Sustainability Report

2023

2023 sustainability highlights

This page summarises and highlights key facts and figures contained in the Sustainability Report 2023. These should be read in conjunction with the explanations and context provided throughout the report.

Sustainability in underwriting

USD 5.7bn

Natural catastrophe premiums across Swiss Re Group

212m

Life & Health policies (in force) reinsured

~14 750

Solar and wind farms for which re/insurance cover was written

~108 000

Number of potential transactions screened for ESG[1] risk exposure

38%

Share of gross written premiums from listed companies with headquarters in OECD countries in Swiss Re's single-risk property, general liability and commercial motor portfolios (excl. fossil fuels) from corporates with science-based targets (SBTs)[2] validated by a third party

Responsible investing

–45%

Reduction of the carbon intensity[3] of the corporate bond and listed equity portfolio relative to base year 2018

USD 4.4bn

Green, social and sustainability bonds

75%

Share of top 20 emitters in the corporate bond mandates engaged on "Alignment of Business Model with 1.5°C Target"

Operations and people

USD 123/tonne CO_2e

Internal Carbon Steering Levy

–64%

Absolute reduction in GHG emissions from business air travel compared with 2018

34%

Share of carbon removals achieved in the mix to compensate remaining GHG emissions in scope of own operations

98%

Proportion of Segment I and Segment II suppliers that have completed their ESG assessment

81%

Employee engagement score

Key sustainability ratings

AAA

As of 2023, Swiss Re AG received an MSCI ESG Rating of AAA[4]

B

CDP Climate Change Score 2023

[1] ESG stands for environmental, social and governance.
[2] Listed companies (underlying risks in the case of reinsurance) with headquarters in OECD countries. Science-based targets (SBTs) define a clear emissions reduction pathway, in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.
[3] Greenhouse gas (GHG) emissions relative to revenues, expressed in tonnes CO_2e/USD m revenue, covering Scope 1 and 2 emissions.
[4] For more information on MSCI ESG ratings, including their methodology and disclaimer statement see Appendix, Disclaimers, page 126.

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About this report

The Sustainability Report provides transparency on non-financial matters as required by Article 964a et seqq. of the Swiss Code of Obligations (commonly referred to as the indirect counterproposal to the Responsible Business Initiative), as assured by KPMG AG in the limited assurance report on pages 129–131. In addition, the report includes Swiss Re's Climate-related financial disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Sustainability Report is published together with Swiss Re's Financial Report and Business Report.

See Appendix, About this report, page 120, for further information about the Sustainability Report, including the scope and the reporting frameworks considered.

Swiss Re's Annual Report 2023
The Sustainability Report, the Financial Report and the Business Report are available online.

reports.swissre.com/2023

Living up to our sustainability mission

Jacques de Vaucleroy
Vice Chairman of the Board of Directors

Christian Mumenthaler
Group Chief Executive Officer

Dear stakeholders,

With 2023 characterised by record-high temperatures, climate change once again made headlines last year. At Swiss Re, we have continued to tackle climate change by focussing on implementing the two ambitions of our Group Sustainability Strategy 2023–2025: advancing the net-zero transition and building societal resilience. While the first ambition centres on climate change mitigation and decarbonisation, the second ambition focusses on disaster resilience, including climate adaptation and financial inclusion.

Advancing the transition to net zero

In line with our ambition to reach net-zero greenhouse gas (GHG) emissions by 2050 across our entire business, we have continued our efforts to decarbonise our underwriting portfolios. In 2023, we published insurance-associated GHG emissions for our direct and facultative commercial re/insurance portfolios and announced underwriting-related decarbonisation targets supporting the net-zero transition.

By providing risk transfer solutions that help our clients mitigate risks associated with renewable energy infrastructure projects, we have continued to play a role in facilitating the transition to a low-carbon economy. For example, in 2023 our re/insurance solutions supported the expansion of solar and wind farms in the Philippines, as well as the construction of transmission lines connecting offshore wind energy to northwestern Europe. Building on our capabilities in renewable energy, our Property & Casualty Reinsurance unit launched the Centre of Competence for Renewable Energy to help clients understand and manage the complexities associated with renewable energy technologies. This complements our existing Renewable Energy Centre established by Swiss Re Corporate Solutions in 2016.

We also continued to decarbonise our investment portfolio. As of the end of 2023, we had reduced the carbon intensity of our corporate bond and listed equity portfolio by 45% relative to the base year 2018.

Additionally, the financial performance achieved by our investment portfolio in 2023 supports our view that taking environmental, social and governance considerations into account can make economic sense.

Although GHG emissions from our own operations are relatively low compared to those from our business activities, we believe we can have real impact by inspiring others and sharing best practices. As part of our net-zero ambition, we continued to limit our own environmental footprint. In 2023, the first full year without COVID-19 travel restrictions, our GHG emissions from business air travel were more than 60% lower than in 2018. In line with our plan to linearly increase our internal Carbon Steering Levy from USD 100 per tonne of CO_2e in 2021 to USD 200 in 2030, we set it at USD 123 in 2023 and continued to use the proceeds from the levy to compensate our remaining operational emissions in scope either through high-quality carbon avoidance or carbon removal certificates.

Building societal resilience
The devastating earthquake that struck Turkey and Syria affected 13 million people and was the costliest natural catastrophe in 2023, while the 2023 earthquake in Morocco was the strongest earthquake to hit the country since 1900. We paid over USD 500 million in claims to support recovery efforts in Turkey and supported disaster resilience through our reinsurance cover of the Moroccan government's earthquake Solidarity Fund.

Financial inclusion is another important element of our Group Sustainability Strategy. In 2023, the insurance industry covered less than 40% of the global economic losses from natural catastrophes, indicating that a large protection gap across the globe remains. Helping to reduce this gap is an important business opportunity for Swiss Re – in 2023, the Group's natural catastrophe premiums amounted to USD 5.7 billion. As part of our approach, we also work on making insurance more available, accessible and affordable for underserved populations. In particular, life and health reinsurance helps to protect individuals from the financial impacts of a medical setback. We also encourage preventative healthcare. For example, our partnership with a leading mental health platform supported the development of a mental health app for insurers that helps patients monitor their mental health, facilitating early intervention and improving health outcomes.

Sustainability governance and regulatory environment
Last year, we further enhanced sustainability governance by formally integrating sustainability considerations into the Board of Directors' skill requirements. In 2023, we also refined our internal compensation-linked sustainability criteria to support the implementation of our Group Sustainability Strategy.

The Sustainability Report 2023 is the first to be published in accordance with new requirements under Swiss law and will be subject to a vote by shareholders at the 160th Annual General Meeting in April 2024. The Sustainability Report now includes Swiss Re's Climate-related financial disclosures and describes our approach to sustainability governance, both of which were previously part of the Financial Report.

Beyond Switzerland, we are seeing rapidly evolving non-financial disclosure requirements across multiple other jurisdictions, leading to considerable fragmentation. To ensure that new disclosure obligations result in meaningful transparency, allow for comparability and limit associated costs, we believe it is important that regulatory bodies align on a global reporting standard focussing on material sustainability topics informed by a Group consolidated assessment.

At Swiss Re, we remain committed to our sustainability mission to tackle sustainability challenges and create long-term value by embedding sustainability across our business activities, communicating on progress towards our targets and maintaining a dialogue with our clients and other key stakeholders.

Zurich, 13 March 2024

Jacques de Vaucleroy
Vice Chairman of the Board of Directors

Christian Mumenthaler
Group Chief Executive Officer

About Swiss Re

The Swiss Re Group

The Swiss Re Group[1] is a wholesale provider of reinsurance, insurance and other forms of insurance-based risk transfer as well as other insurance-related services. By providing financial compensation and risk insights to clients, the Group pursues its vision of helping to make the world more resilient.

Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group has more than 14 700 employees[2] and operates through a network of 78 offices in 29 countries. Swiss Re Ltd, the Group's holding company, is a joint stock company listed in accordance with the International Reporting Standards on SIX Swiss Exchange.

[1] The terms *Swiss Re Group, Swiss Re, the Group* and *the company* are used as synonyms throughout the Sustainability Report. For further information on the scope of the Sustainability Report see Appendix, About this report, page 120.
[2] The term *employees* refers to all individuals employed full or part time by a company within the Swiss Re Group. Third parties working on behalf of Swiss Re, such as contractors, freelancers, temporary staff and trainees, and non-executive members of the Board of Directors for all legal entities are excluded from this definition.

Business model

Swiss Re conducts business in the areas of reinsurance, insurance and asset management, in accordance with Art. 2 of Swiss Re Ltd's Articles of Association. In re/insurance, Swiss Re assumes risks and in turn receives premiums (see visual below). The company generates earnings by underwriting risks and investing premiums, as well as through fees for providing risk insights and services to clients. Swiss Re's client base mainly consists of insurance companies that provide services to individuals and small and larger businesses, as well as of large corporates and government entities.

Underwriting risks is at the core of Swiss Re´s business model, and entails assessing, pricing and assuming insurance risks. Swiss Re receives a premium payment from clients for transferring risks to its balance sheet and compensating for the client's losses, in line with Swiss Re's contractual obligations, should an insured event occur. Swiss Re assumes life and health risks, as well as property and casualty risks from its global client base, including risks related to natural perils, such as earthquakes or tropical cyclones. There are two basic forms of reinsurance: in facultative reinsurance each risk or policy is negotiated and agreed on individually, while in obligatory or treaty reinsurance, the insurer and reinsurer are bound by an obligation to transfer and assume a contractually agreed share of a whole portfolio of risks.

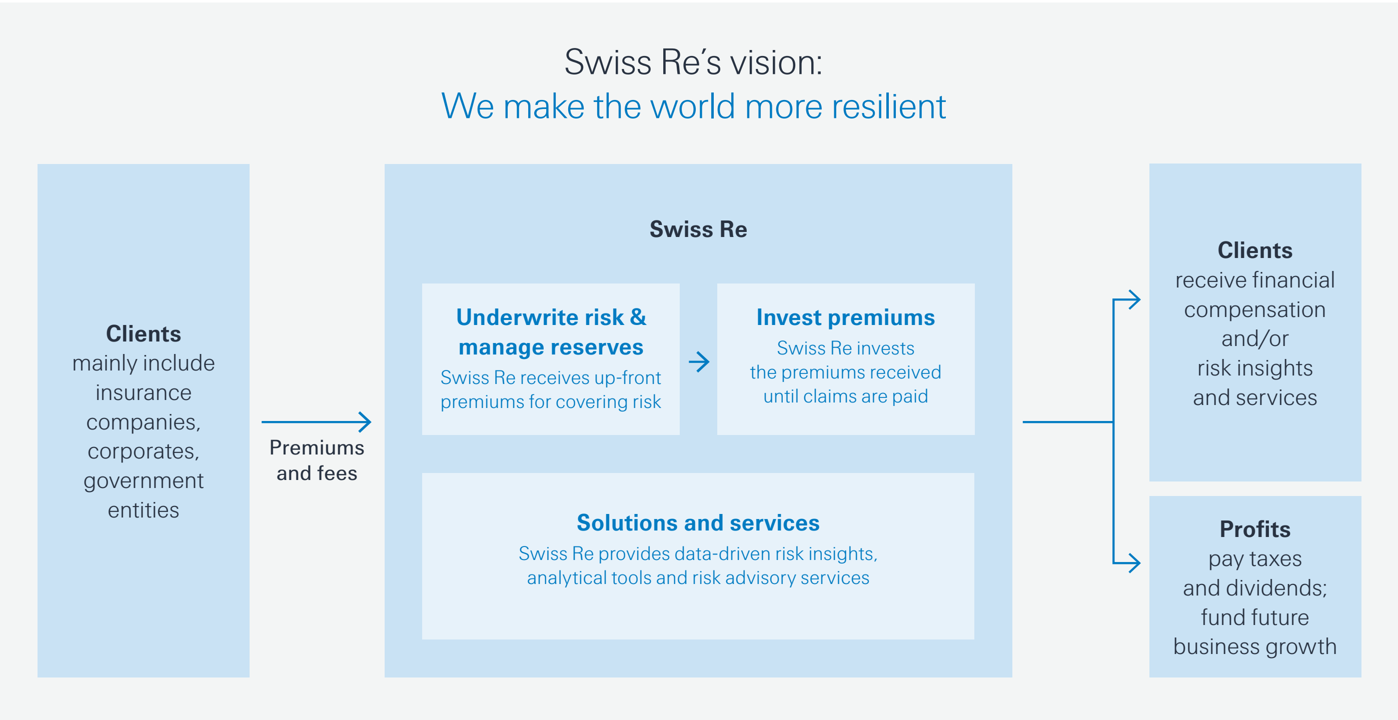
Depending on the duration of the risk transfer contract and the type of business, it can take anywhere from a few days to many years between the premium payment, the notification of a potentially insured event and the payment of claims or benefits. During this time, reserves for expected losses are prudently managed.

To meet future claims and benefits, Swiss Re invests the premiums generated through underwriting in assets whose cash flows match the durations and currencies of its re/insurance liabilities.

To efficiently manage its capital, Swiss Re has a well-diversified underwriting portfolio across business lines and regions, and transfers peak risks to external third parties through retrocession or capital market instruments, such as insurance-linked securities.

Swiss Re plays its part in providing stability to the broader insurance industry and society at large by absorbing shocks, particularly from disastrous events. Through its ability to assess, price, transfer and diversify risks, Swiss Re reduces financial volatility within wider society, thereby making the world more resilient to adverse events.

Swiss Re's profound understanding of risk is a core element of its business (see Financial Report 2023, Risk and capital management, pages 44–69). The company uses its proprietary risk knowledge in its business decisions, and provides clients with data-driven risk insights, analytical tools and advisory services.



Business segments and Business Units

The Swiss Re Group consists of three business segments: Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions. These segments are further organised into four Business Units: Property & Casualty Re (P&C Re), Life and Health Reinsurance (L&H Re) and Corporate Solutions provide products and services to distinct client segments.[1] Global Clients & Solutions (GCS) offers risk insights and develops risk partnerships.

Property & Casualty Reinsurance

P&C Re covers a wide range of risks in property, casualty as well as specialty lines (eg engineering, agriculture, marine). P&C Re helps insurers understand, quantify and manage property and casualty risk.

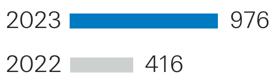
Net income
(USD millions)

Net premiums earned
(USD billions)

Life & Health Reinsurance

L&H Re offers a range of tailored services and insights, from risk transfer to structured solutions, related to life and health risks of its clients. By combining data, customer behaviour insights and innovative tools, L&H Re helps insurers manage their life and health portfolio risks.

Net income
(USD millions)

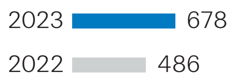


Net premiums earned and fee income
(USD billions)

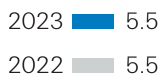
Corporate Solutions

Corporate Solutions provides risk transfer solutions in property and casualty lines of business to large and medium-sized corporations around the world. Its highly customised products and standard insurance covers as well as claims services help to protect its clients' businesses.

