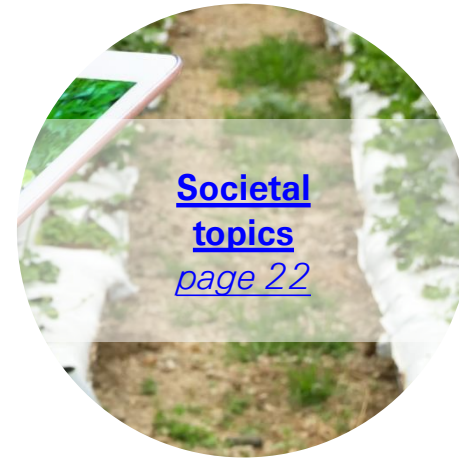


Highlights of Swiss Re's Sustainability approach

May 2019



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Swiss Re maintains leadership in sustainability

Key actions and achievements in 2018



Responsible investing

- Early mover in switching to ESG benchmarks in equity and credit markets
- USD 1.6bn of green bonds as of end FY 2018

Close to
100%
assets considering ESG criteria



Sustainable underwriting

- Implemented thermal coal policy – 30% investment threshold extended to underwriting
- Active in all renewable energy re/insurance and “lead market” for offshore wind risks

~3 400
wind and solar farms insured



Innovative solutions

- First county-level earthquake parametric cover in China
- Largest sovereign-sponsored cat bond issued by the World Bank in Latin America
- Flood insurance for homeowners in Florida, based on proprietary flood model

96
number of (sub-)sovereigns
advised on climate risk resilience







Recognised expertise

- Participate in the EU Technical Expert Group on Sustainable Finance
- Continued to be a member of the FSB Task-Force on Climate-Related Disclosures

- ▶ Swiss Re is committed to being a responsible company
- ▶ Playing our part in enabling sustainable progress serves as a guiding principle for our actions

Swiss Re is externally acknowledged

<ul style="list-style-type: none"> • AAA rating (May 2018) • Constituent MSCI Global Sustainability Indexes 	
<ul style="list-style-type: none"> • Member of DJSI World & DJSI Europe 	
<ul style="list-style-type: none"> • Constituent of Euronext Vigeo Eiris Index - Europe 120 	
<ul style="list-style-type: none"> • Constituent of the FTSE4Good Global Index 	
<ul style="list-style-type: none"> • ISS-oekom corporate rating: <ul style="list-style-type: none"> - Status: Prime - Rating: C+ 	
<ul style="list-style-type: none"> • Environmental & Social Quality Scores: <ul style="list-style-type: none"> - Environmental Score: 1 - Social Score: 1 	
<ul style="list-style-type: none"> • Constituent Bloomberg Gender-Equality Index 2019 	

Swiss Re's approach to corporate responsibility

Swiss Re is committed to being a responsible company

Our approach to corporate responsibility

Swiss Re Group vision

We make the world more resilient

Swiss Re Group mission

Together, we apply fresh perspectives, knowledge, and capital to anticipate and manage risk. That's how we create smarter solutions for our clients, helping the world rebuild, renew, and move forward.

Sustainability mission

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

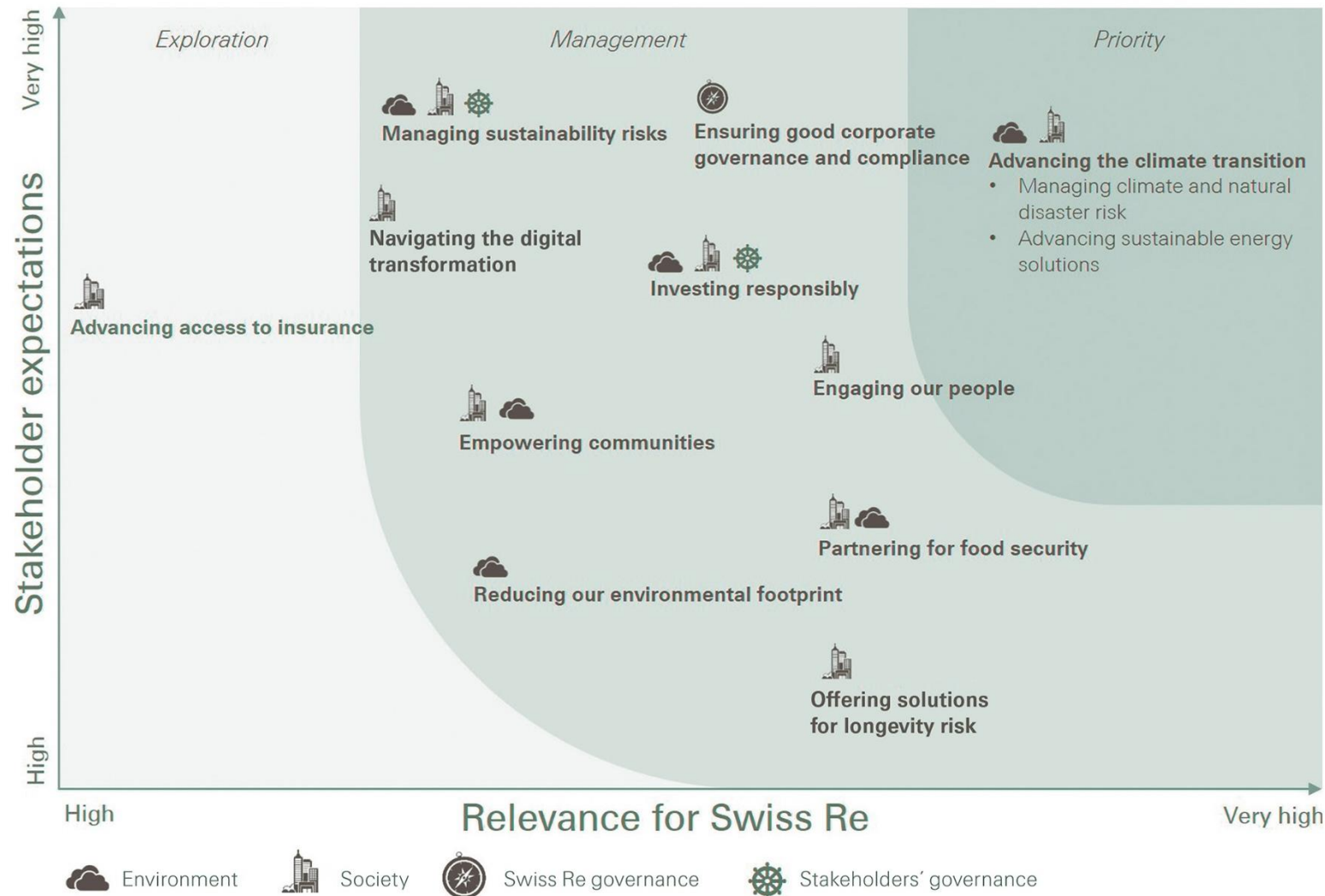
Sustainability as a guiding principle

Taking the long-term view,
playing our part in enabling sustainable progress

Corporate Responsibility Map











Focusing on relevant Corporate Responsibility Topics

Swiss Re's Corporate Responsibility (CR) Map gives an overview of the topics we address



See for further information
[2018 CR Report](#)

Selected key CR topics: achievements and links to the UN Sustainable Development Goals (UN SDGs)

Selected key CR topics	2018 achievements	Links to the UN SDGs
Advancing the climate transition	<ul style="list-style-type: none"> ✓ Advised 96 sovereigns and sub-sovereigns, protection of USD 8.2bn since 2014 ✓ Insured ~3 400 of wind and solar farms as of end FY 2018 	 
Managing sustainability risks	<ul style="list-style-type: none"> ✓ Implemented thermal coal policy – 30% investment threshold extended to underwriting ✓ Actively participated in European and global expert groups 	 
Investing responsibly	<ul style="list-style-type: none"> ✓ Close to 100% of assets under management consider ESG criteria ✓ Reached green bond target: USD 1.6bn of green bonds as of end FY 2018 	  
Reducing our environmental footprint	<ul style="list-style-type: none"> ✓ Reduced energy intensity per employee by 28.9% since 2013 ✓ Covered 94% of total power consumption from renewable sources as of end FY 2018 	  

▶ Swiss Re uses ongoing dialogue with stakeholders and internal risk expertise to identify and address material CR topics

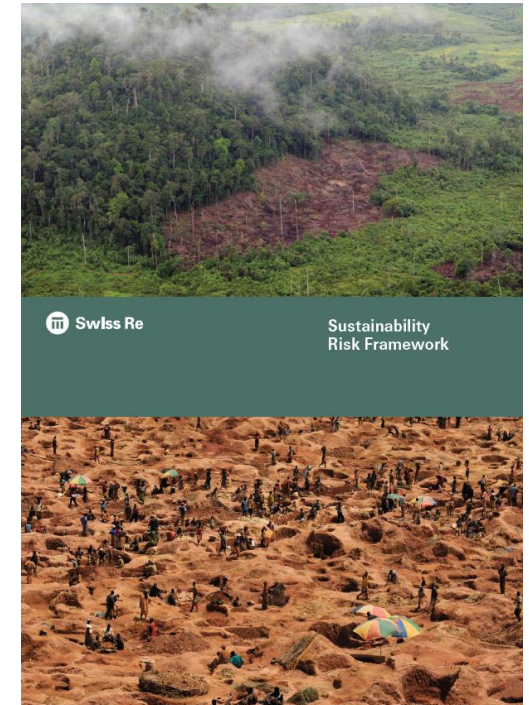
▶ For all CR topics, Swiss Re has set internal goals and reports externally on achieved progress

For information on our respective goals and progress on these goals, see [Swiss Re Corporate Responsibility Report](#)

Sustainability Risk Framework (SRF): managing sustainability risks in underwriting and asset management

Background to the Sustainability Risk Framework

- Swiss Re has started to explicitly manage sustainability risks in 1999 and established the Group-wide Sustainability Risk Framework (SRF) in 2009
- The SRF is fully embedded in our standard operating procedures and sensitive business risks (SBR) compliance checks are integrated into Group Internal Audit reviews
- This comprehensive framework applies to all lines of business of the insurance portfolio as well as investments
- The screening for sensitive business risks was automated through the online Sensitive Business Risk Assessment Tool rolled out in 2015
- In 2018, Swiss Re conducted detailed analyses on 247 transactions of which 40 were stopped



See for further information
[Sustainability Risk Framework publication](#)

▶ Swiss Re has 20 years experience in managing sustainability risks

Sustainability Risk Framework in practice

Swiss Re's Sustainability Risk Framework

ensures responsible and sustainable business practices by identifying, mitigating and eliminating potential environmental, social and governance (ESG) risks inherent to our business transactions and investments

SUSTAINABILITY UMBRELLA GUIDELINES



Human rights

We only support companies that respect human rights in all their practices. No business is conducted with countries and companies that are complicit in severe human rights violations



