


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.

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

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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.

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.



Christian Mumenthaler
Group Chief Executive Officer