Net income
(USD millions)



Net premiums earned
(USD billions)



Global Clients & Solutions

Global Clients & Solutions embodies Swiss Re's strategic ambition to go beyond risk transfer by offering risk insights and developing risk partnerships. It offers a wide range of innovative solutions to insurers, governments and leading consumer brands across the globe. It consists of four divisions: Global Clients, Public Sector Solutions, Reinsurance Solutions and iptiQ.

Swiss Re Group strategy and financial results

Business Report 2023

Financial Report 2023

[1] The four Business Units came into effect on 3 April 2023 after Swiss Re streamlined its organisational structure.

Sustainability index memberships and ratings

Sustainability index memberships
Swiss Re is proud to be listed as a constituent of various major sustainability indices, based on Group-wide performance on environmental, social and governance (ESG) factors. The selection criteria and methodologies used to determine participation in such indices and the attributed company scores are determined by the entities responsible for the indices.

Bloomberg Gender-Equality Index
As of 31 January 2023

external website

Euronext Vigeo Europe 120 Index
As of 31 December 2023

external website

FTSE4Good Index Series[1]
As of 19 June 2023

external website

Solactive Indices
Solactive Europe Corporate Social Responsibility Index, Solactive Global Corporate Social Responsibility Index

As of 18 September 2023

external website

MSCI Indices
MSCI World ESG Leaders Index, MSCI World SRI Index

As of 1 December 2023

external website

Sustainability ratings
Additionally, the following ratings and analytics providers evaluate and score Swiss Re based on a range of ESG criteria.
The methodologies used to determine the attributed company scores are determined by the entities responsible for the ratings.

CDP Climate Change B Score
As of reporting year 2023

external website

ISS Quality Score
As of 11 March 2024

external website

ISS ESG Prime
As of 23 December 2022

external website

Moody's ESG Solutions[2]
Swiss Re has a Moody's ESG Overall Score of 64 out of 100 (Advanced) as of September 2022.

external website

MSCI[2]
As of 2023, Swiss Re AG received an MSCI ESG Rating of AAA.

external website

Sustainalytics[2]
In July 2023, Swiss Re AG received an ESG Risk Rating of 15.9 and was assessed by Morningstar Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors. In no event the ESG Risk Rating shall be construed as investment advice or expert opinion as defined by the applicable legislation.

external website

[1] For additional information about the FTSE4Good Index Series, see Appendix, Disclaimers, page 126.
[2] For additional information about Moody's ESG Solutions, MSCI ESG rating and Sustainalytics, including their methodology and disclaimer statements, see Appendix, Disclaimers, page 126.

Key sustainability milestones

2003

The following activities pertain to Swiss Re Group. For further information on the scope of the Sustainability Report, see Appendix, About this report, page 120.

2003
- Began compensating operational greenhouse gas (GHG) emissions using carbon offsets

2007
- Signed the Principles for Responsible Investment (PRI)

2008
- Committed to the United Nations Global Compact

2009
- Introduced the ESG Risk Framework

2011
- Established the Swiss Re Foundation[1]

2012
- Signed the UNEP FI Principles for Sustainable Insurance (PSI)

2014
- Co-founded the Climate Group's RE100, pledging that Swiss Re's operations will be 100% powered by renewable electricity by 2020 (achieved)

2015
- Joined, as an inaugural member, the working group that developed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

2017
- Adopted ESG benchmarks for actively managed listed equity and corporate bond portfolios

2018
- Introduced a Thermal Coal Policy

2019
- Committed to the Science Based Targets initiative (SBTi) to reach Group-wide net-zero GHG emissions by 2050
- Co-founded the UN-convened Net-Zero Asset Owner Alliance

2021
- Introduced risk appetite restrictions on the most carbon-intensive oil and gas companies for direct and facultative re/insurance
- Introduced a triple-digit real internal carbon levy for operations
- Launched the NetZeroYou2 employee engagement programme
- Joined, as an inaugural member, the Taskforce on Nature-related Financial Disclosures (TNFD)
- Announced climate targets for investments for the five-year period up to 2025[2]

2022
- Chaired the Partnership for Carbon Accounting Financials (PCAF) Working Group that developed the Global GHG Reporting Standard for Insurance-Associated Emissions[3]

2023
- Published carbon footprint of selected single-risk underwriting portfolios[4] in line with new PCAF Standard
- Announced near- and medium-term climate targets for single-risk underwriting portfolios for the period up to 2030

2023

[1] The Swiss Re Foundation is an independent corporate foundation under Swiss law, and legally not part of the Swiss Re Group.
[2] Targets were set in alignment with the commitment made as a founding member of the Net-Zero Asset Owner Alliance and cover specific asset classes. Progress against targets will be measured at year-end 2024 and must be reported in 2025.
[3] This new Standard constitutes Part C of PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry.
[4] Single-risk business refers to direct and facultative reinsurance business, excluding facilities.

Swiss Re's approach to sustainability

Through its Group Sustainability Strategy, Swiss Re aims to address sustainability challenges and seize sustainability-linked business opportunities, thereby helping to make the world more resilient.

Key achievements in 2023

Advancing the net-zero transition:
New underwriting targets set and progress made on measuring underwriting carbon footprint

Building societal resilience:
Ambition further specified and more granular definition of disaster resilience and financial inclusion developed

Targets met:
Achieved targets set for 2023 and made progress against other targets, as listed in the targets and progress table on pages 18 and 19

Group Sustainability Strategy

Derived from Swiss Re's vision "to make the world more resilient", the sustainability mission "We invest, operate and share our knowledge in a way that tackles sustainability challenges and creates long-term value" describes the company's course of action. Swiss Re embeds sustainability across its business activities, considering ESG factors in underwriting, investments and operations while ensuring that sustainability is appropriately reflected in governance.

Swiss Re's Group Sustainability Strategy (GSS), updated in 2022, covers the period from 2023 until 2025. The Group Sustainability Council (see Sustainability governance, page 22) and the Group Executive Committee endorsed the GSS, and the Board of Directors approved it.

Group Sustainability Strategy 2023–2025

Swiss Re vision

We make the world more resilient.

Sustainability mission

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

Sustainability ambitions

Advancing the **net-zero transition**

Building **societal resilience**

Sustainability enablers

People and operations

ESG risk management

Governance and compliance

Sustainability ambitions

The GSS 2023–2025 focuses on two sustainability ambitions: advancing the net-zero transition and building societal resilience.

A stakeholder-based materiality assessment, conducted in 2022, provided input to the GSS 2023–2025 and helped define the two ambitions. The materiality assessment is described on pages 15–16.

Advancing the net-zero transition

Swiss Re strives to minimise the environmental impacts of its business activities and has committed to net-zero GHG emissions by 2050 (see box to the right). The company aims to play its part in accelerating the transition to a low-carbon economy by de-risking transition projects and infrastructure, scaling up related investments, decarbonising its operations and working with suppliers, clients and investees to support them in doing the same.

The first ambition is implemented with a focus on the following activities:

- Committing to a decarbonisation pathway and setting GHG emission reduction targets for assets, liabilities and operations.
- Providing risk transfer solutions and investments to advance the net-zero transition across different sectors.
- Engaging with clients and stakeholders, building on Swiss Re's risk knowledge.

Building societal resilience

Swiss Re's goal is to help build societal resilience by enhancing disaster resilience and fostering financial inclusion in both advanced and emerging economies. Economic growth, urbanisation and growing asset concentration in exposed areas cause increasing losses from natural catastrophes, which could be worsened by climate change. Combining risk prevention, risk mitigation and risk transfer measures forms part of a comprehensive disaster resilience and adaptation approach. Furthermore, Swiss Re fosters financial inclusion by facilitating access to insurance. With its re/insurance solutions and knowledge sharing, Swiss Re helps to increase societal resilience.

The second ambition focuses on:

- Narrowing the natural catastrophe protection gap by offering respective re/insurance products and services, including advancing climate adaptation.
- Fostering financial inclusion with a focus on household financial protection and healthcare protection.
- Engaging with clients and stakeholders, building on Swiss Re's risk knowledge.

Net zero: what it means for Swiss Re

There are currently no internationally accepted standards that can inform the definition of the net-zero state for a financial institution. In 2023, Switzerland adopted the Climate & Innovation law[1], which was used to inform Swiss Re's own umbrella definition of the net-zero state:

At the net-zero state, Swiss Re has net-zero operational emissions, as well as net-zero-aligned financial flows or net-zero-attributed emissions.

In Swiss Re's definition of net zero, net-zero-aligned financial flows and net-zero emissions mean the following:

- Net-zero-aligned financial flows: the underlying activities supported by the financial flows are compatible with a net-zero economy.
- Net-zero emissions: reducing greenhouse gas emissions to the greatest extent possible and balancing the residual emissions through an equivalent amount of negative emissions. Negative emissions result from CO_2 that is captured from the air through natural or technological means and stored durably.

The above approach and definitions are based on current knowledge and are subject to changes as circumstances evolve. This is a highly complex area and Swiss Re will continue to assess its approach and definitions following any relevant developments, including with respect to the actions of clients, businesses and governments, which are not within Swiss Re's control.

[1] Swiss Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security of 30 September 2022 (BBl 2022 2403, not available in English).

Sustainability enablers

Swiss Re identified the following enabling factors needed to deliver on the ambitions: people and operations, ESG risk management, and governance and compliance.

People and operations

Strategic planning for the skills and capabilities needed today and in the future are key for Swiss Re, as is the ability to attract, develop and retain the best talent at the right time, in the right place and for the right roles. The company is committed to creating a culture of performance and inclusion to unlock the potential of its people and drive resilience, engagement and sustainable success (see Our people, pages 96–101).

Resilient operations including sound processes and controls, a safe digital and technology environment including cyber security, plus readily available quality sustainability data are important to the implementation of the GSS.

ESG risk management

Swiss Re identifies, assesses and addresses environmental, social and governance factors in its underwriting and investments, in particular through the company's ESG Risk Framework. It guides, together with other frameworks, how the company manages sustainability risks (see Business conduct & overarching policies, pages 27–34, Sustainability in underwriting, pages 35–45, and Responsible investing, pages 46–55).

Governance and compliance

Swiss Re's sustainability governance framework describes the roles and responsibilities as they relate to defining, approving, implementing, enhancing and monitoring the GSS. The Board of Directors and each of the Board committees as well as the Group Executive Committee (Group EC) and all Group EC members have explicit responsibilities related to sustainability. The Group Sustainability Council is responsible for the coordination and the alignment of sustainability-related activities at the Group level and for monitoring and advancing the progress of the GSS (see Sustainability governance, pages 21–26).

Swiss Re's Code of Conduct and supporting measures help ensure that those subject to the Code act with integrity (see Business conduct & overarching policies, pages 28–31).

Group Sustainability Strategy developments in 2023

In 2023, Swiss Re further developed and implemented the GSS. The implementation of the first ambition, advancing the net-zero transition, focused on setting new underwriting targets as well as on measuring and managing Swiss Re's underwriting carbon footprint in selected areas (see Climate-related financial disclosures, pages 56–78). Swiss Re also remained on track to deliver on its GHG-related targets for Swiss Re's investments and operations (see Climate-related financial disclosures, pages 80–87, and Sustainable operations, pages 88–95).

The second ambition, building societal resilience, was further specified. Swiss Re developed a more granular definition of disaster resilience and financial inclusion (see Sustainability in underwriting, pages 40–44).

Swiss Re also further developed its ESG Risk Framework (see Business conduct & overarching policies, pages 32–34, and Sustainability in underwriting, pages 36–39), and enhanced its sustainability governance (see Sustainability governance, pages 22–25). The Group also refined the compensation-linked sustainability criteria to support the GSS (see Financial Report 2023, pages 126–132, for information on Swiss Re's compensation framework).

To get a comprehensive overview of how the GSS was implemented in 2023, see the various chapters of this Sustainability Report.

Materiality assessment

In 2022, Swiss Re conducted a materiality assessment, surveying a wide range of internal and external stakeholders to determine sustainability priority topics, define key areas for action, and foster internal and external dialogue. The assessment adopted a double materiality approach focusing on the financial effects of sustainability matters on the company (financial materiality), and the company's effects on sustainability matters (impact materiality).

A list of topics was grouped into macro (related to external challenges) and micro (related to Swiss Re decisions and business practices) topics. To prioritise the topics, Swiss Re surveyed more than 1 000 stakeholders, of which close to 120 were external stakeholders such as clients, investors and members of civil society. In addition, Swiss Re conducted 45 personal interviews, of which 27 were with senior management and 18 with external stakeholders.

All stakeholder groups prioritised the macro topics *climate change adaptation* and *natural catastrophe protection*. *Decarbonisation* also featured prominently as a macro topic for most stakeholder groups. Among the micro topics, prioritised topics included *ESG risk management* and *human capital development*.

Swiss Re finalised the materiality assessment for the Swiss Re Group in December 2022, and considers the identified material topics to be relevant for 2023. No further relevant sustainability risks, impacts or opportunities were identified in 2023 for the Swiss Re Group.

In 2023, Swiss Re reviewed the materiality assessment in light of the evolving reporting requirements under the Swiss Code of Obligations[1] (Swiss CO) and the list of topics provided in the respective non-binding explanatory report.[2] Topics were assessed for their relevance in upstream activities (sourcing), own operations and downstream activities (underwriting and investments).

For investments in Swiss Re's Strategic Asset Allocation, a separate financial and impact materiality analysis was performed in 2023 (see Appendix, Swiss CO: additional information, page 121, for details).

Based on these analyses, Swiss Re identified the topics displayed in the table on page 16 as most relevant for Swiss Re's Group sustainability reporting, and linked them to relevant areas of activity. These topics are thus described in more detail in this report. As the Swiss Code of Obligations requires companies to report on environmental matters, social issues, employee-related issues, respect for human rights and combating corruption, Swiss Re has clustered the topics accordingly.

In environmental and social matters, Swiss Re describes its *decarbonisation* efforts across all areas of activity, from sourcing and operations to underwriting and investments. *Climate change adaptation*, *natural catastrophe protection* and *financial inclusion* are only described in the context of underwriting, as they mostly relate to re/insurance business opportunities. Likewise, Swiss Re only considers *biodiversity* relevant in the context of underwriting.

The following topics are related to own employees, and therefore considered relevant for Swiss Re's own operations only: *Board skills and diversity*, *human capital development*[3], *workforce diversity, equity and inclusion* including *gender equality*, *working conditions of employees* including *protection of the health and safety of employees at work*, *right of employees to be informed and consulted,* and *right of trade unions.*[4]

Swiss Re discloses on *respect for human rights* and *combating corruption* as required by Swiss law.[1] These two topics are relevant and are thus covered for all four areas of activity.

Further information on why Swiss Re does not consider some sustainability topics material for its underwriting, investment, operations or sourcing activities is provided in the Appendix, Swiss CO: additional information, page 121.

The table in the Appendix, Swiss CO: reference table, pages 122–123, provides an overview of where impacts, risks, policies, measures and their effectiveness, and main performance indicators related to these topics are addressed throughout this report, in line with Swiss legal requirements.[1]

Focusing on what matters most
As a company in the financial services sector, Swiss Re's main sustainability impacts are linked to its underwriting and investment activities. Swiss Re does not cause significant environmental or social impacts through its own operations and sourcing activities. This is reflected, for example, in Swiss Re's greenhouse gas emissions: only a small fraction of Swiss Re's total emissions stem from its operations (see Appendix, Sustainability data, page 111).