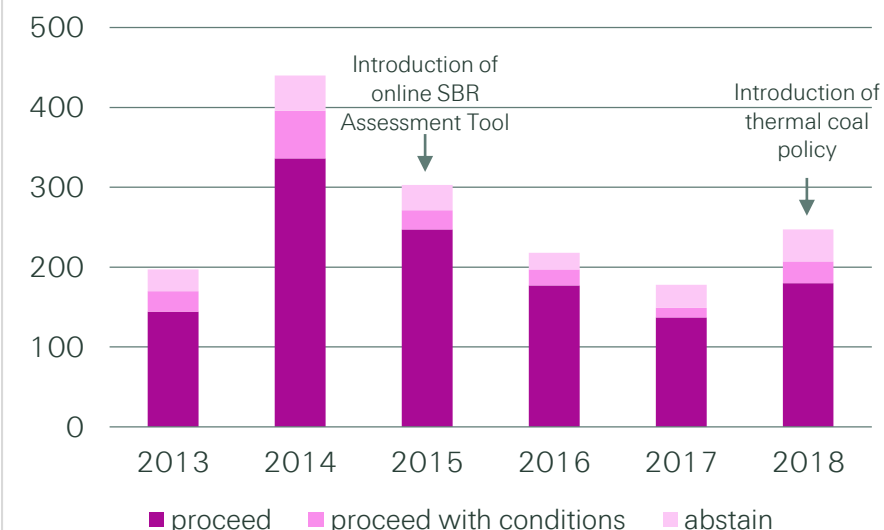
Environmental protection

We aim to limit our contribution to environmental degradation worldwide. We will not involve ourselves with companies that cause irreversible damage to ecologically sensitive areas

SUSTAINABILITY SECTOR POLICIES

- Animal testing
- Dams
- Defence industry
- Forestry and logging
- Mining
- Nuclear weapons proliferation
- Oil and gas
- Thermal coal

NUMBER OF SENSITIVE BUSINESS RISK REFERRALS



▶ Swiss Re's Sustainability Risk Framework with umbrella policies for human rights and environmental protection as well as sectorial policies provides a solid framework for the assessment and decision making for sustainability-related risks

SBR methodology and risk referral process: we continuously refine and strengthen our approach to managing sustainability risks

Methodology

Exclusions

- Companies
- Countries
- Activities as per sustainability risk policies

Due diligence process

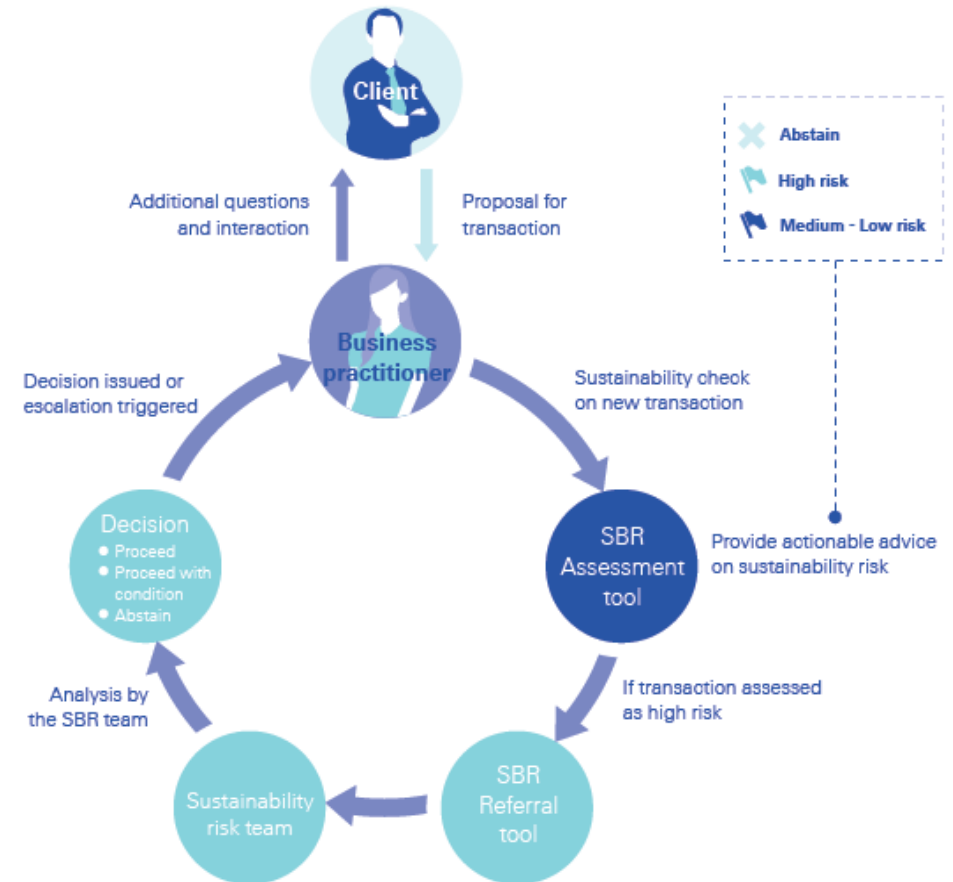
- Business practitioner through SBR Assessment Tool
- Sustainability Risk Management through SBR Referral Tool
- Analysis by the SBR team

Stakeholder engagements

Continuous improvement

Continuous effort to strengthen and improve the Sensitive Business Risk Assessment Tool, in order to address new developments in each industry

Sustainability risk referral process



Swiss Re's climate change strategy

Managing climate and natural disaster risk is at the core of what we do

Swiss Re's comprehensive climate change strategy: four pillars

1

Advancing our knowledge and understanding of climate change risks

quantifying and integrating them into our risk management, underwriting and investment frameworks where relevant

2

Developing products and services

to mitigate or adapt to climate risk

3

Raising awareness

about climate change risks through dialogue with clients, employees and the public, and advocating a worldwide policy framework for climate change

4

Tackling our own carbon footprint

and ensuring transparent, annual emissions reporting

1 Advancing our knowledge and understanding of climate change risks

Understanding nat cat risk and the impact of climate change

- Investing in proprietary, state-of-the-art nat cat models, in-house expertise and collaborating with universities

New Storm Surge Zones models

- Storm surges triggered by hurricanes are a main force of destruction. In 2017, we released our Global Storm Surge Zones models

Mitigating climate risk a key topic

- Swiss Re continues to position climate-related risks and opportunities as a key priority topic

Adopting Financial Stability Board (FSB) task force on climate-related financial disclosure (TCFD) recommendations

- Member of FSB TCFD
- Second full TCFD disclosure published in 2018 Annual Report



1 FSB TCFD recommendations adopted in 2016 and integrated in Swiss Re's Annual Report since 2017

2018 Annual Report

Contents	
Climate-related financial disclosures (TCFD)	174
Climate governance	175
Climate strategy	176
Climate risk management	182
Climate metrics and targets	184

Link to [2018 Annual Report - chapter on corporate responsibility](#)

CLIMATE-RELATED FINANCIAL DISCLOSURES OF THE FINANCIAL STABILITY BOARD			
Governance	Strategy	Risk management	Metrics and targets
A) Board oversight	A) Climate-related risks and opportunities	A) Processes for identifying and assessing climate-related risks	A) Metrics to assess climate-related risks and opportunities
B) Management's role	B) Impact of climate-related risks and opportunities	B) Process for managing climate-related risks	B) Scope 1, 2 and 3 greenhouse gas emissions
	C) Potential impact of different scenarios	C) Integration into overall risk management	C) Targets

Disclosing relevant climate-related risks and opportunities

Re/insurance

- Annual expected losses (AEL) for weather-related natural perils
- Insured vs uninsured weather-related catastrophe losses
- Climate protection offered to (sub-)sovereigns
- Swiss Re's carbon footprint: scope 1,2 and 3 greenhouse gas emissions

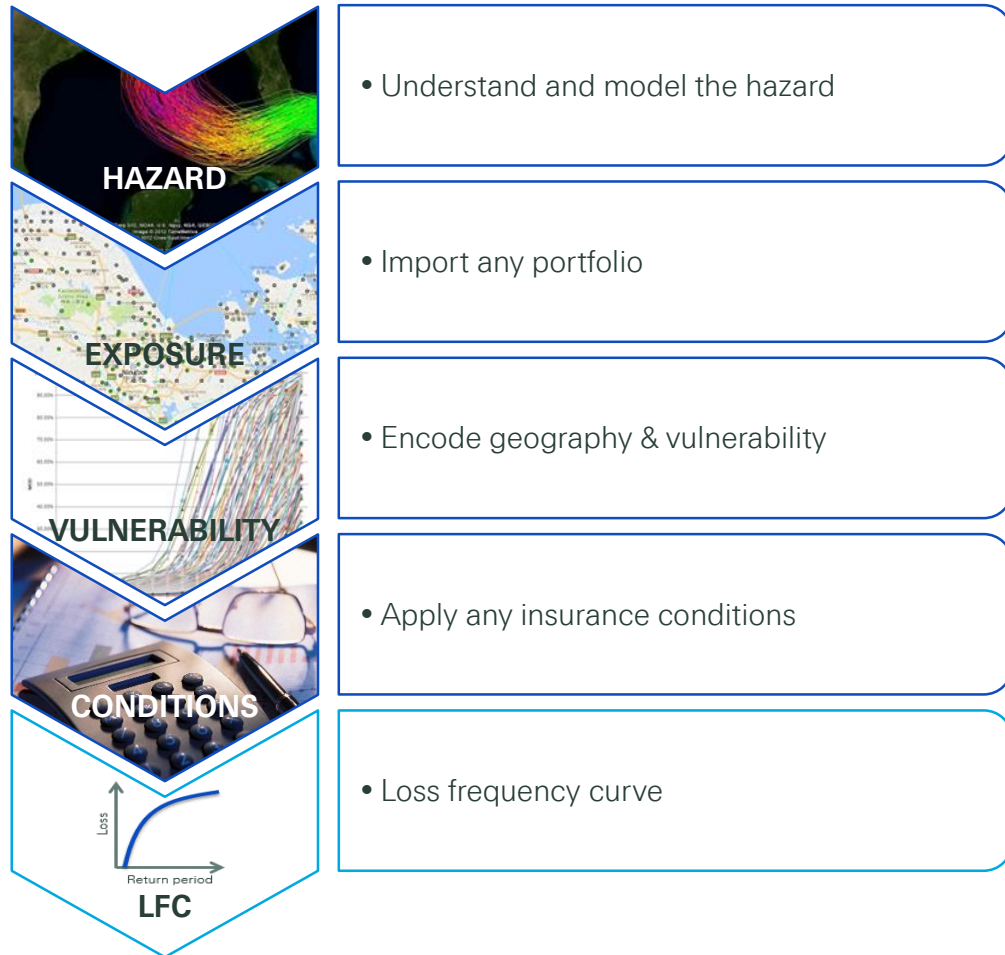
Investments

- Green bonds
- Physical risk assessment of real estate
- Carbon footprint of Swiss Re's investment portfolio

