risk framework, emerging risks, responsible investments, engagement with stakeholders, CO_2 emissions and reductions, energy consumption for heating and electricity, business travel data, sustainable supply chain data, the CO_{you2} subsidies, HR data and information, diversity and inclusion, employee health data) to assess their completeness, accuracy, adequacy and consistency;
- **Review of the documentation**
  Reviewing the relevant documentation on a sample basis, including Swiss Re's sustainability-related policies, the management of reporting structures, the documentation and systems used to collect, analyse and aggregate reported sustainability data and information;
- **Assessment of the processes and data consolidation**
  Reviewing the appropriateness of the management and reporting processes for sustainability reporting; and assessing the processing and consolidation of data at Swiss Re's Group level; and
- **Review of certified emission reductions**
  Reviewing the retirement of 27 250 tonnes of CO_{2e}:
  8 478 voluntary emission reductions (VERs) with additional Gold Standard label, 19 026 certified emission reductions (CERs) from the Community Development Carbon Fund (CDCF).

We have not conducted any work on data other than outlined in the subject matter as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the sustainability data and information outlined in the scope and subject matter section has not been prepared, in all material aspects, in accordance with suitable criteria.

Zurich, 18 March 2021
PricewaterhouseCoopers AG

Paul de Jong Konstantin Meier

Memberships, commitments and index listings

Listed here is a selection of Swiss Re's most important memberships, commitments and index listings with regard to sustainability.

Memberships and commitments

CDP
CDP is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
www.cdp.net

Chief Risk Officer (CRO) Forum
The CRO Forum is a group of professional risk managers from the insurance industry that focuses on developing and promoting industry best practices in risk management. The forum consists of Chief Risk Officers from large multinational insurance companies. Swiss Re is a member of the sustainability working group.
www.thecroforum.org

ClimateWise
ClimateWise helps the insurance industry to better communicate, disclose and respond to the risks and opportunities associated with the climate-risk protection gap. This is the growing divide between total economic and insured losses attributed to climate change.
www.cisl.cam.ac.uk/business-action/sustainable-finance/climatewise

European Commission's Technical Expert Group on Sustainable Finance (TEG)
The TEG assists the European Commission in the development of a unified classification system for sustainable economic activities, an EU green bond standard, methodologies for low-carbon indices and metrics for climate-related disclosure.
https://ec.europa.eu/info/publications/sustainable-finance-technical-expert-group_en

FSB Task Force on Climate-related Financial Disclosures (TCFD)
The Financial Stability Board (FSB) is an international body that monitors and makes recommendations about the global financial system. Its Task Force on Climate-related Financial Disclosures has developed voluntary, consistent climate-related financial disclosures.
www.fsb-tcfd.org

Insurance Development Forum (IDF)
The IDF is a public-private partnership led by the insurance industry and supported by international organisations. It aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks.
www.insdevforum.org

Klimastiftung Schweiz (Swiss Climate Foundation)
The Swiss Climate Foundation is a voluntary initiative by business for business. The Foundation's mission is to promote climate protection and strengthen Switzerland and Liechtenstein as business locations. Swiss Re is one of the foundation's members and is sponsoring its managing director.
www.klimastiftung.ch/en/

Net-Zero Asset Owner Alliance
The Net-Zero Asset Owner Alliance is an international group of institutional investors delivering on the commitment to transition their investment portfolios to net-zero GHG emissions by 2050, showing united investor action to align portfolios with a 1.5°C scenario. Swiss Re is a co-founder of the Alliance.
www.unepfi.org/net-zero-alliance/

Paris Pledge for Action
By joining the Paris Pledge for Action, businesses, cities, civil society groups, investors, regions, trade unions and other signatories have promised to ensure that the ambition set out by the Paris Agreement is met or exceeded to limit the global temperature rise to less than 2°C.
www.parispledgeforaction.org

Powering Past Coal Alliance (PPCA)
The PPCA is a coalition of national and sub-national governments, businesses and organisations working to advance the transition from unabated coal power generation to clean energy.
www.poweringpastcoal.org

Principles for Responsible Investment (PRI)
The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. Swiss Re's PRI assessment is available here.
www.unpri.org

Principles for Sustainable Insurance (PSI)
The UNEP FI Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. We are a member of both the PSI and the UNEP Finance Initiative (UNEP FI), a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development.
www.unepfi.org/psi/

RE100 and EP100
Led by The Climate Group, a non-profit organization that works with business and government leaders around the world to address climate change, and in partnership with CDP, RE100 is a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity.
www.theRE100.org/

In partnership with the Alliance to Save Energy, The Climate Group's EP100 initiative brings together a growing group of energy-smart companies committed to improving their energy productivity and doing more with less.
www.theclimategroup.org/project/ep100

swisscleantech
swisscleantech is a Swiss cleantech business association. Its mission is to bring companies together that are in favour of environmentally responsible business practices.
www.swisscleantech.ch

Swiss Sustainable Finance (SSF)
By shaping and informing on best practice and creating supportive frameworks and tools, SSF supports its members and cooperates with other actors in order for the Swiss financial centre to achieve a leading position in sustainable finance.
www.sustainablefinance.ch

UN Global Compact
The UN Global Compact helps companies to do business responsibly by aligning their strategies and operations with its ten principles on human rights, labour, environment and anti-corruption; and it also helps them to take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals. In 2019, we signed the UN Global Compact Business Ambition for 1.5°C.
www.unglobalcompact.org

WEF Alliance of CEO Climate Leaders
The Alliance of CEO Climate Leaders is a global network of chief executive officers who see the business benefits of bold and proactive action to ensure a smooth transition to a low-carbon and climate-resilient economy. Swiss Re's CEO Christian Mumenthaler has been Co-Chair of the Alliance since 2020. Furthermore, Swiss Re is an active member of the "WEF CEO Action Group for the European Green Deal".
www.weforum.org/projects/alliance-of-ceo-climate-leaders

World Business Council for Sustainable Development (WBCSD)
The WBCSD is a global, CEO-led organization of over 250 leading businesses working together to accelerate the transition to a sustainable world.
www.wbcsd.org

Selected index listings and ratings

MSCI AAA rating, member of MSCI World ESG Leaders Index and MSCI World SRI Index

Dow Jones Sustainability Indices, member of DJSI World Index, DJSI Europe Index

Sustainability Award
Silver Class 2021
S&P Global

Bloomberg Gender-Equality Index

Member of the CDP A list

Ethibel Sustainability Index (ESI), Excellence Global

Euronext Vigeo Eiris indices, Europe 120

FTSE4Good Index Series

ISS QualityScore, Environmental, Social & Governance

ISS ESG Prime

Contact details

Contact address
Group Sustainability
Reto Schnarwiler
Telephone +41 43 285 4801
Reto_Schnarwiler@swissre.com

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Lead Foundation – Women's World Banking (p. 33)
Swiss Re; Mischa Repmann (p. 60)
Fredi Lienhard (p. 71)
Blaubox Studio (p. 75)
Amanda Cheng (p. 78)
S. Aloliby/ICRC (p. 88)

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Swiss Re Ltd
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland

Telephone +41 43 285 2121
www.swissre.com