Swiss Re's sustainability efforts are therefore primarily focused on underwriting and investments. However, as a company committed to sustainability, Swiss Re also addresses sustainability matters across its operations, including sourcing.

[1] Article 964b of the Swiss Code of Obligations.
[2] Swiss Federal Office of Justice, explanatory report to Article 964a et seqq. CO, *Transparency regarding non-financial issues and due diligence, and transparency regarding conflict minerals and metals and child labour,* 19 November 2019 (available in German only).
[3] Information pertaining to the topic *human capital development* is subsumed under the term *talent management*, see Our people, pages 96–101.
[4] The employee-related topics *working conditions of employees*, *protection of the health and safety of employees at work*, *gender equality*, *right of employees to be informed and consulted*, and *right of trade unions* were not part of Swiss Re's materiality assessment in 2022. The topics *human rights protection* and *anti-corruption* were not prioritised as material (see Materiality assessment on Swiss Re's webiste). These topics are included in the Sustainability Report as recommended by the explanatory report to Article 964a et seqq. CO (see footnote 2).

Relevant sustainability topics

Topic	Relevant for Swiss Re non-financial reporting in the following areas			
	Underwriting	Investments	Own operations	Sourcing
Environmental matters				
Climate change adaptation	●			
Decarbonisation	●	●	●	●
Biodiversity	●			
Social issues				
Natural catastrophe protection[1]	●			
Financial inclusion	●			
Employee-related issues[2]				
Board skills and diversity			●	
Human capital development[3]			●	
Workforce diversity, equity and inclusion (including gender equality*)			●	
Working conditions of employees* (including protection of the health and safety of employees at work*)			●	
Right of employees to be informed and consulted*			●	
Right of trade unions*[4]			●	
Respect for human rights				
Human rights*	●	●	●	●
Combating corruption				
Anti-corruption*	●	●	●	●

* Not evaluated or not considered material in the materiality assessment 2022. Considered relevant in the 2023 review of the assessment.

How Swiss Re determines materiality: further information on process and criteria

swissre.com

[1] Natural catastrophe protection has both an environmental and social dimension.
[2] Aspects of these employee-related topics are relevant in a human rights context, also for Swiss Re's underwriting, investments, and sourcing activities, and are addressed as part of the topic *human rights* (eg non-discrimination).
[3] Information pertaining to the topic *human capital development* is subsumed under the term *talent management*, see Our people, pages 96–101.
[4] *Right of trade unions* is addressed as part of Swiss Re's activities to respect human rights.

Stakeholders

As a risk-taker in society, Swiss Re has an intrinsic interest in pursuing productive dialogues with its stakeholders. Drawing on the expertise from its core business, it strives to identify and understand key risks and opportunities, takes a role in discussions about them and broadly shares its risk knowledge.

Swiss Re considers stakeholder collaboration and dialogue prerequisites for building a more sustainable and resilient world. Engagement with clients and other stakeholders is therefore part of the two ambitions of the GSS.

The benefits of engaging with stakeholders are manifold and include building risk knowledge and creating risk awareness, jointly stimulating innovation, nurturing collaboration, co-creating solutions and services, and sharing best practices. Insights from exchanges with Swiss Re’s stakeholders also shape the definition of and approach to topics that are relevant for the GSS (see page 15). The Group engages with a diverse and global set of stakeholders as part of its day-to-day business activities. Its principal stakeholders include:

- Clients: primary insurers, corporates, government entities, multilateral organisations
- Financial community: investors and shareholders, rating agencies, shareholder associations
- Employees
- Suppliers
- Public authorities: multilateral organisations, government entities, regulators, standard-setting bodies
- Civil society: academia, non-governmental organisations (NGOs), media

Swiss Re shares, exchanges and co-creates knowledge through many channels, eg its publications, dialogue platforms, and client and partner events, as well as cooperation with governments, NGOs and academic institutions.

Examples of Swiss Re’s stakeholder engagement are provided throughout this report. See, eg Sustainability in underwriting, pages 39 and 45, for examples of its engagement with clients; Responsible investing, pages 50–51 and 55, for its engagement approach with investees; Our people, page 100, for examples of its engagement with employees; and Sustainable operations, pages 94–95, for examples of its engagement with suppliers and other stakeholders.

Supporting the Sustainable Development Goals

Swiss Re endorses the UN Agenda 2030 and regards the UN Sustainable Development Goals (SDGs) as an important point of reference for its sustainability work. Since the launch of the SDGs in 2015, the company has sought to map activities to the SDGs, including for its reinsurance underwriting portfolios (see Sustainability in underwriting, page 40).

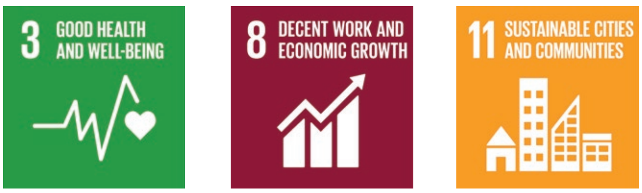
The figure on the right shows to which SDGs the two ambitions of the Group Sustainability Strategy contribute the most.

Swiss Re’s investments financially support further SDGs (see Responsible investing, page 52).

Group Sustainability Strategy and related SDGs

Advancing the net-zero transition

Building societal resilience



Sustainability targets and progress in 2023

The Swiss Re target setting process supports the implementation of the Group Sustainability Strategy. These targets, and their approaches and definitions, are formulated based on the information currently available.

Addressing climate change is a priority at Swiss Re, and most targets focus on the decarbonisation of the company and its value chain. This supports Swiss Re's aim to reach net-zero greenhouse gas (GHG) emissions across its entire business by 2050.

The achievement of the sustainability-related targets disclosed below is supported by internal processes. Sustainability is one of the drivers for compensation outcomes as Swiss Re considers defined sustainability criteria for all Business Units/Group Functions within the annual bonus allocation (see Financial Report 2023, Compensation, pages 126–127).

As sustainability-related targets form part of a highly dynamic area, Swiss Re will continue to assess its targets, approaches and definitions in light of developments, including with respect to the actions of clients, businesses and governments, which are not within Swiss Re's control.

This information should be read in conjunction with the explanations and context provided throughout the report.

Sustainability targets	Target year	Metric	Progress in 2023
Underwriting			
Phase-out of thermal coal-related re/insurance: Achieve complete phase-out of thermal coal-related re/insurance business in OECD countries by 2030, and in the rest of the world by 2040.	2030 2040	n/a	• Continued to engage with clients on current thermal coal thresholds for direct and facultative[1] business, and the introduction of new thresholds for treaty business in 2023 (see page 34).
Phase-out single-risk re/insurance to oil and gas producers[2] not committed to align to net zero by 2050: • By 2025, 50% of Swiss Re's gross written premiums (GWP) from oil and gas producers[2] in its single-risk property and general liability portfolios is to come from companies committed to align to net zero by 2050[3]. • By 2030, 100% of Swiss Re's GWP from oil and gas producers[2] in its single-risk property and general liability portfolios is to come from companies committed to align to net zero by 2050[3].	2025: 50% 2030: 100%	% of GWP from oil and gas producers[2] that are committed to align to net zero by 2050	• 49.5% of GWP in scope from oil and gas producers[2] committed to align to net zero by 2050 in 2023. Swiss Re is on track to achieve its 2025 target (see page 80).
Net-zero target covering single-risk re/insurance for listed companies in other industries (beyond fossil fuel): • By 2030, 60% of GWP from listed companies in Swiss Re's single-risk property, general liability, and commercial motor portfolios (excl. fossil fuels) is to come from corporates with science-based targets (SBTs)[4] validated by a third party. The target scope includes listed companies (underlying risks in the case of reinsurance) with headquarters in OECD countries.	2030	% of GWP from companies with SBTs validated by a third party	• 37.8% of GWP in scope from companies with SBTs validated by a third party in 2023 (see page 80).
Phase out 10% most carbon-intensive oil and gas companies[5] for direct and facultative[1] re/insurance, measured as CO_2 lifecycle emissions per barrel as per Rystad data.	July 2023	n/a	• Achieved target in July 2023 (see page 34).[6]
Publication of select facultative[1] portfolio or sub-portfolio carbon baselines and target for Swiss Re.	2023	n/a	• Achieved. In July 2023, Swiss Re published the absolute insurance-associated greenhouse gas emissions (IAE) for its direct and facultative[1] re/insurance portfolio. Later that year, Swiss Re published new underwriting targets supporting the company's journey to net zero (see page 81).

[1] Under a facultative contract, each risk or policy is negotiated and agreed on individually.
[2] Producers refers to companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data. Transactions that cover activities unrelated to oil and gas, for example, renewable energy, are out of scope.
[3] Definition of "committed to align to net zero by 2050": have 2050 net-zero targets (including Scope 3) and near/medium-term reduction targets (including Scope 1, 2 and/or 3) with the adoption of both near- and long-term commitments viewed as demonstrating credibility.
[4] Science-based targets (SBTs) define a clear emissions reduction pathway, in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.
[5] Companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data.
[6] For full details on how this is applied and the specific cases where exemptions may be justified, see Business conduct & overarching policies, page 34.

Sustainability targets	Target year	Metric	Progress in 2023
Investments			
Reduce the weighted average carbon intensity[1] of Swiss Re's corporate bond and listed equity portfolio by 35% (base year 2018).	2025[3]	tonnes CO_2e/ USD million revenue	• 45% reduction as of 2023, relative to base year 2018 (see page 83). 42% reduction reported in 2022.
Reduce the weighted average carbon intensity[2] of Swiss Re's Swiss and German real estate portfolio by 5% (base year 2018).	2025[3]	kg CO_2e/m^2	• 12% reduction as of 2022, relative to base year 2018 (see page 85). 2% reduction as of 2021 reported in 2022.
Hold at least USD 4 billion of green, social and sustainability bonds.	2025[3]	USD billion	• USD 4.4 billion invested as of 2023 (see page 82). USD 3.8 billion reported in 2022.
Deploy additional capital of USD 750 million[4] in social and renewable energy infrastructure debt, including energy efficiency (base year 2019).	2025[3]	USD million	• Achieved.[5] Additional USD 751 million deployed as of year-end 2022, relative to base year 2019, and reported in 2022 (see page 53).
Operations[6]			
Reduce absolute Scope 1 GHG emissions of own operations by 53% (base year 2018).	2030	% reduction of absolute Scope 1 GHG emissions	• 49% reduction in absolute Scope 1 GHG emissions relative to base year 2018 (see page 91). 25% reduction in 2022.[7]
Reduce absolute GHG emissions from business air travel by at least 50% (base year 2018).	2023 2024	% reduction of absolute GHG emissions from business air travel	• 64% reduction in absolute GHG emissions from business air travel relative to base year 2018 (see page 91). 73% reduction reported in 2022.
Maintain 100% renewable electricity use in Swiss Re's operations.[8]	Every year, since 2020	% renewable electricity out of total electricity usage	• 100% renewable electricity use maintained through own installations, virtual power purchase agreements, green tariffs or high-quality renewable electricity certificates (see page 92). 100% reported in 2022.
Compensate remaining GHG emissions in scope[9] from operations with carbon removal certificates, linearly increasing their share from 0% in 2020 to 100% in 2030.	2025: 50% 2030: 100%	% of total GHG emissions in scope compensated with carbon removal certificates	• 34% of total GHG emissions in scope compensated with carbon removal certificates and the remaining 66% with carbon avoidance certificates (see page 93). 24% reported in 2022.
Governance			
Female representation on the Board of Directors of at least 30%.	By Annual General Meeting 2023	Female Board members as a % of all Board members	• Achieved target following the election of two new female Board members by the Annual General Meeting of shareholders (AGM) on 12 April 2023. Share on 31 December 2023 amounted to 36%.

1 Covering Scope 1 and 2 GHG emissions.
2 Covering Scope 1, 2 and 3 operational GHG emissions.
3 The achievement of targets is measured at year-end 2024, and must be reported in 2025.
4 Based on original face values.
5 As target was achieved in 2022, no further progress was tracked in 2023.
6 As an overarching measure to contribute to the listed targets for Operations, Swiss Re aims to linearly increase the Internal Carbon Steering Levy from USD 100/tCO_2e in 2021 to USD 200/tCO_2e in 2030. In 2023, it increased to USD 123/tCO_2e. The target to reduce total energy intensity (kWh/FTE) by 2% per year (with 2018 serving as the baseline) was achieved in 2023, with a 54% reduction compared with 2018. However, this target will be discontinued due to the progressive shift from on-premise to cloud-based solutions for data management, resulting in a constant decrease of electricity consumption.
7 31% reduction reported in 2022 was restated due to a change in the calculation methodology in 2023.
8 This is a "renewable electricity procurement target" to actively source renewable electricity at a rate that is consistent with well-below 2°C global warming scenarios, this is considered by the Science Based Targets initiative (SBTi) to be an acceptable alternative to Scope 2 emission reduction targets per the SBTi Corporate Net-Zero Standard.
9 GHG emissions in scope for compensation with carbon certificates include Scope 1, Scope 2 and selected Scope 3 categories (category 3 – fuel- and energy-related activities; category 5 – waste generated in operations; category 6 – business travel; in category 1 – purchased goods and services: paper and water).

Fostering resilient societies: The Swiss Re Foundation

The Swiss Re Foundation (the Foundation) reflects Swiss Re's social and humanitarian values.[1] It is a corporate foundation through which Swiss Re gives its philanthropic tradition and corporate citizenship activities a clear agenda. Since its establishment in 2011, the Foundation's focus areas have been shaped by Swiss Re's risk expertise.

The Foundation helps strengthen resilience in targeted low-income communities as well as communities near Swiss Re locations. To help build resilient societies, the Foundation offers its partners tailored grant financing, access to expertise, research and capacity building, as well as collaborative networks to create measurable, lasting impacts at scale.

Swiss Re employees' voluntary engagement with Foundation projects and grantees has proved to be a core element of the Foundation's impact. By joining local volunteering and fundraising initiatives and sharing their skills and knowledge, they not only broaden their own horizons but also support the Foundation's mission by directly helping improve communities' resilience in the field.

Focus areas

To concentrate its efforts and increase its impact, the Swiss Re Foundation defined two priority themes for the period from 2022–2024, both for Swiss Re locations and in selected developing regions. These are:

- Natural hazard and climate risk management
- Access to health

The Foundation is proud of several initiatives in 2023 that aligned with these priority themes. One example is its support for Terratai, Asia's first "venture builder for nature". Terratai provides early-stage financing and company-building services to support businesses that tackle systemic challenges driving nature and biodiversity loss in Asia, helping mitigate climate and disaster risks. Another example is the launch of the Risk Data Library by the Foundation's partner Global Facility for Disaster Reduction and Recovery, an open data standard designed to make working with disaster and climate risk data much easier. Other activities include emergency aid in the wake of the earthquakes in Turkey and Morocco, and the floods in Libya.