▶ As a member of FSB TCFD, Swiss Re helped develop voluntary recommendations on climate-risk reporting and published second full TCFD disclosure in the Annual Report 2018

2 Developing products and services: modelling

Probabilistic natural catastrophe modelling



Selected examples leveraging Swiss Re's proprietary models

- ▶ Flood insurance for homeowners in Florida
- ▶ Windstorm insurance in four US states: Alabama, Florida, North Carolina and South Carolina
- ▶ Coral reef insurance against hurricane damage on the Mesoamerican Barrier Reef System
- ▶ Two largest commercial natural disaster protection schemes ever established in China
- ▶ Economics of Climate Adaptation (ECA) study in the city of Lishui in Zhejiang province in Eastern China

2 Developing products and services: P&C and parametric solutions

The challenge



P&C solutions: recognise trends in the natural catastrophe risk landscape early

The consequences of climate change affect our risk landscape significantly, including rising sea levels or erratic rainfall patterns

Parametric solutions: recovering fast after catastrophic events

Climate change increases natural disaster risk and puts affected communities into dire financial situations once a natural catastrophe occurs

How we tackle it



P&C solutions offer a variety of geo risk tools designed to provide swift assessments of natural hazard exposure – helping to mitigate potential damage

Parametric insurance pays out quickly, without a lengthy claim process giving the affected fast access to much needed emergency cash relief

Selected solutions



- [CatNet](#): Proprietary risk tool allowing to get high quality risk data for perils such as flood, tropical cyclone or earthquake
- [Insuring Flood](#): Swiss Re is at the forefront of modelling flood risks, allowing to insure more and more people against this hazard

- [Tropical Cyclone](#): “Loss of income” covers in the US: policies pay out a lump sum in the immediate aftermath of the event for businesses to cover business interruption losses such as cancellations in hotels

▶ Swiss Re’s solutions make insurance more accessible, affordable and provide immediate payouts for individuals and businesses to bounce back quickly after extreme weather events – making society more resilient

2 Developing products and services: energy and weather solutions

Supporting sustainable energy solutions

- As sustainable energy projects increase in scale and complexity, so do the risks associated with them
- Innovative risk transfer solutions help reduce these risks and drive investment in the sector
- As an initiator and cofounder of the European Wind Turbine Committee established in 2009, Swiss Re was instrumental in launching the Offshore Code of Practice (OCoP), a best-practice guide for risk management in the sector

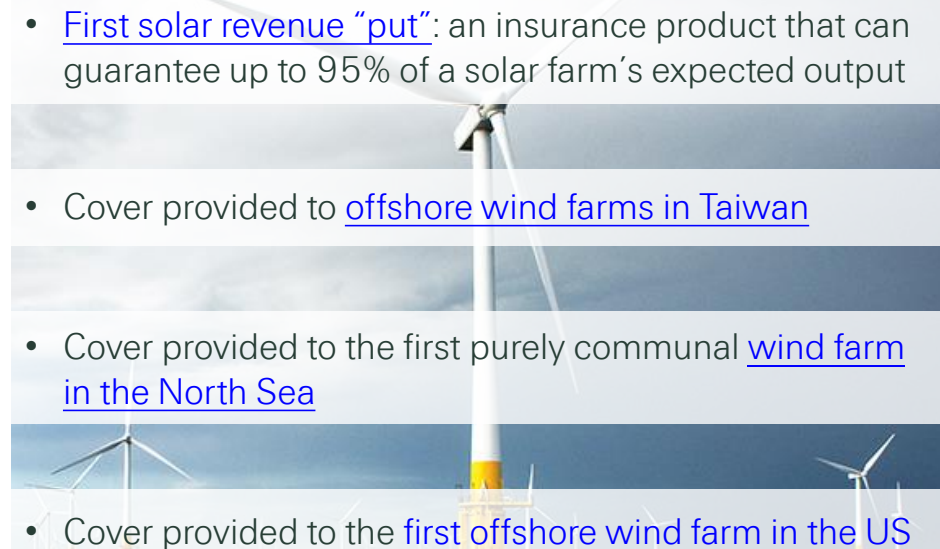
Awards for innovative transaction

- Award from Environmental Finance magazine for a wind risk hedge in Australia (2016)
- Award for a solar hedge for photovoltaic power plants in China (2015)

▶ Swiss Re offers re/insurance protection against extreme weather events and weather volatility to help communities adapt to climate change and make them more resilient

▶ Swiss Re is considered a “lead market” for offshore wind risks

Selected sustainable energy solutions provided by Swiss Re

- 
- [First solar revenue “put”](#): an insurance product that can guarantee up to 95% of a solar farm’s expected output
 - Cover provided to [offshore wind farms in Taiwan](#)
 - Cover provided to the first purely communal [wind farm in the North Sea](#)
 - Cover provided to the [first offshore wind farm in the US](#)

3 Raising Awareness

Swiss Re enhances climate resilience...

...through technical advisory to the Green Climate Fund...

- Swiss Re is part of the Private Sector Advisory Group of the Green Climate Fund and thereby contributes to the assessment on how risk transfer forms part of the mitigation efforts

...with Economics of Climate Adaptation (ECA) studies

- Support for clients with strategic expertise and integral risk assessment of natural disasters, including our ECA studies



- ▶ Swiss Re continues to be recognised as a knowledge leader on climate change within the re/insurance industry
- ▶ Swiss Re shares knowledge through our renowned publications including *sigma*, international dialogue platforms, events at our Centre for Global Dialogue, the Swiss Re Institute, and cooperation with governments and academic institutions

4 Tackling our own carbon footprint

Reducing emissions with the Greenhouse Neutral Programme

- In first programme cycle (2003-2013), CO₂ emissions per employee were reduced by 49%
- Ambition for the programme's second cycle (2014-2020): keep CO₂ emissions stable; well on track as of 2018
- CO₂ offsetting with 100% Gold Standard Verified Emission Reductions (VERs)

100% 
GREENHOUSE GAS
NEUTRAL
SINCE 2003

REDUCED CO₂ EMISSION PER EMPLOYEE BY MORE THAN
50% SINCE 2003



Founding member of the RE100 initiative

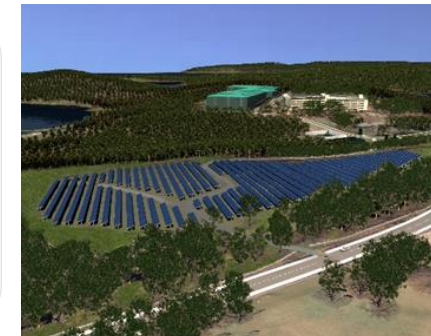
- To meet our commitment to using 100% power from renewable sources by 2020, we helped establish the Climate Group's RE100 initiative in 2014

94%

% OF POWER CONSUMED BY SWISS RE IN 2018 CAME FROM RENEWABLE SOURCES

Building solar power plants

- 2MW solar power plant at Swiss Re Americas' headquarters completed in 2017, generating more than 60% of the buildings' power requirements
- Rooftop solar plant system at Bangalore built in late 2017, saving around 8 000 litres of backup generator diesel per year



4 Tackling our own carbon footprint

Global ISO 14001 certification and green offices

- Global environmental management system, certified according to ISO14001 since 2015
- Over 60% energy efficiency increase since 2003 (EP100 Member*)
- Internal price on carbon – levy on travel budgets
- New offices in New York, Zurich (Swiss Re Next) and Bangalore received the Leadership in Energy and Environmental Design (LEED) certification

EcoVadis platform to drive sustainability performance in our supply chain

- Monitoring and managing of our vendors' sustainability across four dimensions: environment, labor/social, fair business/ethics and own supply chain
- Tier 1 and Tier 2 vendors to be included in the EcoVadis platform by 2020 (30% were included by end 2018)

COyou2 programme to support our employees in cutting their own carbon footprints

- Pioneering initiative providing our employees access to subsidies for a range of emission-cutting investments in their private lives. 2 924 COyou2 subsidies granted to our staff in 2018

* The Climate Group initiative for global businesses committed to doubling their energy productivity (EP)

Societal topics

We explore new topics and shape our position on emerging societal challenges



We partner for food security

Protecting Kenyan livestock farmers against drought

- Swiss Re helped to launch Kenya Livestock Insurance Program (KLIP) in 2016, the first-ever government livestock insurance scheme in Africa
- KLIP is an index-based scheme using satellite imagery to assess the state of grazing conditions; when a certain threshold is reached, the insured automatically receive a lump sum payment, allowing them to provide their livestock with feed and water
- In 2017, the programme made payouts to 14 000 Kenyan herders, thus saving an estimated 70 000 livestock sustaining 100 000 people



Supporting an agricultural e-voucher scheme in Zambia

- Swiss Re supported government-run electronic voucher scheme in Zambia (E-FISP programme) by offering pricing and reinsurance capacity in 2018
- E-FISP offers smallholder farmers a diversified range of agricultural inputs (such as inorganic fertilisers and seeds) that best meet their actual needs based on local conditions
- All inputs are insured through a weather index insurance programme designed by local insurance partners



- ▶ Swiss Re uses its experience, expertise and financial strength to provide cutting-edge solutions to improve food security by giving farmers protection against natural perils
- ▶ By providing such insurance solutions to the agricultural sector, Swiss Re plays a vital role in combatting hunger and poverty

We help communities become more resilient to the risks they face

Giving low-income women in Egypt access to life and health insurance

- In 2018, Swiss Re, as the main reinsurer, helped expand a pioneering health microinsurance programme targeting low income women lacking any sort of insurance protection against loss of income due to illness
- The solution combines two benefits: a hospital cash benefit and life insurance for an amount equal to three times the customer's micro-loan
- At the end of 2018, the programme covered around 200 000 clients, 90% of them women
- Such basic but ground-breaking microinsurance and microfinance solutions play a vital role in promoting economic development in emerging countries



▶ Swiss Re is deeply committed to the UN SDG #5: “To achieve gender equality and empower all women and girls”

We create stability for individuals and society with life & health and longevity solutions

Keeping our finger on the pulse of life and health

- Mortality, longevity and health insurance remain our strategic priorities in the life & health business
- Working closely with clients to develop affordable solutions to help minimise the protection gap

Solutions for longevity risk

- Investing in research and development to improve our ability to predict mortality and longevity trends
- Closed several longevity deals in Europe, including a number of landmark transactions with different clients in the UK

Social output analysis for Life Capital

- In 2017, Swiss Re launched a pilot project to assess the “social output” for Life Capital. The analysis showed that Life Capital scores improved (vs previous years) on several output indicators such as employment and partnership opportunities created, number of policyholders and claims paid



Access to insurance is an important contributor to economic development

Selected implementation examples

Exploring future of risk coverage and assessing changes in the risk landscape	<ul style="list-style-type: none"> Through Swiss Re Institute, Swiss Re builds and manages partnerships with world-class academic and research institutions, guides internal capital allocation and business steering processes and provides stakeholders with cutting-edge risk research
Sharing risk management expertise	<ul style="list-style-type: none"> Through Public Sector Solutions, Swiss Re works strategically with public sector bodies to improve risk resilience
Promoting effective approaches to sustainability challenges	<ul style="list-style-type: none"> Swiss Re collaborates with (inter-)governmental agencies and for example was selected to be part of the European Commission Technical Expert Group, specifically to assist with the development of low-carbon benchmarks
Working in the areas of health and longevity	<ul style="list-style-type: none"> Swiss Re shared key findings about the Asia Health Protection Gap across multiple markets, positioning our insights on the topic with the most relevant audiences
Driving digital insurance solutions	<ul style="list-style-type: none"> Swiss Re partnered with BMW to develop an Advanced Driver Assistance Systems (ADAS) risk score algorithm (available from 2019); the use of vehicles equipped with ADAS has the potential to reduce motor accident frequencies significantly



▶ Swiss Re works on advancing public awareness of the societal value of insurance and the role insurance plays in achieving sustainable economic development

The digital transformation has the potential to radically reshape the insurance industry

Various regulators around the world evaluate the need for regulations on the topic of big data/digital ethics

The use of big data raises questions concerning solidarity in society and the insurance principles of risk pooling

Swiss Re engages actively in the discussion with some regulators by way of:

- Feedback to consultations
- Responding to regulatory questionnaires
- Participating in industry groups and regulator-initiated discussion groups

Swiss Re seeks to understand and proactively address the ethical challenges surrounding digital transformation

- [5th Swiss Re Symposium on Data Protection: Ethics and e-health in insurance](#)
- [Research study on “Ethical and Legal Big Data Challenges in the Insurance Industry”](#) with the Centre for Ethics at the University of Zurich, funded by the Swiss National Science Foundation
- [Publication “Big Data and Insurance: Implications for Innovation, Competition and Privacy”](#), published by the Geneva Association

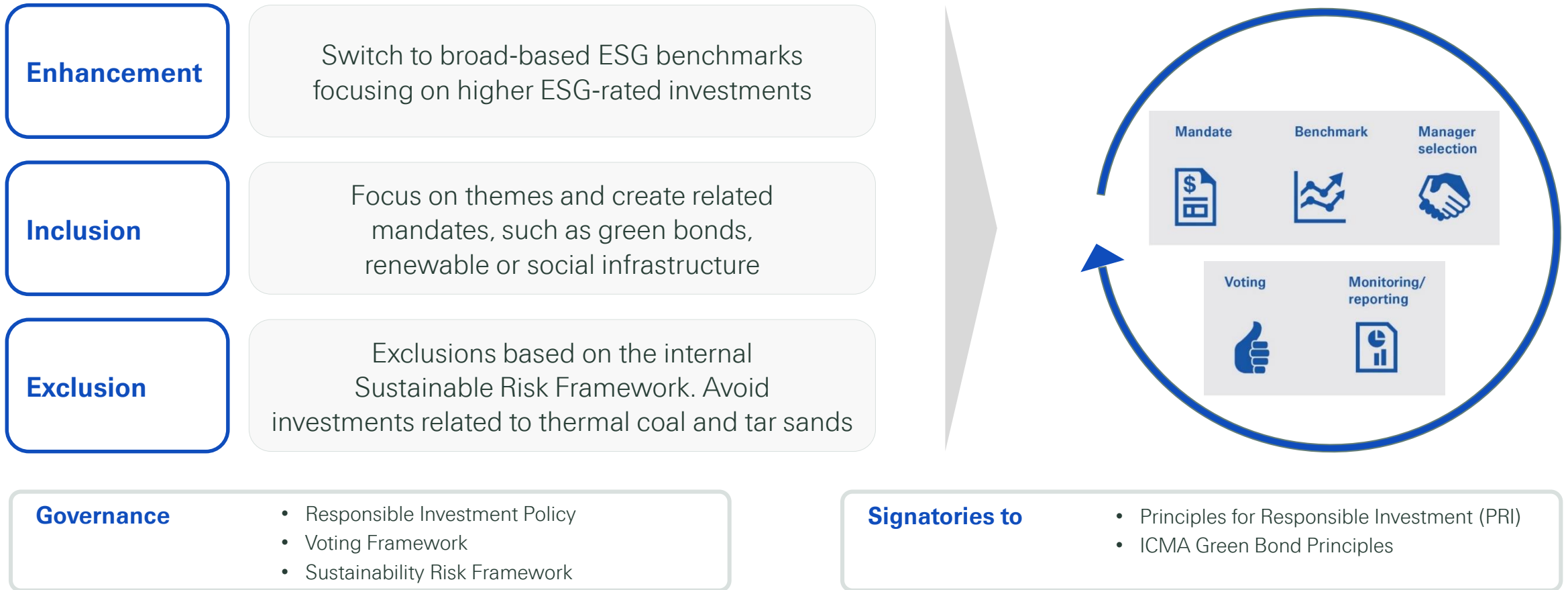
▶ As Swiss Re develops its “digital DNA”, we are also advancing industry awareness of ethical challenges surrounding digital transformation

Investing responsibly

ESG considerations are an integral part of our investment approach



Swiss Re's approach to responsible investing: we consistently integrate ESG criteria across all asset classes



- ▶ Systematic integration of ESG criteria into investment process and portfolio
- ▶ Close to 100% assets invested considering ESG criteria

ESG enhancing across all asset classes

Government bonds	<ul style="list-style-type: none">▪ Investments hold an ESG rating of BB or better▪ Green bond mandate considering ICMA Green Bond Principles
Credit	<ul style="list-style-type: none">▪ Active mandates benchmarked against ESG BB and Better indices with limited leeway to deviate from the benchmarks▪ Reinvestment universe of buy-and-hold mandates restricted to ESG rating BB or better▪ ESG inclusion in infrastructure loans
Listed Equities	<ul style="list-style-type: none">▪ Active mandates benchmarked against MSCI ACWI ESG Leaders Index restricted to BB and above, and limited leeway to deviate from it
Private Equity	<ul style="list-style-type: none">▪ New investments are only made into Private Equity funds, which adhere to ESG guidelines▪ Swiss Re reviews ESG performance and compliance for each potential investment
Real Estate	<ul style="list-style-type: none">▪ ESG regarded as an important metric for the portfolio. Attractive initiatives that offer a high ESG impact are considered for both new acquisitions and the existing portfolio▪ Benchmarked against different sustainability standards depending on the location of the property (Minergie standard, GreenGuide best practice, GreenPrint Environmental Management Platform, LEED certifications, GRESB scoring)

Inclusion

- Thematic and impact investing
- Green bond investments: USD 1.6bn
- Infrastructure portfolio
 - 21% in social infrastructure projects
 - 23% in renewable energy projects

Exclusion

- Coal- and tar sand-related companies: more than USD 1.3bn divested since 2016
- As per Sustainable Risk Framework

Swiss Re encourages close collaboration among industry participants to enable broad-based ESG adoption

Major impediments to responsible investing



Lack of widely-accepted market standards on ESG integration



Lack of common ESG measures



Short-termism



Lack of viable ESG investment alternatives



Required action

Broad-based agreement on methodologies and standards



Standardise key metrics to be reported on a regular basis



ESG as an integral component of financial analysis



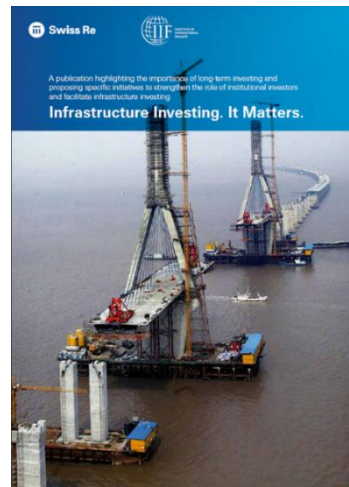
Increase in ESG investment products



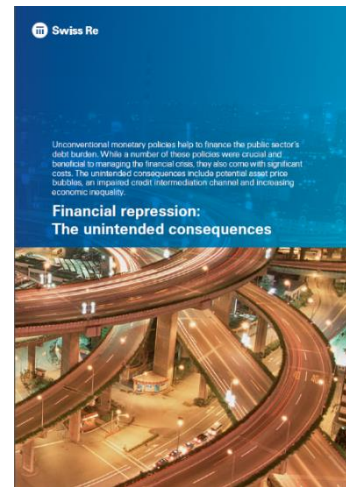
We have a history of thought leadership when it comes to long-term investing



Jan 2013



Feb 2014



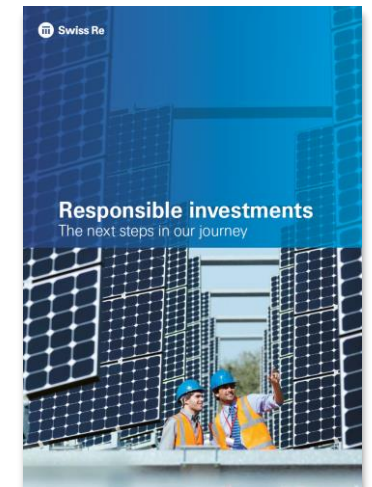
Mar 2015



Dec 2016



Jul 2017



Jun 2018

Why?