The volunteering efforts of Swiss Re employees worldwide increased from 16% of unique employee volunteers in 2022 to 24% in 2023. The volunteering programme continued to focus primarily on two topics: healthy nutrition and the transition to net zero. These two topics also form the core of the Foundation's flagship programme Shine, a programme which brings together innovative social startups and Swiss Re employees who help the participating social entrepreneurs build a viable business plan to increase their impact. In 2023, the Shine Programme reached Brazil, making it the sixth Swiss Re location with a chapter of the programme.

The Foundation's website and Annual Report provide more details about its activities and social impact. The website also contains information about the winners and runners up of the Entrepreneurs for Resilience Award. The award theme for 2023 was "Improving financial access to healthcare".

Swiss Re Foundation

swissrefoundation.org

[1] The Swiss Re Foundation is an independent corporate foundation under Swiss law, and legally not part of the Swiss Re Group.

Sustainability governance

Sustainability governance is part of Swiss Re's overall corporate governance.

Key achievements in 2023

Sustainability skills at Board level:
Formal integration of sustainability into the Board's skill requirements

36%
Share of female members of the Board of Directors

Introduction

Swiss Re's corporate governance includes a dedicated sustainability governance framework, which is outlined in this chapter. A description of corporate governance at Swiss Re can be found in the Corporate Governance Report (see Financial Report 2023, pages 70–103). Information about Board skills and diversity can be found on page 26. These topics were identified as material for Swiss Re (see Swiss Re's approach to sustainability, pages 15–16).

Sustainability governance

Swiss Re's sustainability governance framework serves to implement, enhance and monitor the Group Sustainability Strategy.

The Board of Directors (Board) and each of the Board committees as well as the Group Executive Committee (Group EC) and all Group EC members have explicit responsibilities related to sustainability. In addition, Swiss Re has a dedicated body, the Group Sustainability Council, that coordinates and aligns sustainability-related activities at the Group level. Swiss Re's sustainability governance framework and related responsibilities, as well as the areas the individual Board and Group EC members focused on in 2023, are described on the next pages.

Swiss Re's sustainability governance framework

Board of Directors

Board committees

- Governance, Nomination and Sustainability Committee
- Audit Committee
- Compensation Committee
- Risk Committee

Group Executive Committee

Group Functions

- Group Finance
- Group Asset Management
- Group Risk Management
- Group HR & Corporate Services
- Group Legal & Compliance
- Group Digital & Technology

Group Sustainability Council

Business Units

- P&C Reinsurance
- L&H Reinsurance
- Corporate Solutions
- Global Clients & Solutions

Sustainability-related involvement of the Board of Directors

The following section provides an overview of the Board's and Board committees' sustainability-related responsibilities, as defined in the Bylaws of Swiss Re Ltd, as well as their main areas of focus in 2023.

Board of Directors (Board)

The Board is responsible for overseeing the development and implementation of the Group Sustainability Strategy including climate-related policies. It has assigned detailed sustainability-related responsibilities to the Board committees.

Focus areas: The Board continued to oversee progress on Swiss Re's sustainability-related initiatives. It took note of the progress made on implementing the Group Sustainability Strategy 2023–2025, in particular with regard to developing and publishing new mid-term carbon targets for selected single-risk portfolios in underwriting. The Board also supported the adoption of these targets. In addition, the Board approved the Group Sustainability Report 2022 and the UK Modern Slavery Act Transparency Statement for 2022.

Governance, Nomination and Sustainability Committee (GNSC)

The GNSC regularly monitors initiatives related to the Group Sustainability Strategy. It oversees the Group's approach to sustainability matters and related principles, and how they are embedded at all levels of the Group. The GNSC keeps abreast of the Group Sustainability Council's activities and oversees the integration of governance and operational aspects of sustainability, including initiatives and actions specifically addressing climate change.

Focus areas: The GNSC monitored the current business environment with regard to sustainability, was updated on the development of a Climate Transition Plan and on Sustainability Risk Management. It established a definition of the sustainability expertise relevant for Swiss Re's Board and mapped its members accordingly. The GNSC reviewed the allocation of sustainability-related responsibilities at the Board, Board committee, Group EC and lower management levels. It added "Sustainability" to its name in September 2023 to underline the importance of its sustainability-related work.

Audit Committee (AC)

The AC assists the Board in ensuring the integrity of Swiss Re's financial and non-financial reporting, and overseeing compliance with legal and regulatory requirements.

Focus areas: The AC oversaw the envisaged changes to the Sustainability Report to ensure it meets the legal requirements for non-financial reporting in Switzerland[1] for 2023, and the envisaged approach for external assurance.

Compensation Committee (CC)

The CC establishes and reviews the compensation framework, guidelines and performance criteria. The performance criteria for allocating the short-term incentive pools as well as those criteria impacting Group EC members' short-term incentive payouts include sustainability topics such as diversity, equity & inclusion.

Focus areas: The CC monitored the integration of sustainability considerations into the compensation framework. Key aspects thereof included gender pay equity with an ongoing focus on hiring, promotions and compensation decisions throughout the year and across the employee life cycle.

Risk Committee (RC)

On 13 April 2023, the Finance & Risk Committee and the Investment Committee were combined to form the Risk Committee. The RC supports the Board in ensuring the Group's risk management and control framework, risk appetite and risk-taking principles are adequate, aligned with the business strategy and properly applied. The RC also monitors the Responsible Investing strategy as part of its asset management oversight.

Focus areas: The RC reviewed Swiss Re's sustainability risk management activities and organisational set-up, the legal and regulatory developments around sustainability, as well as the changing risk landscape. The RC was updated on sustainability-related risks and activities in underwriting and investments as part of the Group CRO's and Group CIO's regular reporting.

Board's sustainability session

During an educational session on sustainability held in 2023, the Board discussed the overall Group Sustainability Strategy, acknowledged external sustainability developments and was updated on sustainability reporting. The Board was informed about sustainability regulations across jurisdictions. In addition, the Board had in-depth discussions on physical climate risks, and more specifically transition risks and opportunities on the path to net zero, and on Swiss Re's net-zero targets across its investments, underwriting and operations.

[1] Article 964a et seqq. of the Swiss Code of Obligations, commonly referred to as the indirect counterproposal to the Responsible Business Initiative.

Sustainability-related involvement of the Group EC

The following section provides an overview of the Group EC's and its members' sustainability-related responsibilities, as well as their main areas of focus in 2023.

Group Executive Committee (Group EC)

While the Board is responsible for oversight, implementation of the Group Sustainability Strategy is the responsibility of the Group EC. The Group EC approves sustainability policies. It also sets and monitors risk capacity limits, including for natural catastrophes, and determines product policy as well as underwriting and investment standards. In addition, the Group EC monitors performance in the area of sustainability.

Focus areas: The Group EC ensured the continued implementation of the Group Sustainability Strategy 2023–2025. It also supported the development and publication of new mid-term carbon targets for selected single-risk portfolios in underwriting.

Group Chief Executive Officer (Group CEO)

The Group CEO is responsible for overseeing the implementation of Swiss Re's Group Sustainability Strategy, including the progress towards external commitments and Swiss Re's internal compensation-linked sustainability criteria framework. The Group CEO engages with external stakeholders to advance Swiss Re's sustainability ambitions and represents Swiss Re in leading sustainability-related organisations.

Focus areas: The Group CEO continued to personally engage on sustainability matters. He oversaw the progress made against Swiss Re's net-zero commitments, including carbon intensity reductions on the asset side, and the development and publication of new mid-term carbon targets for selected single-risk portfolios in underwriting.

Group Chief Risk Officer (Group CRO)

As the Group EC delegate for sustainability, the Group CRO chairs the Group Sustainability Council (GSC) and guides sustainability activities across the Group. He is responsible for developing and driving the Group Sustainability Strategy, and for the compilation of Swiss Re's Sustainability Report. As Group CRO, he is responsible for establishing the Group's risk management framework for all risk categories, including sustainability risks. In addition, he is responsible for Swiss Re Institute and oversees its research agenda, including sustainability topics.

Focus areas: The Group CRO monitored the implementation of the Group Sustainability Strategy. He oversaw the further enhancement of the ESG Risk Framework and the monitoring and implementation of various sustainability-related regulatory requirements. He continued to co-sponsor the development of the Sustainability Reporting Programme, a programme aimed at further building and developing Swiss Re's sustainability reporting capabilities. The Group CRO also supported the development and publication of new mid-term carbon targets for selected single-risk portfolios in underwriting.

CEO P&C Reinsurance

The CEO P&C Reinsurance is responsible for ensuring the consistent integration of sustainability aspects across P&C Reinsurance, ensuring progress is made against Swiss Re´s net-zero and societal resilience ambitions, and managing sustainability-related risks and opportunities.

Focus areas: The CEO P&C Reinsurance steered the underwriting of business advancing the net-zero transition and increasing societal resilience. He supported the further enhancement of the ESG Risk Framework across relevant underwriting activities and approved new mid-term carbon targets for selected single-risk portfolios in underwriting.

CEO L&H Reinsurance

The CEO L&H Reinsurance is responsible for ensuring the consistent integration of sustainability aspects across L&H Reinsurance, in particular for advancing the societal resilience ambition, and managing sustainability-related risks and opportunities.

Focus areas: The CEO L&H Reinsurance steered the underwriting of business increasing societal resilience, in particular for the financial inclusion of underserved communities through greater availability, accessibility and affordability of L&H protection, and by supporting solutions for modifiable health risks.

CEO Corporate Solutions

The CEO Corporate Solutions is responsible for ensuring the consistent integration of sustainability aspects across Corporate Solutions, ensuring progress is made against Swiss Re´s net-zero and societal resilience ambitions, and for managing sustainability-related risks and opportunities. He also leads the origination of sustainability-related risk services and risk covers for corporates.

Focus areas: The CEO Corporate Solutions steered the underwriting of business advancing the net-zero transition and increasing societal resilience, in particular climate and nature risk services and renewable energy covers. He supported the development of new mid-term carbon targets for selected single-risk portfolios in underwriting, and drove the implementation thereof within Corporate Solutions.

CEO Global Clients & Solutions (GCS)

The CEO GCS is responsible for ensuring the consistent integration of sustainability aspects for Globals, Reinsurance Solutions, Public Sector Solutions and iptiQ, including progress against Swiss Re´s net-zero and societal resilience ambitions, and for managing sustainability-related risks and the delivery of sustainability-related products and solutions.

Focus areas: The CEO GCS enabled the origination and onboarding of business opportunities to advance the net-zero transition and increase societal resilience. This included the provision of risk transfer solutions and insights to support clients' transition and resilience activities, active engagement and the development of commercial arrangements with key partners through the Public Sector Solutions and Reinsurance Solutions businesses.

Sustainability and climate change-related compensation-linked criteria

Climate and sustainability criteria are taken into account when distributing Swiss Re's Group Annual Performance Incentive pool. For more information, see Financial Report 2023, Compensation, pages 110 and 126–127.

Group Chief Investment Officer (Group CIO)
The Group CIO is responsible for the development and systematic integration of sustainability aspects along the entire investment process. As Group CIO, she is responsible for investment decisions related to the implementation of the Strategic Asset Allocation. This also relates to Responsible Investing. She is informed about sustainability developments through various channels, including the Asset Management Investment Committee.

Focus areas: The Group CIO, who assumed this role effective April 2023, oversaw the integration of a systematic Responsible Investing strategy along the investment process. She advanced on actions to meet investment-related climate targets, such as the introduction of the Engagement Framework for corporate bond mandates. In addition, she was elected as a member of the UN-convened Net-Zero Asset Owner Alliance (AOA) Steering Group from 2024 until the end of 2025.

Group Chief Human Resources Officer & Head Corporate Services (Group CHRO & Head CS)
The Group CHRO & Head CS is responsible for the Corporate Real Estate & Services, Group Communications and Human Resources division, steering and monitoring Swiss Re's direct environmental footprint toward the related targets within the Group's CO2NetZero Programme, and overseeing Swiss Re's diversity, equity & inclusion strategy.

Focus areas: The Group CHRO & Head CS oversaw the increase of the internal Carbon Steering Levy to USD 123 per tonne of CO_2e emissions in 2023 and continued to guide Swiss Re's participation in the NextGen CDR Facility to scale up carbon removals. She also oversaw the progress made against Swiss Re's operational GHG emission reduction targets, in particular from air travel, and supported diversity, equity & inclusion topics, including female representation in executive and senior management positions.

Group Chief Digital and Technology Officer (Group CDTO)
The Group CDTO is responsible for advancing sustainability in the Group's supply chain, particularly with respect to increasing vendor compliance with ESG criteria, and for providing data and technology services to develop sustainability-related metrics.

Focus areas: The Group CDTO supported engagement with selected vendors on the topics of ESG assessments and decarbonisation to measure material GHG emissions for Scope 3 and set science-based emission reduction targets.[1] She also provided capabilities for Group-wide and local sustainability reporting, including the development of carbon accounting tools used for Swiss Re's business and to monitor its operational CO_2 consumption.

Group Chief Financial Officer (Group CFO)
The Group CFO is responsible for Swiss Re's investor relations activities and public disclosures, including the Financial Report. The Group CFO also supports the fulfilment of sustainability and climate-related reporting requirements at the legal entity level.

Focus areas: The Group CFO focused on maintaining a high level of engagement with analysts, investors and credit rating agencies on sustainability topics. The Group CFO also co-sponsors the further development of the Sustainability Reporting Programme.

Group Chief Legal Officer (Group CLO)
The Group CLO is responsible for advising on and assisting to mitigate sustainability-related legal and compliance risks. He supports the Group as a strategic business partner in the implementation of the Swiss Re Group's Sustainability Strategy and assists in ensuring good corporate governance.

Focus areas: The Group CLO oversaw the development and implementation of legal and compliance risk mitigation strategies pertaining to sustainability topics in particular through the continued build-out of a centre of competence within Group Legal responsible for advising and coordinating the response to sustainability-related legal matters. In addition, he advised on legal and governance aspects of the efforts leading to the development and publication of new mid-term carbon targets for selected single-risk portfolios in underwriting.

Group Sustainability Council (GSC)
The GSC is an advisory body to the Group EC chaired by the Group CRO. It is composed of Group EC members and representatives from senior management. The GSC is responsible for coordinating and aligning sustainability-related activities at the Group level, and for monitoring and advancing progress on the Group Sustainability Strategy, including assessing performance in the area of compensation-linked sustainability criteria.

Focus areas: The GSC prepared and endorsed the Group Sustainability Strategy 2023–2025 roadmap and the respective measurement criteria. It also assessed Swiss Re's year-end sustainability performance. In addition, the GSC endorsed Swiss Re's carbon accounting and new mid-term carbon targets for selected single-risk portfolios in underwriting, as well as updates to the ESG Risk Framework, among others.

Discover more

Corporate Governance Report
Financial Report 2023, pages 70–103

Compensation Report: Group compensation framework
Financial Report 2023, pages 126–132

Bylaws of Swiss Re Ltd
swissre.com/bylaws

[1] Science-based targets (SBTs) define a clear emissions reduction pathway, in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.