- The re/insurance industry is a **natural capital provider** to the **real economy**
- Unlocking the **USD 75trn** long-term institutional investor asset base globally can help **fill emerging financing needs** and **diversify the economy's funding sources**

Engaging our people

At Swiss Re diverse talents come together globally to apply fresh perspectives and knowledge to make the world more resilient

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

Focus areas



Listening to our employees

- We foster a culture of open dialogue and frequent feedback on all levels



Developing our employees

- The effective development of our people and leaders is key for our enduring success



Engaging the next generation

- We support employees at all levels to maximise their potential



Fostering a diverse and inclusive workplace

- We attract and engage talented employees from different backgrounds



Caring for the wellbeing of our employees

- We set high standards in caring for the physical and mental wellbeing of our employees and aim to provide a healthy workplace



Rewarding our people

- We are committed to having a compensation framework that is balanced and performance-oriented, and which aligns the interests of both shareholders and employees

- ▶ Our vision is to offer our employees meaningful work with a clear purpose in an attractive and inclusive work environment
- ▶ We aim to collaborate in the spirit of “Let’s be smarter together”, because we can maximise our full potential only if we work together

External acknowledgements

Recent awards and rating inclusion

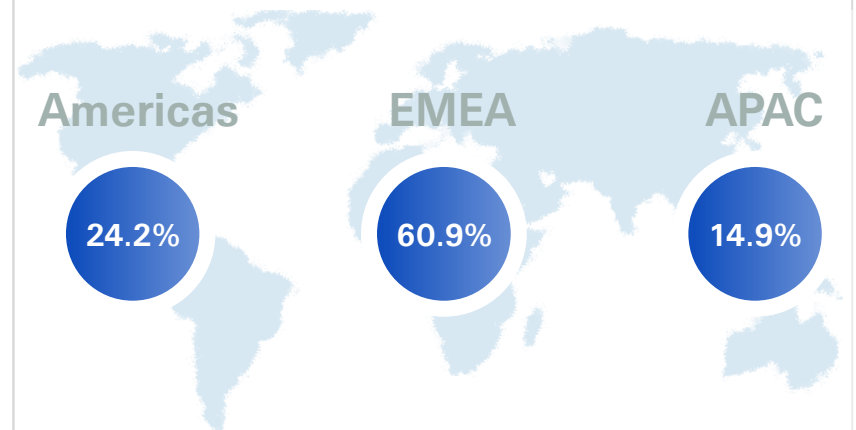
- **STEVIE Gold Award** – in the area “Curated Training Platform of the Year – Managerial/Professional” with the programme “Development Compass for Managers: Revolutionizing corporate learning at Swiss Re”
- **STEVIE Bronze Award** – in the area Human Capital Management Excellence Awards in the category “Best Unique or Innovative Learning Development Program” with “Development Compass for Swiss Re’s Line Managers: Applied Future of Learning and Corporate In-house MOOCs Revolutionising Management Training at Swiss Re”.
- **Job Crowd Award** – the graduates@swissre programme has won for the third year in a row the award – 6th rank in the category “Top 100 Company for Graduates “To Work for” and 1st place in the category “Banking & Finance”
- Glassdoor – constantly high scores on Glassdoor (3.5 out of 5 in March 2019)
- Bloomberg Gender-Equality Index 2019 – Swiss Re included as an index member, which underscores our strong commitment to gender-related topics and an inclusive work environment.



Swiss Re fosters a diverse and inclusive workplace

- Swiss Re's People Strategy key aspiration is to **attract and engage talented employees from different backgrounds** by providing a flexible, inclusive and open culture where dialogue and different perspectives are valued - our inclusive culture enables Swiss Re to truly live its "smarter together" brand promise
- Since 2013, [Own the Way You Work](#) programme gives managers and employees **autonomy to decide how, when and where work is carried out**
- We aim to **prevent stereotyping** of individuals based on any dimension of diversity; supported by *Understanding Unconscious Bias* training
- [Employee Engagement Survey 2018](#) shows that 78% of surveyed employees strongly appreciate Swiss Re valuing **diversity** and having a **collaborative, inclusive and friendly culture with high integrity** (+5% points above the Global Finance & Insurance industry benchmark)

Workplace split by region



Swiss Re employs people with diverse backgrounds from 116 nations, in over 80 offices in 30 countries

Swiss Re's D&I vision:

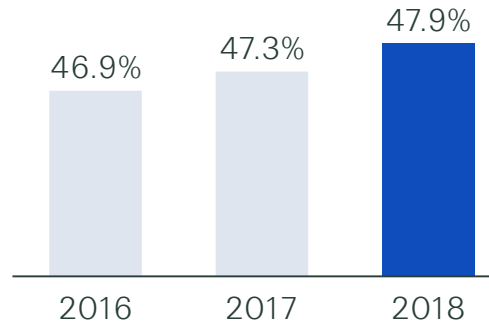
See, feel and live diversity & inclusion (D&I) – diversity of age, race, ethnicity, nationality, gender, gender identity, sexual orientation, religious beliefs, physical abilities, personalities and experiences – across all levels, functions and geographies of Swiss Re

Increasing gender diversity at Swiss Re

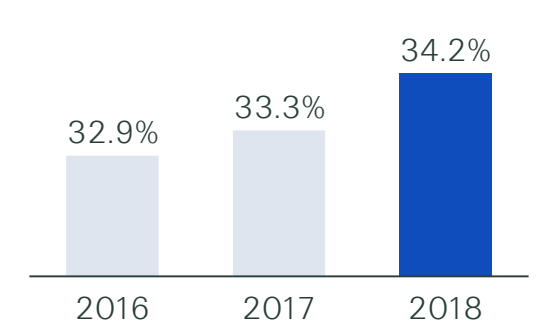
2018 actions fostering a gender-balanced talent pipeline

- Conducted **dialogue sessions on Gender Intelligence** globally on the occasion of International Women's day
- Established and regularly measure gender diversity metrics
 - **Gender Promotion Ratio**¹ was established as a goal for the GEC in order to hold senior leaders accountable for making progress
 - **Female joiners rate** has been introduced
- Started a **global female sponsorship initiative** designed to enable high-potential female talent to reach their career aspirations
 - Over 60 women are currently paired up with an executive sponsor, including all GEC members
- Launched **new senior talent development program "Explorer"** with equal participation of men and women
- Addressed gender pay gap and created transparency on **Equal Pay**
 - Statistical analysis conducted in 2018 by a leading consultancy does not indicate a statistically significant risk of gender bias at Swiss Re

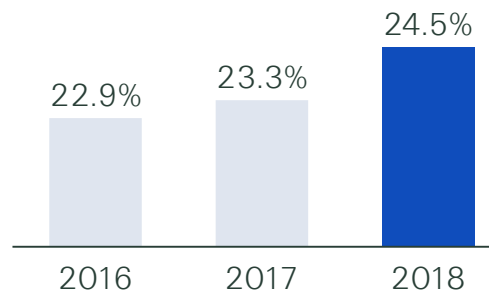
Ratio of woman in total workforce (%)



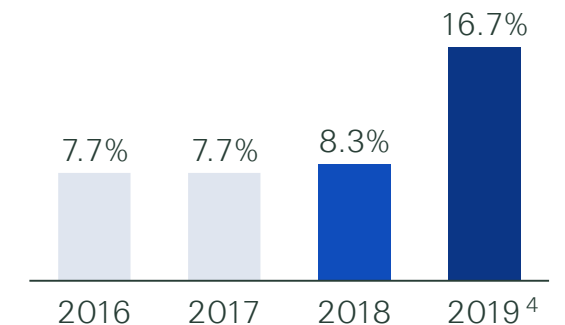
Ratio of woman in all management positions² (%)



Ratio of woman in executive/senior management positions³ (%)



Ratio of woman in Group Executive Committee (%)



Notes:

1) The goal measures whether the ratio of female promotions into middle management and above is equal to or higher than the ratio of females in the "donor pool" below

2) "All management positions" refers to Vice President and above

3) "Executive/senior management positions" comprises the management levels of Director/Senior Vice President upwards

4) Anette Bronder was appointed Group Chief Operating Officer and member of the Group Executive Committee, effective 1 July 2019

LGBTI+ inclusion at Swiss Re

2018 developments

- Swiss Re joined the [UN Standards of Conduct for Business against LGBTI discrimination](#) in November 2018
- The GEC supported objective to advance Swiss Re towards the so-called 'Embassy Status', creating a safe and inclusive working environment for all our LGBTI+ employees
- Where legally possible Swiss Re equalised leave benefits (e.g. parental and bereavement leave) for non-married domestic partnerships and same-sex partnerships with married heterosexual couples
- 'Gender identity and expression' are now explicitly mentioned in [Group Code of Conduct](#)
- Gender-inclusive language guidance was developed and aligned to Swiss Re's global standards, policies and employee handbooks
- Training sessions were delivered to HR and LGBTI+ allies on the specific challenges LGBTI+ staff face in the workplace and how they can diminish bias
- Several launches of additional local Together with Pride chapters during Pride Month
- In Zurich, Swiss Re Next building was lit up in rainbow colours for a week during Pride Month



EMBASSY

Implement and enforce protective policies and LGBT-supportive measures on corporate campuses

DIVERSITY & INCLUSION AND FAIR AND EQUAL TREATMENT

We promote a diverse and inclusive environment where everyone is treated with respect.



Parental leave in Switzerland

Longer parental leave in Switzerland

- Until 2018 Swiss Re employees in Switzerland who were fathers or secondary carers in the case of adoption have been entitled to two weeks of paid parental leave
- From 2019 they have the option to take an additional two, four or six weeks off on top of the current two weeks paid leave
 - For every two weeks of additional leave Swiss Re employees choose to take, Swiss Re will pay for one week and the other week will be unpaid leave
- This change to the parental leave policy is fully aligned with Swiss Re's goals for Diversity and Inclusion



▶ Swiss Re offers one of the longest parental leave for fathers or secondary carers in Switzerland

Note: Maternity leave for Swiss Re employees in Switzerland amounts to 4 months (which is 2 weeks excess vs required period as stated by Swiss law)

Empowering communities is at the core of the Swiss Re Foundation

Core goals

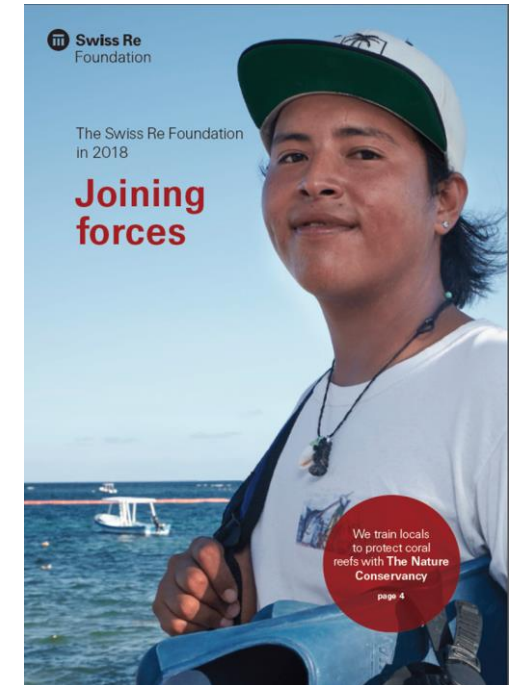
- Build resilient societies concentrating on the three focus areas of natural hazards & climate risk management, access to health & income opportunities and innovation for societal resilience
- Contribute to promoting social welfare, protecting the environment and enhancing quality of life near Swiss Re locations
- Engage Swiss Re employees as local volunteers and expert consultants in the Foundation's programmes
- Boost impact by teaming up with private and public partners that share our goals and complement our expertise including social entrepreneurs

Key figures 2018

- Total commitments: CHF 6.6 million
- Commitments by region: 29% Africa; 25% Americas; 18% APAC; 15% Europe*; 13% Worldwide
- Number of ongoing projects**: 59
- Number of Swiss Re volunteers: 1 778
- Swiss Re employee volunteering hours: 18 096

* Commitments in Europe include our support of Swiss Re 150th anniversary projects