Board skills and diversity

Board member qualifications
The Board of Directors (Board) ensures that its members have the necessary qualifications and skills to fulfil its oversight responsibilities and enable sound and independent decision-making in line with the needs of the business. The Board aims to assemble a balance of managerial expertise and knowledge from different fields such as insurance and reinsurance, finance, accounting, capital markets, risk management, sustainability, digitalisation, legal, tax and regulation, as well as leadership and decision-making experience at large, complex financial institutions. In 2023, the Board added sustainability to the required skills. The Governance, Nomination and Sustainability Committee (GNSC) established a definition for sustainability-related Board expertise and mapped the Board members accordingly. The definition and mapping were approved by the Board in December 2023 and included in the Board skills matrix. See the table below for an overview of how the required skills are distributed.

Board members must have a high level of commitment and availability. In addition to these criteria, the principles of diversity, inclusion, transparency and the avoidance of conflicts of interest are also applied as part of the selection process for new Board members. Furthermore, independence of the Board members is an important element. The Bylaws require that at least three-quarters of the Board members are independent.

The Board membership selection criteria, selection principles and independence criteria are contained in the Bylaws of Swiss Re Ltd.

Succession planning
The GNSC supports the Board with succession planning at both the Board and Group EC level. It regularly reviews the qualifications and skills represented on the Board, and ensures these are aligned with best practice, stakeholder demands and changing business needs. It submits recommendations to the Board, which decides which selection criteria are used to assess candidates for Board membership. The GNSC initiates the evaluation of potential new Board members in a timely manner with the aim of ensuring the Board maintains the desired expertise and experience, and placing particular focus on gender diversity. See Financial Report 2023, Corporate governance, page 90, for further information on succession planning. The GNSC's responsibilities and working method are contained in its charter, which is part of the Bylaws of Swiss Re Ltd.

Board composition: diversity
A diverse composition supports the Board in fulfilling its responsibilities. Diversity considerations relating to gender, age, nationality, race, ethnicity and regional representation, among others, are therefore a priority. These principles are reflected in the Bylaws of Swiss Re Ltd.

The figures below provide an overview of the Board's diversity in terms of gender and regional representation (see also Appendix, Sustainability data, page 103). Following the Annual General Meeting in 2023, the share of female Board members increased to 33% (25% in 2022), exceeding the target of 30%. Later during the reporting year, the share increased to 36% due to a member of the Board stepping down.

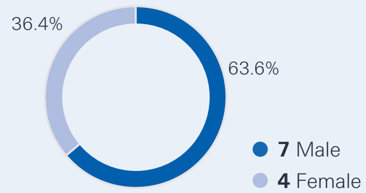
The revised Swiss Corporate Law stipulates that the Board must be composed of at least 30% female and 30% male members as of the 2026 financial year. Any reasons for non-compliance and the measures in place to achieve this representation must be explained in the Compensation Report.

Board skills, expertise and experience most relevant for Swiss Re
(number of Board members per skill)

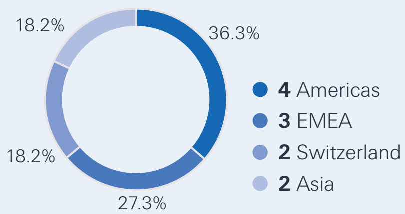
Reinsurance/insurance	● ● ● ● ● ● ●
Financial services/asset management	● ● ● ● ● ● ● ●
Risk management/finance/audit	● ● ● ● ● ● ● ● ●
Human resources/compensation	● ● ● ●
Sustainability/corporate governance	● ● ● ● ● ● ● ●
Regional experience	● ● ● ●
Chair/CEO experience	● ● ● ●

Board diversity

Gender diversity



Regional representation



Corporate Governance Report
Financial Report 2023, pages 70–103

All data can be found in the Appendix
Sustainability Report 2023

Business conduct & overarching policies

Swiss Re is committed to the highest professional and ethical standards, and to conducting business in a responsible and sustainable way.

Swiss Re assesses and addresses sustainability risks primarily through its ESG Risk Framework.

Key achievements in 2023

Mandatory trainings on **anti-bribery and corruption, fraud, and data protection** updated

***Breaking Barriers* – a global awareness campaign** run to encourage reporting of misconduct

Global Framework on Whistleblowing updated to remain compliant with the EU Whistleblowing Directive

Inclusion of **deep-sea mining** risk appetite restrictions within the **Sector-specific Policy on Mining**

Introduction

Swiss Re believes it can only accomplish sustainable success if its stakeholders recognise it as a trustworthy partner that pursues legitimate goals using legitimate means.

The Swiss Re Code of Conduct (Code), its underlying policies and standards including the ESG Risk Framework help Swiss Re deliver on its commitment to maintain the highest ethical standards. The Code sets out the principles for conduct that everyone working for or on behalf of Swiss Re is required to follow. Swiss Re's global policies and standards contain requirements that address applicable laws and regulations, and Swiss Re's expectations with regard to ethical behaviour. The latter are based on Swiss Re's corporate values. The ESG Risk Framework (see pages 32–34) is a risk management tool that enables Swiss Re to address risks related to the potential environmental, social and governance (ESG) impacts of its business activities and the risks they could entail. The main ESG risks that Swiss Re considers are specified in a set of umbrella guidelines and sector-specific policies, described on pages 32–34.

An overview of other sustainability-related, company-wide policies and position statements underscoring Swiss Re´s business practices is provided on page 117.

Code of Conduct

Swiss Re's Code of Conduct and supporting measures help ensure that behaviour across the Group is compliant and that those subject to the Code act with integrity. The Code is one of the key documents governing the management of risks and driving the culture within Swiss Re. It is founded on five values that provide guidance on making responsible decisions and achieving results while upholding the highest ethical standards. These values are: integrity, acting as "One Swiss Re", passion to perform, smart simplicity and client centricity.

The Code applies to all individuals employed full time or part time by a company within the Swiss Re Group, including all affiliates of Swiss Re Ltd worldwide (employees). It also applies to third parties working on behalf of Swiss Re (externals), such as contractors, freelancers, temporary staff and trainees, as well as to members of the Board of Directors within the Swiss Re Group. It offers practical guidance and examples to help these individuals determine the appropriate course of action and resolve ethical dilemmas. Furthermore, the Code sets out how employees and externals should react when they observe a possible breach of the Code's principles. Everyone is obligated to uphold both the letter and spirit of the Code, its supporting policies and standards, and Swiss Re's corporate governance principles in their daily business activities. They must also respect and comply with the applicable laws and regulations in all jurisdictions where the Group does business. In the event of an infringement, Swiss Re takes appropriate action, up to and including terminating contracts.

The Code is regularly reviewed and updated to reflect changes in laws, regulations and corporate values. In 2023, the corporate values descriptions were updated. The Code is supported by detailed policies and standards that define Swiss Re's requirements in line with the applicable laws and regulations.

Code of Conduct

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Policies

The Code addresses the following topics under the 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

Additional information on certain key topics contained in the Code is provided in the following section.

Bribery and corruption

Bribery and corruption are illegal, compromise Swiss Re's reputation, undermine the integrity of the market and negatively impact stakeholder relationships. They can also trigger significant monetary fines.

The Code describes Swiss Re's position on bribery and corruption: "We conduct business fairly without accepting or offering benefits intended to improperly influence decision-making". The Global Framework on Anti-Bribery and Corruption (ABC Framework) addresses bribery and corruption at the operational level and includes policies, standards, training and assurance activities. The ABC Framework provides advice and tools for managing bribery and corruption-related risks. The framework is reviewed and updated on a regular basis.

Swiss Re has controls and processes in place to address bribery and corruption risks. A compliance risk assessment is performed annually to identify specific residual risks that require an enhancement to the ABC Framework or associated controls. The receipt and provision of gifts and hospitality subject to the Global Standard on Anti-Bribery and Corruption are documented in a central register. These are retained, including any decisions or conditions, in line with the requirements of the Global Standard on Records Management.

Due diligence is performed on business partners (including clients, customers, joint ventures and other partners across all of the Swiss Re Group's reinsurance, direct insurance and asset management operations) to assess whether bribery and corruption-related risks are present.

See Money laundering, international trade controls and economic sanctions section on this page for further information on due diligence procedures.

For more information on how corruption risk is dealt with for investments, see Responsible investing, page 53.

Additional information on the ABC Framework can be found on the Preventing Financial Crime and Sanctions Violations page on Swiss Re's website.

Data protection

The Code highlights that personal data must be handled with the greatest care and used only for legitimate and specified business purposes.

At the operational level, Swiss Re has a Global Framework on Data Protection (DP Framework) in place. The DP Framework includes policies, standards, processes (eg for reporting security incidents or data breaches and handling data subject requests), tools, training and assurance activities that help mitigate DP risks. For digital risks, there is a comprehensive Digital Governance Framework in place. These two frameworks address Swiss Re's commitment to protecting personal data and respecting privacy rights across its business and operations, including all digital services.

Within the DP Framework, internationally recognised data protection and privacy principles are applied to ensure compliance with laws and regulations. Swiss Re adopts a "privacy by design" approach for the development and implementation of new processing activities, ie where privacy controls are directly embedded during the design phase. For more information on the Swiss Re Global Privacy Notice, consult Swiss Re's website.

Money laundering, international trade controls and economic sanctions

The Code also addresses the risk of becoming involved in money laundering and underscores the importance of due diligence. In addition, it requires employees and externals to adhere to all applicable international trade controls and economic sanctions. Internal requirements are also applied (where they are stricter).

Swiss Re has global and, where necessary, local policies, standards and procedures on anti-money laundering (AML) and on international trade controls and economic sanctions. These are part of the framework set out under the Global Policy on Financial Crime and Sanctions. All policies, standards and procedures contain the key requirements and guidance to ensure compliance with the applicable laws and regulations.

The Global Anti-Money Laundering Framework is based on the Financial Action Task Force (FATF) standards and recommendations.

Swiss Re's due diligence procedures pertaining to international trade controls and economic sanctions include:

- Risk-based counterparty due diligence and transaction monitoring including assessment of counterparty risk, jurisdiction/geographic risk, product risk and delivery channels risk
- Screening counterparties against relevant watchlists including international and national sanctions lists, sectoral sanctions, sanctions ownership and control data, and implicit sanctions, regulatory enforcement lists, politically exposed persons (PEPs) lists and adverse media
- Enhanced Due Diligence for PEPs
- Risk-based training for employees (for further information, see Training section, page 30)
- Designated Group and regional money laundering reporting officers
- A requirement that all employees report illegal, suspicious or unusual activity to their money laundering reporting officer, as well as a process to report money laundering and terrorist financing suspicions to the competent authorities
- Regular internal and independent reviews and audits to test the design and effectiveness of Swiss Re's AML framework

Preventing Financial Crime and Sanctions Violations

swissre.com

Data protection: Swiss Re Global Privacy Notice

swissre.com

Swiss Re counterparties are subject to ongoing due diligence pertaining to international trade controls and economic sanctions with regard to their business relationship. Transactions are scrutinised throughout the course of the business relationship.

Additional information can be found on the Preventing Financial Crime and Sanctions Violations page on Swiss Re's website.

Sustainability and human rights
The Code contains Swiss Re's commitment to sustainability and human rights, and serves as a guiding principle in the Group's efforts to act as a responsible company. Swiss Re became a signatory to the UN Global Compact in 2008 and is committed to implementing its Ten Principles in the areas of human rights, labour, the environment and anti-corruption. More information on how Swiss Re deals with sustainability risks is provided in the section on the ESG Risk Framework on pages 32–34.

Assurance

Swiss Re performs independent risk-based assurance oversight of its compliance policies and standards internally. These assurance activities are one way Swiss Re measures the effectiveness of its compliance frameworks, making sure that they are working as intended and in accordance with the requirements of the framework itself. No significant adverse findings were detected in 2023 from these assurance activities.

Each of the global compliance frameworks described in previous sections has a dedicated risk-based monitoring programme which is reviewed regularly (at least annually) to ensure it remains appropriate and effective. In 2023, Swiss Re continued to focus on leveraging technology and data analytics to improve risk mitigation and drive simplicity in assurance activities.

Preventing Financial Crime and Sanctions Violations

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Reporting misconduct, whistleblowing and investigations

Swiss Re encourages everyone who suspects misconduct by an employee or someone connected with Swiss Re to report such incidents. Swiss Re's Whistleblowing Programme is in place to facilitate the reporting and investigation of misconduct. In 2023, the Whistleblowing Programme was reviewed and revised to ensure that it remains compliant with the requirements of the EU Whistleblowing Directive (2019/1937).

For more information, including the reporting channels available, see the Reporting Misconduct (Whistleblowing) page on Swiss Re's website.

Swiss Re promptly reviews all reports of alleged misconduct to determine whether an investigation is warranted. Swiss Re also shares certain reports with law enforcement or regulatory authorities if necessary and appropriate. Where it is determined that an investigation is required, the investigation will be handled by competent and authorised persons. Generally, this will be managed through the Investigation Coordination Process (ICP) by Compliance or employee relations experts within Human Resources, in conjunction with support from or delegation to local representatives where applicable.

Data pertaining to misconduct cases is regularly shared with the Group Audit Committee, legal entity boards and senior leaders. In addition, the investigation process is independently reviewed by external auditors each year.

In 2023, 109 ICP cases were investigated. Of those, 94 were opened in 2023 and 15 were ongoing from 2022. See Appendix, Business conduct & overarching policies, page 104, for a full overview.

Reporting Misconduct (Whistleblowing) at Swiss Re

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In 2023, 85 cases were closed:
- 48 were closed as substantiated
- 37 were closed as unsubstantiated

At the end of 2023, there were 24 ongoing cases.

Reports were received via the following channels: 79 through internal avenues; 5 through external sources; 15 through the whistleblowing hotline; and 10 through process detection.

Of the 109 cases that were investigated, 5 were due to the actions of external parties and 104 were due to the actions of internal personnel.

In total, 169 actions were taken for the 85 cases closed in 2023. For the full list, refer to Appendix, Business conduct & overarching policies, page 104. Note that multiple actions are possible per case.

In each case, regardless of the outcome, any lessons learned from the investigation are communicated to all relevant stakeholders. In addition, training and communication materials are updated accordingly, and controls and processes are adapted as necessary.

There were no incidents of corruption investigations by government regulators or penalties imposed on Swiss Re in 2023.

Training

Key to the implementation of compliance frameworks is the Compliance Training Programme. All new permanent and temporary employees joining Swiss Re must undergo the mandatory eLearning course *Compliance and Our Culture*, which focuses on the Code and additional ethical behaviour in accordance with Swiss Re's corporate values. It also includes the following individual modules:
- Anti-bribery and Corruption
- Conflicts of Interest
- Data Protection
- Fraud
- Fair Competition
- Insider Trading
- International Trade Controls and Economic Sanctions
- Licensing and Permanent Establishment
- Money Laundering and Terrorist Financing

Permanent and temporary employees also receive mandatory compliance training to refresh their knowledge and increase their understanding of compliance risks and policy requirements on a regular basis. In 2023, Swiss Re launched updated global mandatory trainings on bribery and corruption, fraud and data protection risks through its Compliance training interface. This platform allows permanent employees to receive a tailored training experience according to the exposure of their role to the risk, as well as to their learning preferences.

In addition, Swiss Re´s local compliance officers regularly provide risk-based training on compliance risks that are tailored to their respective locations and/or areas of business. In 2023, for example, targeted mandatory training on international trade control and sanctions was provided to Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions employees with a high exposure to this risk.