** Ongoing projects over CHF 30 000 as of end 2018



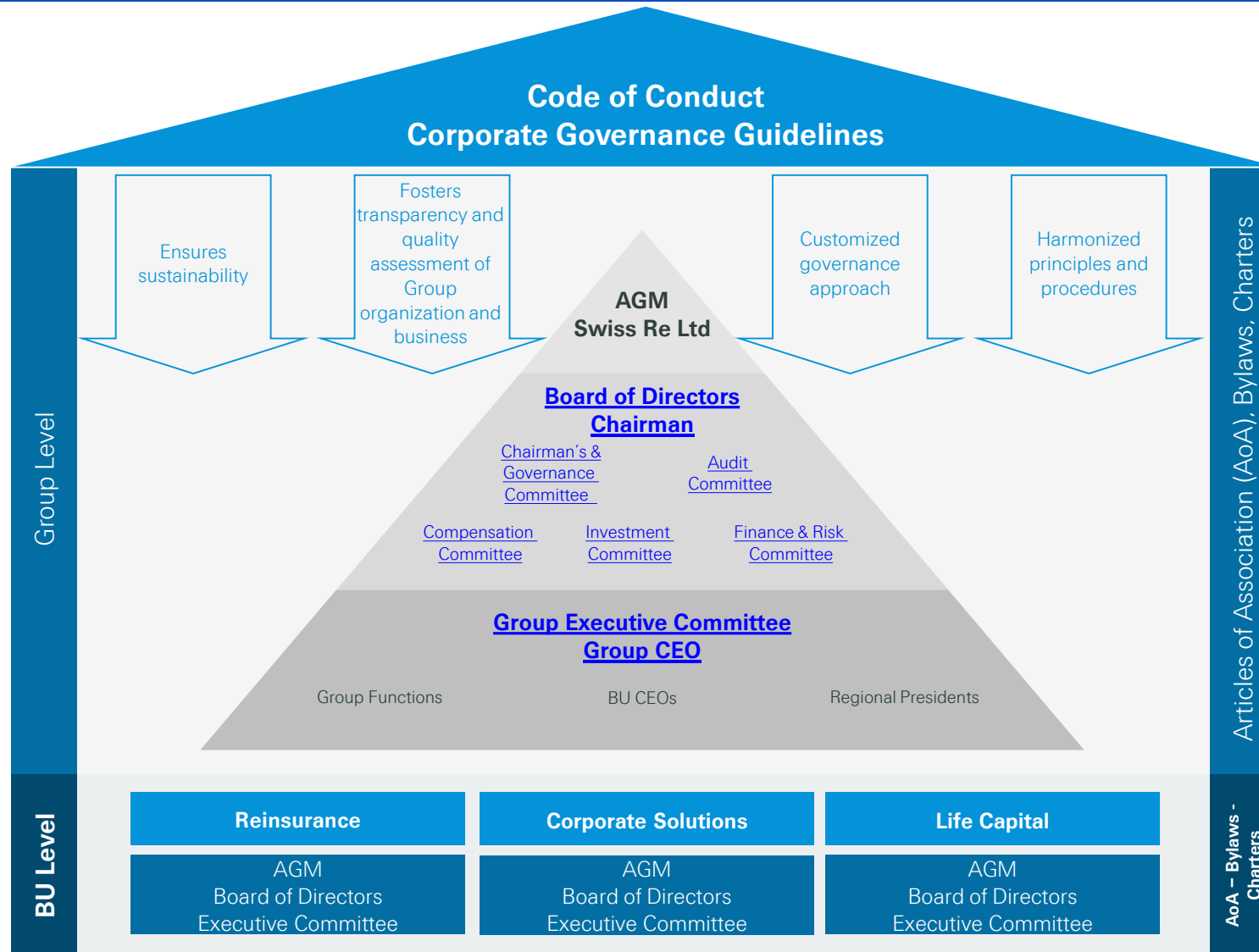
www.swissrefoundation.org



Ensuring good corporate governance and compliance

Our governance standards and procedures apply throughout the Swiss Re Group

Swiss Re's corporate governance framework



Swiss Re's Code of Conduct

- Swiss Re believes that it can only accomplish sustainable success if our stakeholders recognise us as a trustworthy partner that pursues legitimate goals using legitimate means
- 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
- Swiss Re's Code of Conduct is built on the five Swiss Re Corporate Values:
 - Integrity, Team Spirit, Passion to Perform, Agility and Client Centricity
- The Corporate Values are put in action by the Leadership and Personal Imperatives
- All new permanent and temporary employees joining Swiss Re must undergo mandatory eLearning training on the code, focusing on ethical behaviour in accordance with the principles of the Code and its relationship to Swiss Re's values. All permanent and temporary employees complete a periodic Code of Conduct Acknowledgement

Measuring a company's corporate governance based on environmental, social and governance (ESG) criteria is gaining in importance

Transparent and comprehensive disclosure of the Group's governance structure and governance processes is indispensable to support the assessment of the quality of the Group's organisation and business conduct

The Board of Directors regularly **assesses** Swiss Re's governance against regulatory developments, relevant best practice standards and new stakeholder demands

The Board of Directors closely **monitors Swiss and global corporate governance developments** and considers relevant studies and surveys

Board members' qualifications, skills and diversity

- The Board of Directors needs to assemble the necessary qualifications, skills and diversity to perform all required responsibilities.
- The Board of Directors must assemble amongst its members the balance of managerial expertise and knowledge from different fields required for the fulfilment of the oversight responsibility as well as for sound independent decision-making in line with the needs of the business
- The principles of gender and age diversity, inclusion, nationality, regional representation, transparency and the avoidance of conflicts of interest also play an important role in the nomination process

Required Board of Directors skills and competences



▶ Under Swiss Company Law the determination of the composition of the Board of Directors is a shared responsibility of both the Board and the AGM

Succession planning is of high relevance to the Board of Directors



Board succession planning is a **regular key item on the agenda** of the Board of Directors. The Board of Directors regularly analyses its composition to confirm that its members' qualifications, skills and experience correspond to the Board's needs and requirements



The Chairman's and Governance Committee **evaluates candidates and makes recommendations** to the Board of Directors



The Board of Directors **nominates candidates** for election by the AGM, ensuring that the Board retains an **adequate size and well-balanced composition**



No Board member may have any **management or executive function** within the Swiss Re Group

▶ We seek to have the right balance between stability and consistency on the one hand and renewal on the other

The members of the Board of Directors must annually confirm that they meet, in addition to other requirements, the following criteria

1. The director must not have been employed by the company in any capacity within the last five years
2. The director must not accept or have a family member who accepts any payments from the company or any parent or subsidiary of the company in excess of USD 60k during the current fiscal year or any of the past three fiscal years
3. The director must not be a family member of an individual who is, or during the past three years was employed by the company or by any parent or subsidiary of the company in any capacity
4. The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management
5. The director must not be affiliated with significant customer or supplier of the company
6. The director must have no personal services contract(s) with the company or a member of the company's senior management
7. The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company
8. The director must not have been a partner or employee of the company's outside auditor during the past three years
9. The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent

Swiss Re's corporate governance adheres to key corporate governance standards



Swiss Re's Corporate Governance...

...adheres to the **SIX Swiss Exchange's Directive on Information Relating to Corporate Governance**

...is in line with the principles of the **Swiss Code of Best Practice for Corporate Governance** (Swiss Code)

...conforms to the Swiss regulator's **(FINMA) provisions on corporate governance, risk management and internal control systems**

...complies with the applicable local rules and regulations in **all jurisdictions where we conduct business**

Data Protection and Privacy Compliance at Swiss Re

Swiss Re's comprehensive, global data protection compliance framework...

...includes policies, standards, information security measures, appointed Data Protection Officers, training and awareness programmes and business-relevant procedures

...fulfills our responsibilities to protect personal data

...addresses privacy rights in compliance with data protection and privacy laws and regulations around the world

...is applicable to all of Swiss Re's entities worldwide

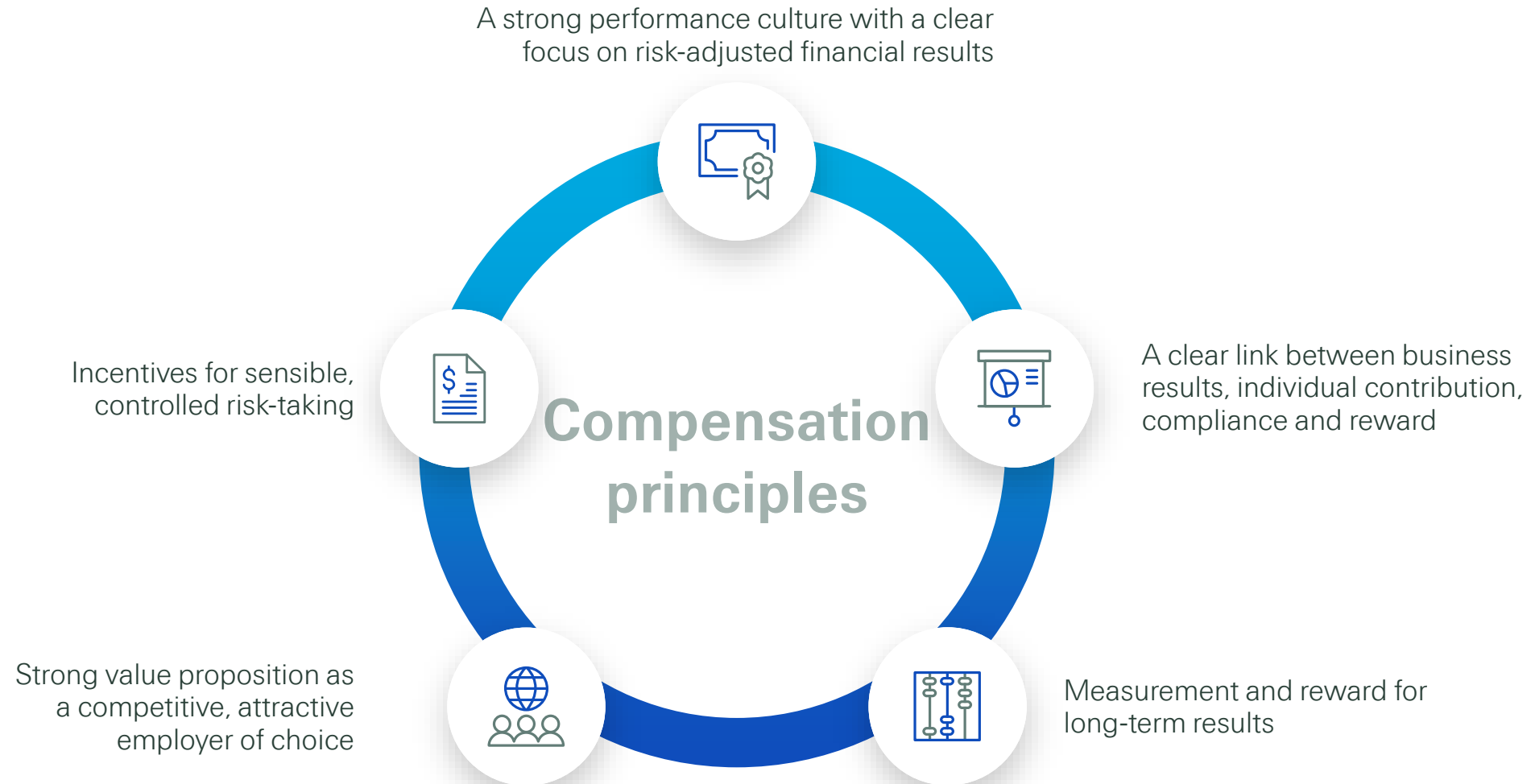
- ▶ In 2018, Swiss Re received no complaints concerning breaches of customer privacy