As part of Swiss Re's *High Performance with High Integrity* initiative, a series of articles were published on the global Swiss Re intranet during the course of 2023 under the heading *Breaking Barriers*. These articles addressed barriers that employees and externals could face when deciding whether to report potential misconduct. The series promoted Swiss Re's misconduct reporting channels and investigation process and provided anonymised examples of real events at Swiss Re. Content published as part of the *Breaking Barriers* series surpassed 2 800 views on internal channels in 2023, which is roughly 50% higher than articles on Swiss Re's intranet receive on average.

All permanent and temporary employees are required to complete their mandatory training within the prescribed timeframes. As of the end of 2023, the completion rate of all mandatory training assignments was 98%, including new hire and refresher training sessions. Compliance continues to follow up on non-completions via the escalation process to achieve 100% completion.

Annual attestation process

The annual attestation process was carried out in March 2023. Through this process, all permanent and temporary employees as well as non-executive directors acknowledge personal accountability for complying with specific requirements related to the Code and global compliance policies and standards. Included in this acknowledgment is a confirmation of personal conflicts of interest and gift, and hospitality register disclosures.

Policy governance

All employees and externals with a Swiss Re account can access policies and standards centrally via a policy management tool. The principles set out in the Code are supported by eight global Swiss Re policies containing more details that all employees and externals must adhere to. Where necessary, underlying global and targeted standards and processes are in place to provide additional details on the specific requirements.

Swiss Re ombudsperson
In 2023, Swiss Re decided to follow international best practice and engaged an external ombudsperson for an initial pilot phase of up to two years. The ombudsperson provides confidential, independent, impartial and informal support to any employee of Swiss Re located in Switzerland, regardless of their rank, role, title, job or length of time at the organisation. Crucially, the ombudsperson complements existing processes and resources by providing an off-the-record alternative to formal processes.

The ombudsperson does not have a reporting line within Swiss Re but can help the organisation identify trends and patterns through anonymised reporting and may make recommendations to senior management. All information shared is kept confidential (unless there is an imminent risk of serious harm to someone). Reports are completely anonymous and are not used to identify an individual employee.

All data can be found in the Appendix
Sustainability Report 2023

The ESG Risk Framework

Risk management is an integral part of Swiss Re's business model. As a company committed to sustainability, instruments have been developed to identify, assess and address environmental, social and governance factors in its underwriting and investments, including through the company's ESG Risk Framework.

The ESG Risk Framework applies to both underwriting and investments[1], where information granularity is available and allows for a meaningful ESG risk assessment.[2] It also applies to treaty business when data granularity allows for a meaningful assessment.[3]

The ESG Risk Framework undergoes regular reviews to ensure that it remains aligned with emerging risk factors and evolving stakeholder expectations, thus helping to manage reputational risks.

Umbrella guidelines and sector-specific policies

The ESG Risk Framework comprises three umbrella guidelines and seven sector-specific policies. The three umbrella guidelines are based on the overarching principles of protecting the environment, human and labour rights, as well as promoting good corporate governance. The guidelines are designed to support Swiss Re's efforts to identify existing and potential risks related to these areas. Swiss Re also uses the umbrella guidelines as a foundation on which to prevent, mitigate and manage these risks through engagement, restrictions and portfolio enhancements. The three umbrella guidelines are complemented by seven sector-specific policies pertaining to sectors associated with heightened sustainability risks.

Environment

The Environmental Umbrella Guideline is the first pillar of the ESG Risk Framework. With this guideline, Swiss Re aims to identify, address and minimise actual and potential negative impacts of its business activities on the environment, including biodiversity and climate. Furthermore, the guideline is aligned to the principles articulated in international agreements, such as the Rio Declaration on the Environment and Development.

Swiss Re's business is potentially exposed to physical and transition risks related to climate change (see Climate-related financial disclosures, page 73). Furthermore, Swiss Re's underwriting activities could have a negative impact on nature and biodiversity. Such impacts can result in, for example, ecological damage or litigation against the insured for causing loss in nature. On the other hand, risk prevention, risk mitigation and risk transfer measures can help clients assess and reduce risks from loss of biodiversity and ecosystem services.

For direct or facultative re/insurance transactions[4], Swiss Re does not support activities that:

- Severely impact biodiversity, by causing conversion or degradation of:
  - UNESCO World Heritage Sites
  - International Union for Conservation of Nature (IUCN) protected areas categories I-IV
  - Ramsar wetlands;
- Are associated with repeated or ongoing severe and unmitigated pollution or waste issues that damage the environment and health;
- Cause severe harm to the climate, such as business practices based on least efficiency but highest GHG emissions intensity;
- Benefit from repeated or ongoing severe and unmitigated animal mistreatment, or include the trading of animals regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or
- Use primates/endangered species in any testing, unless necessary for the research and development of life-saving drugs.

Social/Human Rights

The Social/Human Rights Umbrella Guideline is the second pillar of the ESG Risk Framework. It seeks to align Swiss Re's corporate conduct with the expectations set forth in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. These, in turn, are based on the International Bill of Human Rights and the Core Conventions of the International Labour Organization (ILO).

Some of Swiss Re's re/insurance and investment activities may have adverse human rights impacts on stakeholders in the value chain. The Social/Human Rights Umbrella Guideline is designed to support Swiss Re's efforts to identify, address and mitigate actual and potential risks and impacts related to human and labour rights violations.

For direct or facultative re/insurance transactions, Swiss Re does not support activities that severely and systematically[5]:

- Violate the right to life, liberty and security, including freedom from slavery and servitude, as well as freedom from torture, degrading or inhumane treatment;
- Violate labour rights, ie provide poor health and safety or working conditions or violate the following Core ILO Conventions: 29 (Forced Labour), 100 (Equal Remuneration), 105 (Abolition of Forced Labour), 111 (Discrimination), 138 (Minimum Age Convention) and 182 (Elimination of the Worst Forms of Child Labour); or

[1] For the purposes of this section, "investments" is used to refer to the investments in scope of Swiss Re's Strategic Asset Allocation. Further information on how the ESG Risk Framework is implemented in investments can be found in Responsible investing, pages 46–55.
[2] In both underwriting and investments, the framework's application depends on the respective operationalisation processes, while for investments, specific guidelines may apply in addition to the ESG Risk Framework.
[3] For some policies (Oil & Gas and Thermal Coal), Swiss Re has specific cedant screening approaches in place to enable a treaty assessment.
[4] Under a facultative reinsurance contract, each risk or policy is negotiated and agreed on individually.
[5] For the purpose of the ESG Risk Framework, "severe" is defined on the basis of scale, scope and irreversibility, and "systematic" is defined based on frequency.

- Violate human rights of local communities or specific groups of people (eg Indigenous Peoples, minorities defined as per the UN Minorities Declaration). These violations can include, but are not limited to, the right of free, prior and informed consent for Indigenous Peoples (FPIC).

Furthermore, Swiss Re does not provide direct or facultative re/insurance to activities:

- In country/sector combinations particularly exposed to severe and systematic human rights violations (defined with reference to the risk assessment of a designated external data provider). The only exception to this for underwriting transactions is if there is positive proof that human rights have been respected, for example, via an independent human rights audit or social impact assessment.

Governance

The Umbrella Guideline on Governance is the third pillar of Swiss Re's ESG Risk Framework. It aligns Swiss Re's business conduct with the principles set forth in the UN Global Compact and supports Swiss Re in identifying, addressing and mitigating actual and potential risks related to governance topics in its own operations and business relationships.

The Umbrella Guideline on Governance complements Swiss Re's Code of Conduct and Compliance Risk Frameworks. The Code of Conduct provides guidance on the business conduct Swiss Re expects of itself and its business partners. In addition, the Compliance Risk Frameworks support the identification, mitigation and management of risks such as bribery and corruption, money laundering, fraud, and international trade controls and sanctions violations. For more details on the Code of Conduct and the Compliance Risk Frameworks, see Business conduct & overarching policies, pages 28–31.

In alignment with its Governance Umbrella Guideline, for direct or facultative re/insurance transactions, Swiss Re does not support activities that:

- Severely and systematically damage the environment or violate human rights through financial crime, such as bribery, corruption or money-laundering.

Sector-specific policies

For sectors that are particularly exposed to sustainability risks, sector-specific policies have been developed. These comprise the following: Agriculture, Forestry and Food; Defence; Hydro Dams; Mining; Nuclear Materials Non-Proliferation; Oil and Gas; and Thermal Coal.

The policies that are most closely linked to the Swiss Re Group's relevant sustainability topics (see Swiss Re's approach to sustainability, page 16) are described in the following sections. For more details about the sector-specific policies, see the ESG Risk Framework publication.

ESG Risk Framework

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Agriculture, Forestry and Food

The Agriculture, Forestry and Food Policy restricts risk appetite for direct or facultative re/insurance transactions for companies that show a highly negative impact on biodiversity and ecosystems, or that operate in sub-sectors (palm oil, timber and paper) and countries that are particularly exposed to deforestation risks without complying with Swiss Re's sustainability certification requirements. Such requirements could include either full certification by the Forest Stewardship Council and/or the Roundtable on Sustainable Palm Oil, or a credible plan to increase its share of certified operations.

Aside from the policy, Swiss Re has introduced additional human rights aspects to be considered for transactions involving the agricultural sector in over 52 countries. This is because Swiss Re recognises that activities in the agriculture, forestry and food sectors might be particularly exposed to human rights violations, such as adverse impacts on Indigenous Peoples or poor labour conditions.

Hydro Dams

Swiss Re does not provide direct or facultative re/insurance for hydro dams that benefit from forced resettlement or violation of the right of free, prior and informed consent (FPIC) of Indigenous Peoples; are situated within certain designated protected areas (eg International Union for Conservation of Nature (IUCN), in particular the protected areas categories I-IV), cause irreversible environmental damage beyond the necessary conversion of the area; or lack credible environmental and social impact assessments for large-scale greenfield projects.

Mining

The sector-specific policy on mining restricts Swiss Re's risk appetite for direct and facultative underwriting transactions involving mining operations through various criteria. From a social/human rights perspective, the policy limits Swiss Re's risk appetite in countries that are particularly exposed to severe and systematic human rights violations for mining activities (eg poor occupational health and safety) unless there is positive proof that human rights are respected, for example, through an independent human rights impact assessment. Furthermore, Swiss Re does not support mining activities in indigenous territories without free, prior and informed consent (FPIC) of Indigenous Peoples or in case of evidence of non-proportional use of force by security personnel employed by the management of the company.

From an environmental angle, mining operations can also negatively impact biodiversity and ecosystems due to soil and water pollution. The policy limits Swiss Re's risk appetite for direct and facultative re/insurance transactions linked to activities with severe and systematic environmental and health impact due to improper management of tailings, hazardous materials and substances, and mine waste. Since 2023, risk appetite restrictions also apply to activities that retrieve mineral deposits from the deep seabed (also known as deep-sea mining projects). Furthermore, credible environmental and social impact assessments are required for transactions involving large-scale greenfield projects.

Oil and Gas

Swiss Re's Oil and Gas Policy targets lifecycle carbon dioxide emissions resulting from the production of oil and gas, as well as Arctic drilling activities that may cause significant adverse environmental impact. Based on key sustainability risks identified for this sector, for direct or facultative re/insurance transactions, Swiss Re does not support:

- Oil and gas companies[1] that produce the world's 10% most carbon-intensive oil and gas, measured as CO_2 lifecycle emissions per barrel as per Rystad data. This measure was introduced in July 2021, and the threshold was raised from 5% to 10% in July 2023. Exceptions may apply, such as for companies or projects owned by companies aligned with net zero by 2050 (for Scope 1, 2, and 3 GHG emissions)[2], standalone insurance placements for the decommissioning of oil and gas assets or insurance placements with limited exposure to oil and gas activities;
- Oil and gas companies and projects with more than 10% of production located in the Arctic Monitoring and Assessment Programme (AMAP) area (Norwegian production is exempt) (since 2022); or
- New oil and gas upstream greenfield projects receiving final investment decision after 2022 (since 2023).

Independent of carbon emissions, Swiss Re will not provide direct or facultative re/insurance to activities linked to severe and systematic human rights violations or environmental damage, as specified in the Environmental and Social/Human Rights Umbrella Guidelines.

Swiss Re is developing an approach to manage ESG risks in the company's oil and gas business in treaty reinsurance contracts.[3] In 2024, Swiss Re started screening cedents in reinsurance treaty transactions related to Swiss Re's property & casualty business. It is a first step to identify ways in which Swiss Re can support its clients' transition to a low-carbon economy.

For investment-specific restrictions related to oil and gas, please see Climate-related financial disclosures, page 73.

Thermal Coal

Swiss Re aims to completely phase-out thermal coal-related re/insurance business in OECD countries by 2030 and in the rest of the world by 2040. The introduction of the Thermal Coal Policy for single risk in 2018 marked the first step towards the development of a carbon risk steering mechanism to measure the carbon intensity and associated risks embedded in the underwriting business of Swiss Re. In 2023, Swiss Re extended the Thermal Coal Policy to limit coal exposures in treaties across the property, engineering, casualty, credit and surety, and marine cargo lines of business. Until the total phase-out, Swiss Re does not provide re/insurance to:

- Companies or projects that have more than 30% exposure to thermal coal for direct and facultative business (since 2018);
- Thermal coal assets of companies that are planning to develop new thermal coal mining sites or power capacity of at least 100MW, for direct and facultative business. This restriction comes into force for the property line of business as of mid-2024 for new clients and as of mid-2025 for existing clients; or
- Treaty business exceeding line of business-specific thermal coal exposure thresholds, which will be gradually lowered until the complete phase-out targets are reached (since 2023).

Exposure is defined for each type of re/insurance policy (eg treaty or facultative/direct) and will vary based on the type of company (ie power or mining) or line of business considered for the transaction.

For single risk/direct re/insurance, exceptions apply for transactions with operational carbon capture and storage targeting all emissions of a power plant. Exceptions also apply for transactions related to coal mine reclamation involving mines that were operational before 2018.

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. To support its clients in accelerating their transition to clean energy, Swiss Re may in exceptional cases consider a transaction if the transaction supports the accelerated decommissioning of a thermal coal power plant and an individual evaluation of the client's climate-aligned commitment to move away from coal is conducted.

For investment-specific restrictions related to thermal coal, see Climate-related financial disclosures, pages 73–74.

For more details about the sector-specific policies, see the ESG Risk Framework publication.

ESG Risk Framework

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[1] Companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data.
[2] As per the Science Based Targets initiative (SBTi) or a comparable third-party assessment approved by Swiss Re.
[3] In obligatory or treaty reinsurance, the insurer and reinsurer are bound by an obligation to transfer and assume a contractually agreed share of a whole portfolio of risks.

Sustainability in underwriting

Swiss Re implements its Group Sustainability Strategy by incorporating sustainability considerations into re/insurance decisions to mitigate risks, offering risk transfer solutions to help clients address social and environmental challenges, and engaging with stakeholders on key sustainability topics.