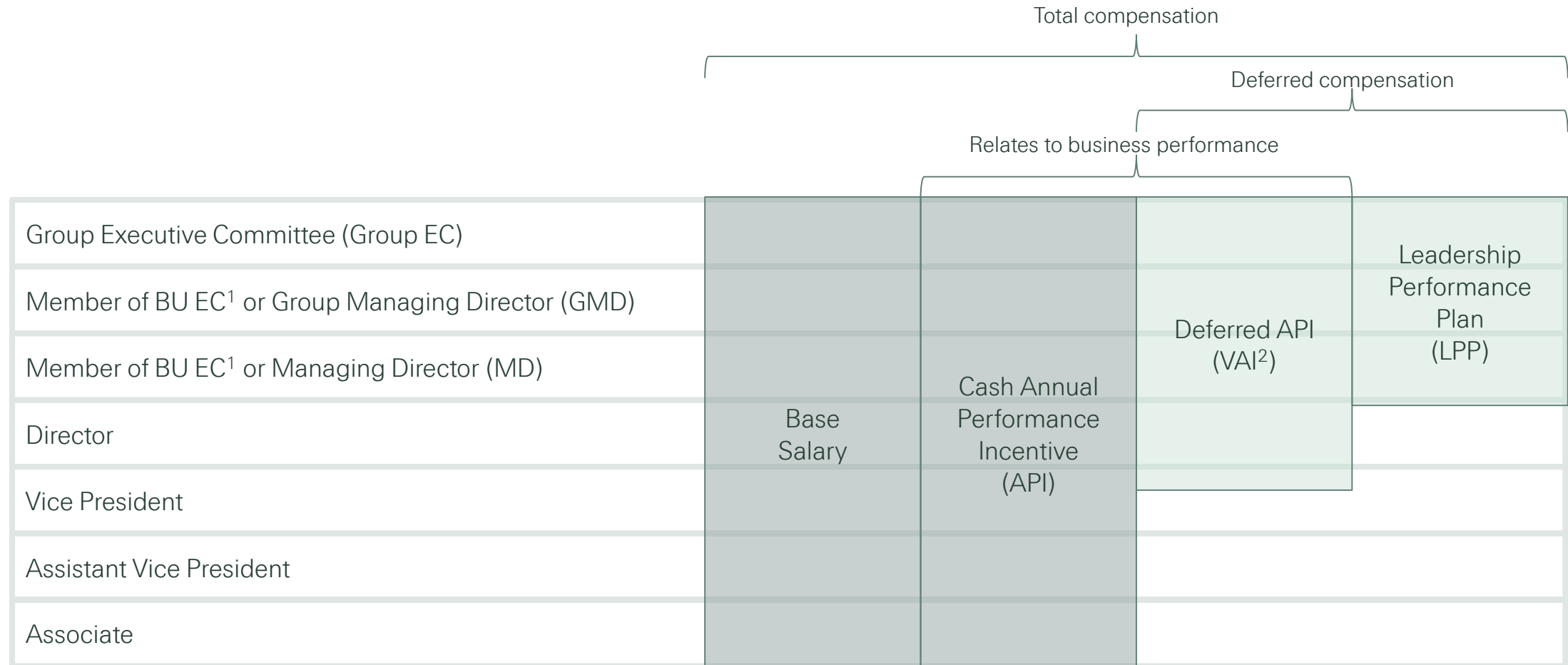
Compensation framework

Balanced and sustainable performance-oriented, aligning the interests of employees and shareholders

Swiss Re's compensation framework is based on clear principles and is governed by the Board of Directors (BoD)



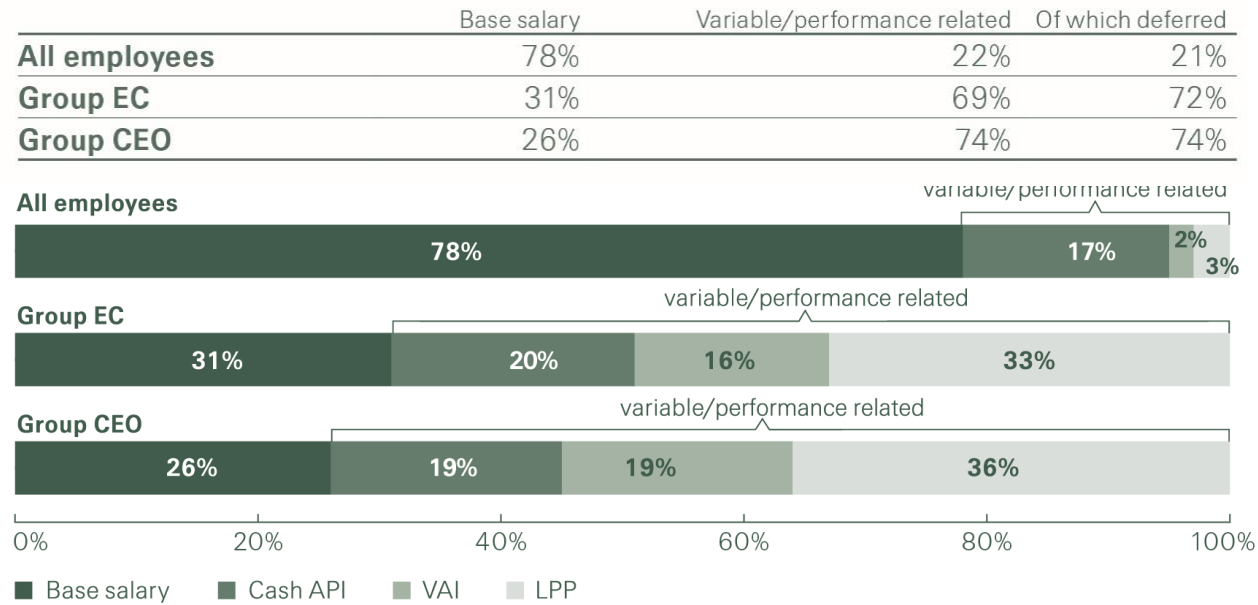
The compensation framework is designed to promote long-term sustainable performance



The level of compensation at risk and the amount of deferral increases with seniority

¹ Business Unit Executive Committee
² Value Alignment Incentive

Risk alignment of Group EC compensation



Source: [Swiss Re 2018 Financial Report, page 146](#)

- For senior executives and in particular the Group EC, a substantial portion of compensation is "at risk", i.e. in the form of variable and performance-related incentives
- Members of the Group EC are expected to own Swiss Re shares in the amount of 2 times their annual base salary (3 times annual base salary for the Group CEO) in order to increase the alignment of the interests of senior management and shareholders
- Compensation in general and also for the Group EC is periodically reviewed against relevant market data

Attribution of Group income to key stakeholders

ATTRIBUTION OF GROUP INCOME TO KEY STAKEHOLDERS

USD millions (unless otherwise stated)	2016	%	2017	%	2018	%
Income before tax and variable compensation	4 773	100%	814	100%	863	100%
Variable compensation	466	10%	351	43%	373	43%
Income tax expense	749	16%	132	16%	69	8%
US GAAP net income attributable to shareholders	3 558		331		421	
of which paid out as dividend ¹	1 559	33%	1 592	196%	1 692	196%
of which share buy-back	1 006	21%	1 032	127%	1 022 ²	118%
of which added to retained earnings within shareholders' equity	993	20%	-2 293		-2 293	

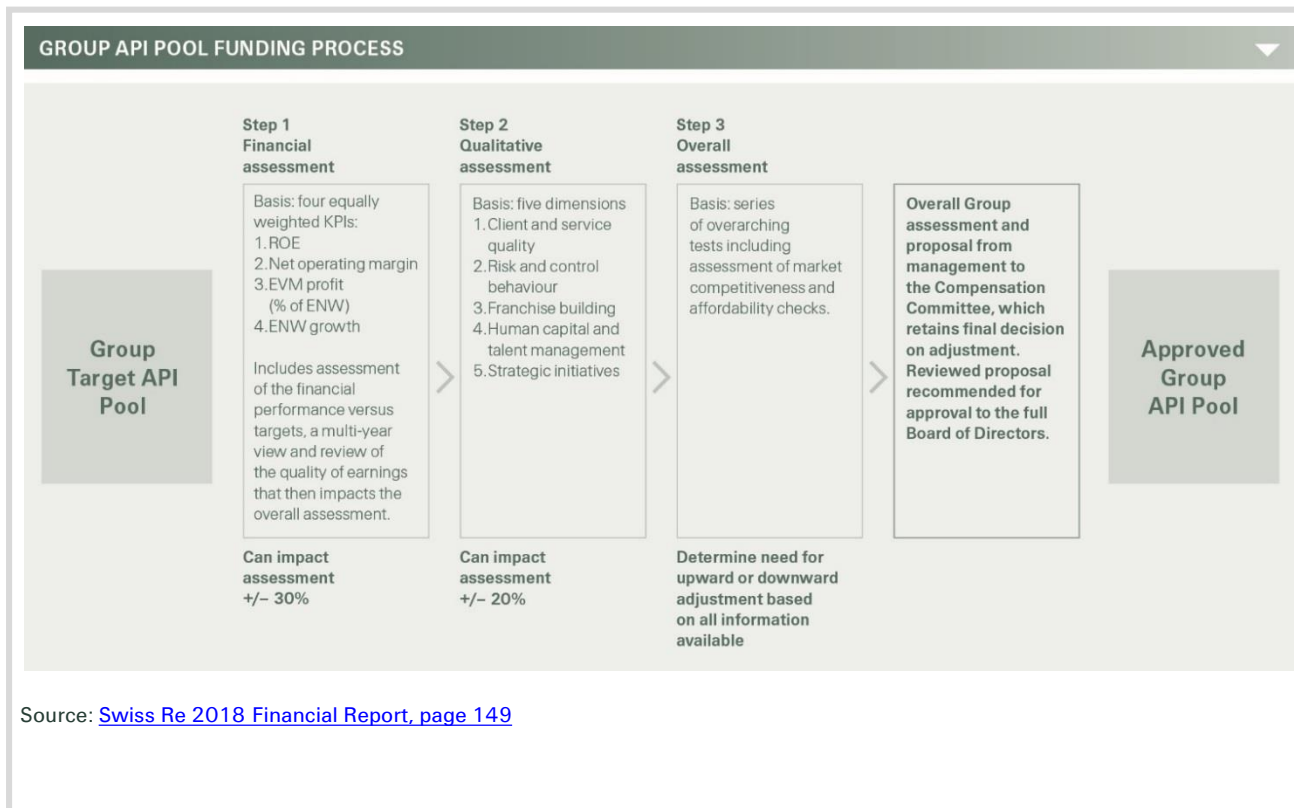
¹ FY 2018 is estimated based on average year-to-date CHF/USD FX rates as of February 2019. The dividend is subject to AGM approval and the amount depends on the final number of dividend eligible shares and FX rates upon dividend payout.