Key achievements in 2023

Approximately **108 000 potential transactions** screened by Swiss Re business practitioners for ESG risks

USD 5.7 billion
Natural catastrophe premiums across the Swiss Re Group

465
ESG risk referrals submitted to Sustainability Risk Management

14 772
Wind and solar farms for which re/insurance cover was written in 2023

4 185
Employees completed the online ESG Risk Framework training

212 million
Life & health policies (in force) reinsured

Introduction

Swiss Re offers risk insights and risk transfer solutions that help address key environmental and social challenges. The Group seeks to mitigate risks by embedding sustainability considerations into its re/insurance decisions, in accordance with the ESG Risk Framework. It does so by following the ESG risk process, which applies to underwriting transactions where information granularity is available and allows for a meaningful ESG risk assessment. In the majority of cases, this is direct and facultative business. At the same time, various sustainability topics such as the decarbonisation of underwriting portfolios, climate change adaptation, natural catastrophe protection and financial inclusion offer business opportunities for Swiss Re across a range of sectors. To further advance sustainability in re/insurance, Swiss Re engages with clients and other external stakeholders on the topic.

Managing sustainability risks in underwriting

When underwriting transactions, Swiss Re has a specific process in place to assess potential ESG risk exposures, where information granularity is available and allows for a meaningful ESG risk assessment. This level of granularity is most often found in the areas of direct insurance and facultative reinsurance business.

Through its guidelines and policies, the ESG Risk Framework, described in Business conduct & overarching policies, pages 32–34, provides business practitioners[1] with an additional lens through which to examine a transaction's potential risk, thereby helping to inform business decisions. For more details on the framework, its guidelines and policies, see the ESG Risk Framework publication.

ESG risk process

The guidelines and policies of the ESG Risk Framework are incorporated into the Group's underwriting guidelines via the ESG risk process, illustrated in the figure on the next page. The process consists of three elements: the ESG risk assessment, the ESG risk referral for potentially high-risk transactions and a potential escalation process (appeals procedure). These elements are described in detail in the following sections.

ESG Risk Framework

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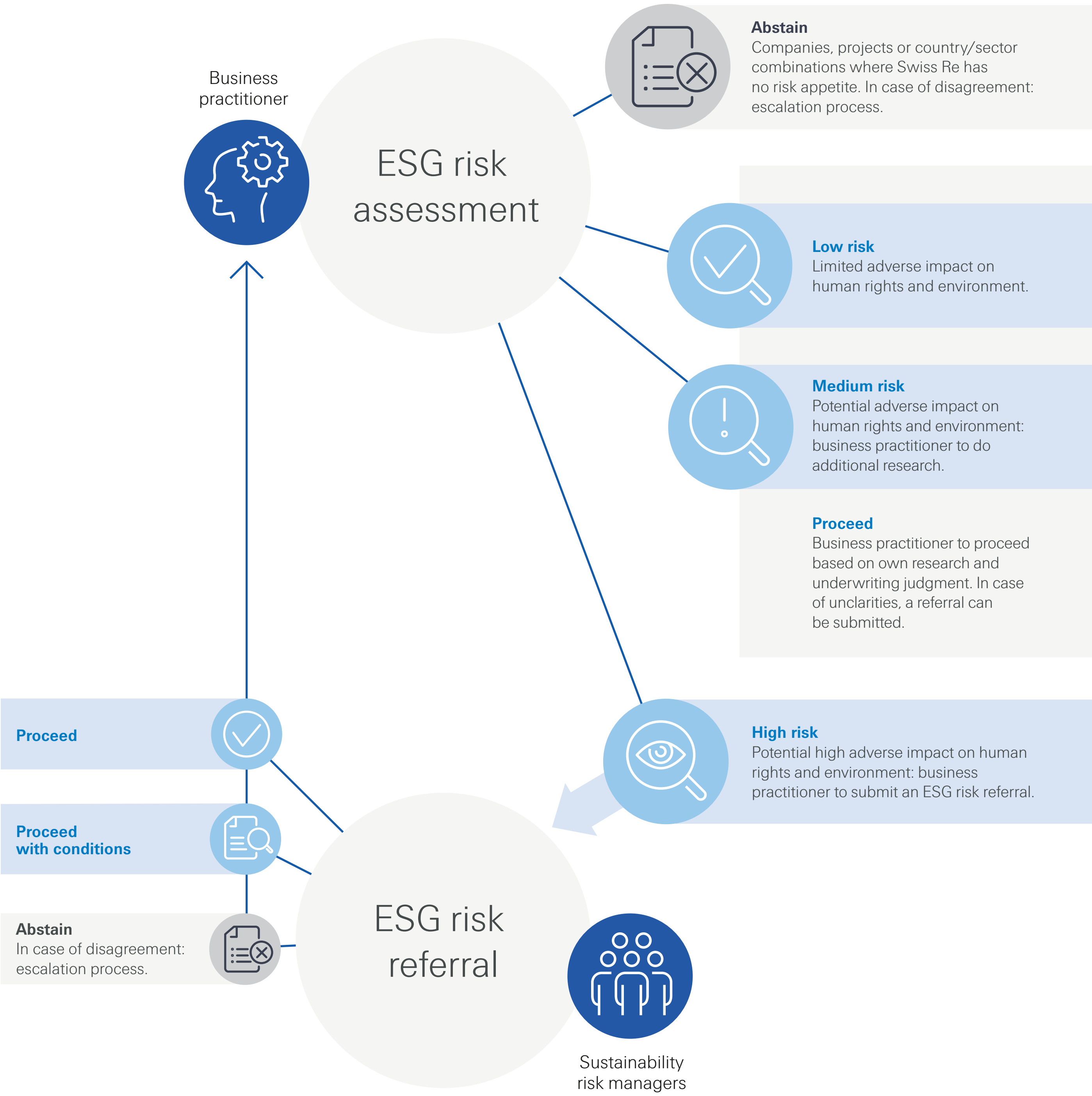
[1] Business practitioners includes underwriters, client managers and other internal stakeholders.

The ESG risk process



ESG risk assessment

The first step in the ESG risk process is to conduct an ESG risk assessment of a potential transaction. The assessment is carried out by the ESG risk assessment tool, which provides business practitioners with an automatic high-level risk assessment of the potential transaction by classifying it as high, medium or low risk. In addition, the tool indicates the potential ESG risk exposures that the business practitioners should consider for each transaction. It also provides them with guidance on what should be assessed in further detail. For high-risk transactions, the tool informs the business practitioner that they must submit a mandatory ESG risk referral.

The ESG risk assessment tool uses data from a proprietary ESG risk database comprising a country/sector risk matrix and a watch list of companies and projects. The data is derived from the regular screening and review of publicly available information, as well as external and proprietary sources on environmental, social and governance risks. The database is maintained and regularly updated using information from various third-party providers.

In 2023, business practitioners screened 108 029 potential transactions for ESG risks.

For treaty business, data is often not available on a granular level to screen transactions with the above-described process. Where data granularity is available, an ESG risk assessment of the transaction can be conducted even when it comes to treaty business. In this context, Swiss Re has developed a specific approach for treaty business related to the thermal coal sector. In addition, for oil and gas business, Swiss Re started screening cedents in property and casualty reinsurance treaties in 2024 (see Business conduct & overarching policies, page 34).

ESG risk referral and escalation process

Any high-risk underwriting transaction must be referred to Sustainability Risk Management for an in-depth analysis (ESG risk referral). However, business practitioners may submit a referral on any potential transaction based on their additional research and their own underwriting judgement, even if it has not been classified as a high risk by the ESG risk assessment tool.

Once a risk referral has been made, sustainability risk managers analyse the potential transaction in detail and assess its alignment with the ESG Risk Framework. The outcome of an ESG risk referral is a binding recommendation: to proceed, to proceed only under certain conditions or to abstain from the transaction. The conditions vary depending on the issues identified. Frequently, Swiss Re will ask the client to provide evidence or to monitor its progress on risk mitigation or remediation measures, which often leads to direct engagement on specific issues. If conditions are placed on the transaction, it is subjected to a mandatory follow-up referral to verify adherence to the conditions, either at a set point in time or prior to renewal of the contract.

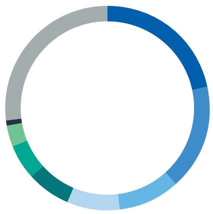
A recommendation to abstain or proceed with conditions can be appealed by the business practioner and escalated to the next management level. While both business and risk management factors are taken into account during the escalation process, the decision-making authority remains with Risk Management and Swiss Re's Group Chief Risk Officer.

In 2023, business practitioners submitted 465 ESG risk referrals (2022: 250). There are a variety of reasons for the increase in the number of referrals, for example, a recalibration of the sensitivity levels of certain criteria, such as country/sector combinations. In addition, heightened awareness of the sustainability risks has resulted in more requests from the business practitioners that are systematically handled using the ESG Risk Tool.

See the figures below for details about the referrals carried out in 2023.

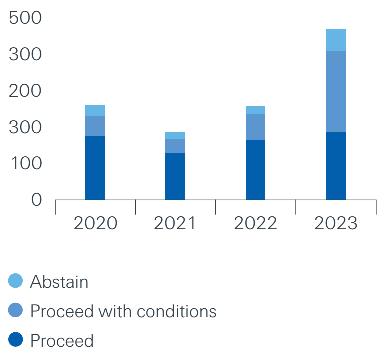
In 2023, 58 referrals were given an abstain recommendation. However, this number underestimates the total number of transactions abstained from due to sustainability risks, as business practitioners may decline a quote without submitting a referral, for example, if the transaction receives a high-risk rating in the ESG risk assessment tool or if they have received an abstain recommendation in the past for the same risk.

ESG risk referrals submitted to Swiss Re's expert team in 2023, split by sector-specific policies[1]



- **21.7%** Mining (excl. thermal coal)
- **16.8%** Oil and Gas conventional
- **9.7%** Defence
- **8.4%** Thermal Coal
- **6.7%** Hydro Dams
- **5.7%** Agriculture, Forestry and Food
- **3.4%** Oil and Gas offshore
- **0.6%** Nuclear Material Non-Proliferation
- **26.9%** Other sectors

Number of ESG risk referrals and final recommendation issued



[1] The designation "Other sectors" tracks issues such as human rights concerns and environmental issues that are not linked to Swiss Re's sector-specific policies. Swiss Re has a single sector-specific policy for oil and gas, but conventional oil and gas and offshore oil and gas have been listed separately.

Effectiveness

To ensure the effectiveness of the ESG Risk Framework, it has been embedded into Swiss Re's underwriting guidelines. The sustainability risk management team, the Business Unit risk teams, business management teams and Internal Audit perform regular checks to ensure the ESG Risk Framework is adhered to. Sustainability risk management at Swiss Re together with the application of the ESG Risk Framework are incorporated into Swiss Re's internal governance via the Group-wide Sustainability Risk Management Standard.

To enable a smooth integration of the ESG Risk Framework into the underwriting process and allow for better monitoring of adherence to it, the aforementioned ESG risk tool is integrated into the underwriting workflow tools. These tools are integrated into Swiss Re's facultative and direct re/insurance lines of business.

For facultative and direct business, a check is conducted every six months of new in-force business to ensure compliance with the framework. If a breach is detected, this is noted in Swiss Re's operational risk management system and mitigating steps are defined to prevent future occurrences.

For instance, the checks conducted in 2023 contributed to further improvements of the integration of the ESG Risk tools within the underwriting systems. In addition, findings from these checks led to actions to address gaps identified as well as to enhance the effectiveness of the ESG Risk tools. Actions included raising awareness among business practitioners, offering additional training and implementing updates to the IT infrastructure supporting the ESG Risk tools.

In addition, to help ensure that Swiss Re employees are familiar with the ESG Risk Framework, all new employees must complete online training on this topic, with client-facing roles subject to regular refreshers. In 2023, 4 185 employees completed the mandatory training on this topic (2022: 4 050).

Engagement on the ESG Risk Framework

Swiss Re strives to engage with clients on identified sustainability issues to discuss remediation plans with them in cases when a recommendation to "proceed with conditions" has been issued. Such interactions enable Swiss Re to raise its concerns about the sustainability risk that has been identified, as well as understand the client's plans to remediate and prevent similar events in the future.

In such cases, Swiss Re will often request relevant documents that are not publicly available, such as independent environmental and social impact assessments.

In severe cases of environmental damage, violations of human rights or governance infringements, for which Swiss Re sees no likely avenue for remediation, redress or improvement, a binding decision is taken to withdraw from the transaction.

Swiss Re seeks to obtain input from other external stakeholders to better understand sustainability risk. To this end, Swiss Re regularly engages with NGOs, academic institutions, analysts, investors and others. Swiss Re views such efforts as essential in contributing to effective change and enhancing awareness of sustainability risks in Swiss Re's portfolio.

For engagement with other stakeholders, see page 45 as well as Swiss Re's Approach to sustainability, page 17.

All data can be found in the Appendix

Sustainability Report 2023

Managing sustainability opportunities in underwriting

In line with its business model described on page 7, Swiss Re helps its clients and partners manage the risks they face by assuming and transferring risks to its balance sheet. Additionally, Swiss Re earns fee revenues for providing risk insights and services to clients and partners. This in turn supports economic stability and fosters economic growth.

Helping clients and society tackle environmental and social challenges is part of Swiss Re's commitment to sustainability and its vision to make the world more resilient. In line with the Group Sustainability Strategy (GSS), Swiss Re assists its clients and partners in accelerating the transition to a low-carbon economy by de-risking transition projects and infrastructure, for example, in areas such as renewable energy. When it comes to building societal resilience, Swiss Re works with its clients to reduce the protection gap by developing products that offer protection from large risk events such as natural catastrophes and man-made disasters, particularly those impacting physical assets. Additionally, Swiss Re helps its clients and partners develop reinsurance solutions that support the financial inclusion of primary insurance beneficiaries, such as individuals and families experiencing a loss of income after a medical setback, disability or death.

Examples of Swiss Re's product and service offering include:

- Index-based insurance products: Swiss Re creates insurance solutions based on indices (parametric insurance), enabling faster payouts to support recovery and resilience building.
- Public Sector Solutions: risk transfer solutions for, and in cooperation with, governments and various public sector organisations, to help build resilience against shocks that impact communities and economic stability.
- Insurance-linked securities (ILS) or catastrophe bonds: Swiss Re is a leading developer of financial products that enable cedents to transfer large risks to the capital markets.
- Sustainability solutions: Swiss Re's climate-related risk analytics, models and tools improve clients' current and future understanding of their risk landscape and serve as the basis for the additional development of climate risk products.

Addressing the UN Sustainable Development Goals in underwriting

Since 2019, Swiss Re has been working with its underwriting portfolio owners to assess its individual reinsurance portfolios using the UN Sustainable Development Goals (SDGs) as a sustainability lens to better understand possible risks, opportunities and actions associated with individual SDGs.

Through an annual process, Swiss Re evaluates its reinsurance portfolios to identify and estimate their contributions or potential harm to each of the 17 SDGs. This process enables Swiss Re to prioritise underwriting activities that have positive impacts on the SDGs. This is one of the ways in which Swiss Re is building sustainability into its re/insurance business.

Decarbonising Swiss Re's underwriting portfolios
To learn more about Swiss Re's approach to decarbonising its re/insurance portfolios, see Climate-related financial disclosures, pages 80–81.