² Includes shares bought back between 7 May 2018 and 15 February 2019 as part of the buy-back programme authorised at the AGM 2018. The total amount represents an estimate translated at the 2018 average CHF/USD FX rate.

Source: [Swiss Re 2018 Financial Report, page 146](#)

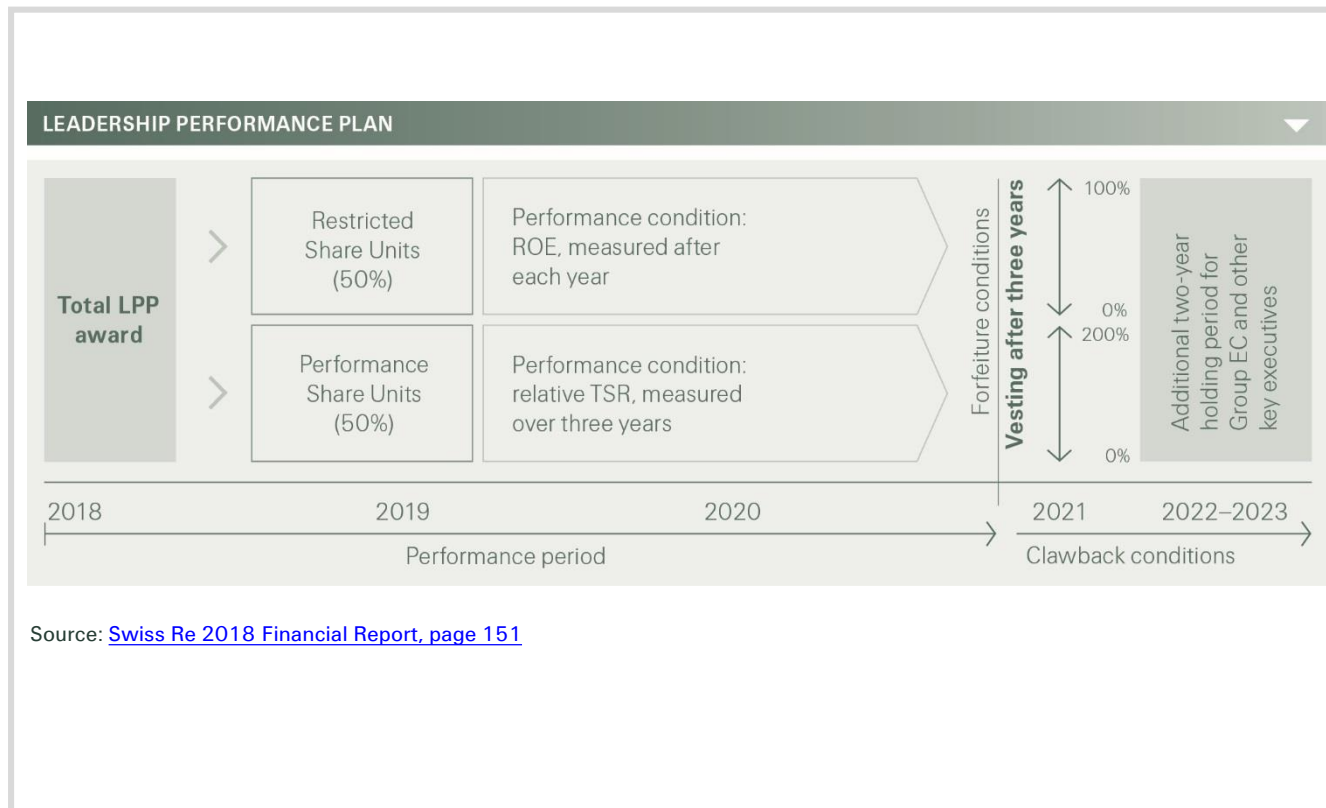
- The table shows the dispersal of Group income to key stakeholders (employees, government and shareholders)
- Typically in years where there has been a relatively benign natural catastrophe environment, variable compensation payouts have been positive but not excessive
- The Group's 2018 US GAAP performance was below target, but higher than the prior year. Combined with strong qualitative performance, this resulted in variable compensation levels below target but above 2017 levels given the need to carefully manage key talent retention risk

Financial results and qualitative criteria are the basis to determine the variable compensation pool



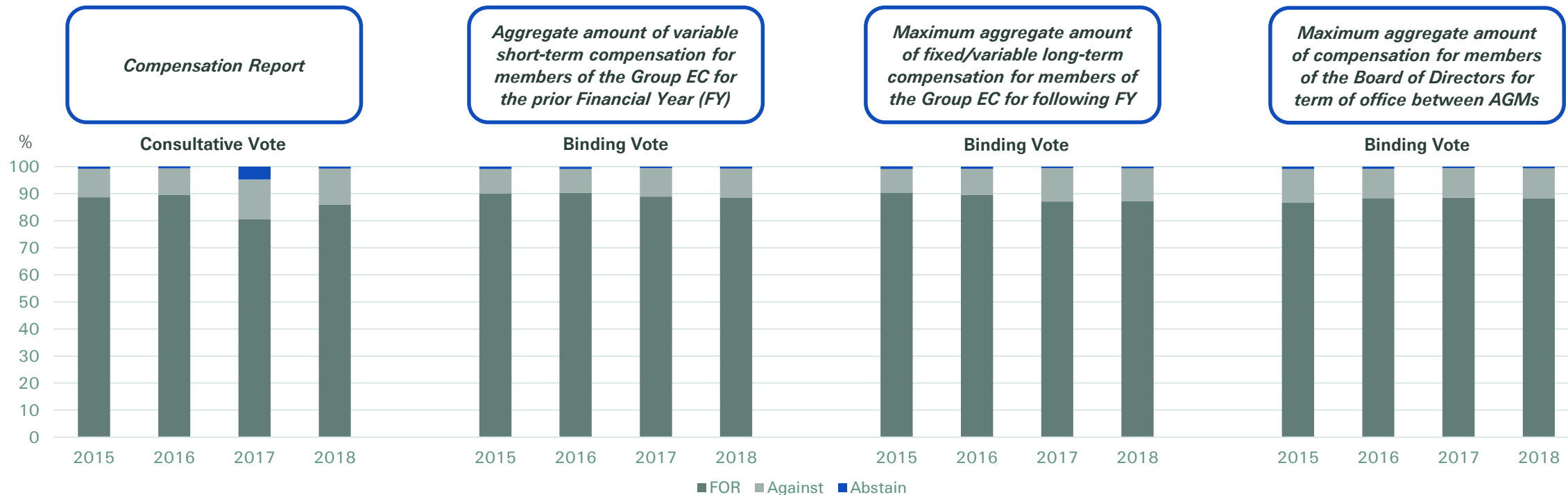
- Three-step process based on business performance; creating a clear and transparent link between business performance and compensation
- The Compensation Committee and BoD review the preliminary Group API pool considering a number of different perspectives including pay for performance linkage, reasonableness in the market context and the proportionality of value sharing among employees and shareholders
- The approved Group API pool is further allocated to the Senior Leadership pool and to pools of different Business Units/Group Functions based on the assessment of financial and qualitative performance factors

Leadership Performance Plan (LPP) focuses on shareholder value creation



- Incentive for senior management to create successful and sustainable company performance over the long-term
- For Group EC, select members of BU ECs and GMDs the plan duration is five years
- Forfeiture conditions apply for the full three-year performance period; clawback provisions apply
- Performance condition for Restricted Share Units (RSUs) is ROE with a linear vesting line; for Performance Share Units (PSUs) it is relative Total Shareholder Return (TSR) measured over three years

Since the “Minder” Ordinance was implemented, SR has consistently received strong support from shareholders on its compensation approach



Shareholders continue to strongly support Swiss Re's approach to compensation

- Outcomes for Swiss Re in **all compensation votes** since AGM 2015 **are positive**
- **Shareholders** and key **Proxy Advisor Agencies** continue to **endorse** the **overall compensation framework** and pay decisions

The 2018 Compensation Report was further enhanced to provide greater transparency and clarity in specific areas

- Enhanced performance disclosure
 - Included expanded performance commentary for overall Group
 - Included new performance commentary on Group CEO's contribution
 - Added narrative to further illustrate the link between business performance and final Group API pool outcome
- Enhanced VAI and LPP disclosure
 - Disclosed Group performance factor for the VAI 2015 (awarded 2016)
 - Disclosed the performance factors for the LPP 2016 – both RSUs and PSUs
 - Disclosed split of LPP RSUs and PSUs at grant
- Enhanced reconciliation of Annual General Meeting (AGM) resolutions
 - Added illustrations and additional narrative to better explain the reconciliation of AGM resolutions for Group EC and BoD compensation

Corporate calendar & contacts

Corporate calendar

2019

31 July

H1 2019 Results

Conference call

31 October

9M 2019 Key Financial Data

Conference call

25 November

Investors' Day 2019

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Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as “anticipate”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend”, “may increase”, “may fluctuate” and similar expressions, or by future or conditional verbs such as “will”, “should”, “would” and “could”. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group’s actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature of the insurance and reinsurance sectors;
- instability affecting the global financial system;
- deterioration in global economic conditions;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on the Group’s investment assets;
- changes in the Group’s investment result as a result of changes in the Group’s investment policy or the changed composition of the Group’s investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- the Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group’s financial strength or otherwise;
- any inability to realize amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- changes in legislation and regulation, and the interpretations thereof by regulators and courts, affecting us or the Group’s ceding companies, including as a result of shifts away from multilateral approaches to regulation of global operations;
- the outcome of tax audits, the ability to realize tax loss carryforwards, the ability to realize deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on business models;
- failure of the Group’s hedging arrangements to be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting the Group’s ability to achieve improved ratings;
- uncertainties in estimating reserves;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- extraordinary events affecting the Group’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs, lower-than expected benefits, or other issues experienced in connection with any such transactions;
- changing levels of competition, including from new entrants into the market; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cybersecurity risks.

These factors are not exhaustive. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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