Risk transfer solutions and services

The following pages feature a selection of transactions and initiatives in which Swiss Re was involved during 2023 and that supported Swiss Re´s sustainability strategy.

Transactions are grouped according to the two sustainability ambitions of the Group Sustainability Strategy: advancing the net-zero transition and building societal resilience.

Transactions that assist clients in accelerating the transition to a low-carbon economy by de-risking projects and infrastructure are deemed to support the first ambition of advancing the net-zero transition.

Transactions that contribute to disaster resilience (by reducing the protection gap for man-made disasters and natural catastrophes, including climate adaptation) and financial inclusion are seen as supporting the second ambition.

While the examples presented on the following pages highlight Swiss Re's risk expertise, they are of a more innovative nature and only represent a small subset of its overall offering. They are in various stages of implementation ranging from piloting to replication to scaling up.

Advancing the net-zero transition

To advance the transition to a low-carbon economy, Swiss Re offers a range of re/insurance solutions that help clients manage the risks associated with various types of renewable energy projects.

In 2023, Swiss Re wrote direct insurance and facultative reinsurance for 14 772 wind and solar energy generation facilities. Additionally, Swiss Re wrote property and engineering cover for 301 other renewable energy facilities, including hydropower, geothermal, marine/tidal and biomass plants.[1]

Also in 2023, Swiss Re's Property & Casualty Reinsurance business unit launched the Centre of Competence for Renewable Energy, which complements Swiss Re's extensive experience and expertise in providing direct insurance for renewable energy projects. To learn more about the Centre of Competence for Renewable Energy, see Swiss Re's Business Report 2023, page 50.

Advancing the net-zero transition
Learn about other re/insurance products and solutions as well as recent transactions that are helping to advance the transition to net zero:

Sustainability in underwriting: Advancing the net-zero transition
swissre.com

Sunscreen: How parametric insurance can accelerate solar investment
swissre.com

Business Report 2023: Insuring a renewable future
swissre.com

Connecting offshore wind energy to the grid in northwestern Europe

Swiss Re insured the construction of Hollandse Kust Noord, a 700MW offshore grid connection completed in 2023, which will help transmit wind energy to one million households in the Netherlands. This insurance is part of Swiss Re's broader support of Europe's leading transmission system operator (TSO), TenneT, providing construction and operational risk cover for the supply of offshore wind energy. This includes cover for large interconnectors at sea, cables and high-voltage substations required to connect the offshore wind farms in the North Sea to the grid on land, in the Netherlands and parts of Germany.

By insuring such projects, Swiss Re facilitates electricity supply to over 40 million people residing in the region served by TenneT.

Supporting the energy transition in the Philippines

Swiss Re offers a full range of risk transfer capabilities for a variety of renewable energy projects in the Philippines. In 2023, Swiss Re provided reinsurance cover for the construction and/or operation of over 20 wind farms, solar farms and battery energy storage systems, which enhance grid flexibility, thus enabling further integration of renewable energy sources into the country's energy supply.

Through these projects, Swiss Re supports the Philippine government's goal to expand the country's renewable energy capacity. In 2022, Philippine energy producers relied on coal for almost 60% of their energy production. In response, the government introduced a series of measures to encourage the construction of renewable energy projects to reduce emissions while supporting the rapidly growing economy's energy needs. Given the Philippines' exposure to a range of natural catastrophe perils including typhoons, floods, earthquakes and volcanic eruptions, insurance cover is essential to securing project financing for new investments in renewable energy projects.

In addition to providing reinsurance protection, Swiss Re provides technical support to help insurance companies manage their risk exposures related to new energy technologies.

[1] Total number for which direct insurance (all lines of business) and facultative reinsurance (property and engineering) cover was written during the year. Includes wind, solar, hydro, biomass, geothermal and marine/tidal. The renewable energy transactions described here should be understood as representing only a fraction of the total direct and facultative property and engineering re/insurance portfolio.

Building societal resilience

The "building societal resilience" ambition of the Group Sustainability Strategy (GSS) consists of two key pillars: enhancing disaster resilience and fostering financial inclusion in both advanced and emerging economies. In 2023, Swiss Re further refined this ambition by developing a more granular definition of disaster resilience and financial inclusion.

Disaster resilience

Disaster resilience refers to offering risk transfer, solutions and investments[1] relating to the management of large risk events (natural catastrophes and man-made disasters) impacting physical assets (eg property and infrastructure), supply chains and communities.

Losses from floods, storms, earthquakes and other natural catastrophes can affect millions of lives and the economies of entire countries. Providing effective re/insurance protection for losses from natural catastrophes represents a business opportunity for Swiss Re while generating significant benefits for Swiss Re's clients and for society at large. In 2023, premiums for natural catastrophe covers amounted to USD 5.7 billion, or about 20% of corresponding Property & Casualty Reinsurance and Corporate Solutions premiums.[2]

Financial inclusion

Financial inclusion refers to both household financial and healthcare protection. Household financial protection includes risk transfer solutions[3] that protect future earnings needed to sustain an individual and/or their household/business. Healthcare protection includes risk transfer solutions that support healthcare delivery costs and encourage preventative healthcare measures.

Through its engagement with clients and partners, Swiss Re aims to make personal lines in life, health, property and casualty insurance more available, accessible and affordable to underserved populations, such as vulnerable individuals, the self-employed and small businesses.[4] Supporting our clients and partners in tapping into these new client segments offers business opportunities for Swiss Re while helping its clients and partners to reduce the protection gap.

Swiss Re works with its clients and partners to develop risk transfer solutions that enable insurers to support financial inclusion by addressing risk events affecting individuals' health or livelihoods. Measures to monitor the effectiveness of Swiss Re's efforts to enhance financial inclusion through insurance include the number of lives covered through solutions provided by Swiss Re's clients and/or partners in underserved communities and the number of pilot projects implemented over time. In 2023, Swiss Re increased the number of pilot projects and enabled its clients to increase the number of lives reached through its financial inclusion approach.

Life and health reinsurance is a core element of Swiss Re's approach to financial inclusion and plays a key role in the Group's vision of making the world more resilient. In 2023, Swiss Re reinsured 212 million life and health policies (in force). This results in an estimated 278 million family members supported by its clients' life and health policies.

[1] "Investments" mainly refers to insurance-linked securities such as catastrophe bonds offered by Alternative Capital Partners (ACP). ACP is a unified centre of expertise that offers alternative capital solutions, including catastrophe bond structuring and placement services to clients who wish to use the capital markets to transfer risk.
[2] Estimated gross premiums for losses exceeding USD 20 million. The premiums are net of external expenses such as brokerage and commissions, and cover Property & Casualty Reinsurance and Corporate Solutions business.
[3] Includes risk insights, services, tools and solutions.
[4] A non-exhaustive list of target groups in scope for Swiss Re's financial inclusion approach includes: immigrants, ethnic and racial groups, women, gig workers, informal economy workers, impaired lives, LGBTQ+, rural communities, low-income groups, self-employed individuals and small businesses (<50 employees).

Supporting disaster resilience in Turkey and Morocco

Swiss Re has a long history of establishing public-private partnerships providing innovative risk knowledge and risk transfer solutions to support communities with post-disaster recovery efforts. Two such examples in 2023 were the devastating earthquakes in Turkey and Morocco.

Established by the Turkish government in response to the 1999 Marmara earthquake, the Turkey Catastrophe Insurance Pool (TCIP) provides insurance cover for residential buildings affected by an earthquake. Swiss Re has been reinsuring the TCIP for over twenty years. The scheme was triggered in February 2023 after a 7.8 and a 7.6-magnitude earthquake struck Turkey in quick succession, affecting 13 million people.

Morocco is also highly exposed to geological hazards, and in 2018 its government introduced a two-pillar insurance scheme to enhance the country's resilience to natural disasters. The first pillar provides policy holders with protection against catastrophic risks, while the second pillar is a Solidarity Fund financed directly by the government, which provides cover for those without insurance, comprising 90% of Morocco's population. Swiss Re reinsures the Solidarity Fund with an earthquake parametric cover, and in September 2023, Morocco's catastrophe insurance scheme was triggered when a 6.8-magnitude earthquake struck western Morocco, affecting over one million people.

Swiss Re's quick response and efficient claims handling following both earthquakes were instrumental in channelling funds to affected households when they were needed most, contributing to post-disaster recovery in Turkey and Morocco.

Read more

Business Report 2023: Earthquake protection for Turkey and Morocco

swissre.com

Partnering with the Insurance Development Forum

Swiss Re is a member of the Insurance Development Forum (IDF), a public-private partnership which aims to optimise and extend the use of insurance and related risk management to build resilience in communities vulnerable to climate risk. For additional information on the IDF, see Appendix,Swiss Re memberships, page 118.

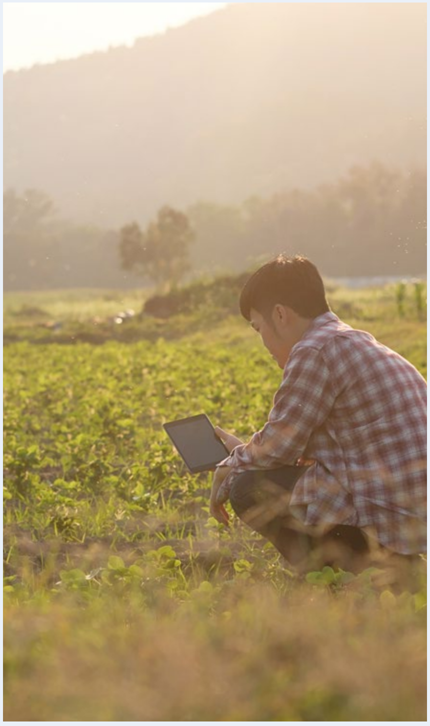
In 2019, members of the IDF entered into a Tripartite Agreement with the UN Development Programme (UNDP) and the German Federal Ministry for Economic Cooperation and Development (BMZ), offering up to USD 5 billion of risk capacity for climate risk insurance in 20 climate-vulnerable countries by 2025. In addition to providing climate risk insurance and risk financing solutions, this initiative seeks to strengthen exposed countries' climate adaptation measures and resilience to climate risks.

As part of its participation in the IDF, in 2023 Swiss Re continued to work on projects in Mexico, Ghana and Nigeria. In 2023, Swiss Re also contributed to the launch of a pilot project in Uzbekistan to develop and implement a sovereign risk transfer scheme to provide almost 17 000 climate-vulnerable smallholder farmers with access to agriculture insurance.

Read more

Swiss Re part of PPP to develop agriculture insurance scheme in Uzbekistan

swissre.com



Leveraging technology to improve mental health outcomes

Mental wellbeing is one of the Big Six lifestyle factors identified by Swiss Re as influencing individual health and longevity. According to a 2022 Swiss Re Institute consumer survey of individuals who owned insurance or were employed, one-third of respondents reported a decline in mental health that year. To address this issue, Swiss Re partnered with leading mental health platform, Wysa, to create an insurance-specific mental health app. Wysa Assure was first brought to market in 2023 in a pilot by Australian insurer MLC Life Insurance. The mobile app combines Swiss Re's risk expertise with Wysa's online support powered by artificial intelligence, enabling users to monitor and manage their mental health. In addition to offering stress relief exercises and techniques, the app facilitates early intervention by encouraging MLC Life Insurance's clients to seek additional offline support based on early warning signals, helping to prevent a condition from becoming clinical. Insurers can also gain portfolio-level wellbeing insights across their book of business from Wysa Assure's comprehensive reporting of users' health risk data on an anonymised and aggregated basis, based on Swiss Re's proprietary health risk scoring.

Read more

More mental strength as one

swissre.com

Mental health support at your fingertips

swissre.com

"The Big Six" lifestyle factors

swissre.com

Building societal resilience

Learn about other re/insurance products and solutions that contribute to building societal resilience.

Sustainability in underwriting: Building societal resilience

swissre.com

Cat bond provides Chile with financial protection against earthquakes

swissre.com

Climate Risk Scores: Informed property portfolio steering decisions

swissre.com

A historic first for New York City

swissre.com

Client engagement

Engaging with clients and other stakeholders is key to implementing the two ambitions of the Swiss Re Group Sustainability Strategy. To achieve this, Swiss Re Institute translates Swiss Re's and research partners' risk knowledge into industry-focused publications, client programmes and conferences.

Publications

Through Swiss Re's SONAR series, in-house experts collect early signals to inform conversations with clients and standard setters. The 2023 SONAR report, for instance, confirmed sustainable recycling as a theme in advancing the net-zero transition. In cooperation with AXA, Ikano and Ingka (supported by BCG), Swiss Re helped create awareness around better insurability of recyclers. Other publications in the net-zero transition series highlight the need for better risk management around themes such as electric vehicles and the production of green steel. Swiss Re's research on resilience in its flagship publication *sigma* demonstrates that investment in climate adaptation can build societal resilience and lower the risk of damage from natural catastrophes. The publication on adaptation for COP 28 explored the need for better tools to manage climate adaptation (eg Climate Risk Solutions).

Client programmes and conferences

At the Asia sustainability dialogue in August 2023, Swiss Re explored the bottlenecks and solutions to scaling the energy transition. Swiss Re also ran a global climate change webinar series on topics relevant to the net-zero transition and societal resilience such as crop insurance, physical climate change and the circular economy.

In addition, Swiss Re hosted events across the globe including the *Sino Swiss sustainability forum*, *Accelerating towards a sustainable future* and the *Resilience summit*. These events brought together experts from universities, startups and corporates to reflect on emerging topics such as public-private partnerships to drive sustainability initiatives and the adequacy of companies' sustainability efforts. Swiss Re also participated at COP28, where several Swiss Re representatives spoke at events related to climate adaptation and societal resilience.

The annual *Swiss Re Sustainability Client Programme* serves as entry-level training for clients on implementing sustainable business practices. In the virtual training *The business case for sustainability*, Swiss Re experts present challenges they have overcome to help clients develop their own business cases and find actionable applications of sustainability. In 2023, more than 18 Swiss Re experts hosted workshops in their areas of expertise, sharing sustainability insights across underwriting, investments, operations and product development. Sessions were also hosted by representatives from academia and intergovernmental organisations. Other sessions explored the role of climate change in natural catastrophes, the link between climate change and life and health insurance, biodiversity through the lens of business risk and recent developments in sustainability reporting.

Selected publications in 2023
SONAR: Sustainable recycling – emerging liabilities in the circular economy
What goes around comes around: Insuring the circular economy
Gearing up for the electric vehicles ecosystem – part I
Gearing up for the electric vehicles ecosystem – part II
The making of green steel
sigma 01/23: natural catastrophes and inflation in 2022: a perfect storm
Restoring resilience: the need to reload shock-absorbing capacity
We need to talk about climate adaptation
The Life & Health Insurance Inclusion Radar

Selected client programmes and conferences in 2023
Asia sustainability dialogue
Climate change webinar series
Natural catastrophes and physical climate change: a complex relationship
Climate change impacts and the crop re/insurance business
Sino Swiss sustainability forum
Accelerating towards a sustainable future
Resilience summit
COP28: race to resilience
The business case for sustainability: actionable insights for the risk industry

Responsible investing

Swiss Re is convinced that integrating environmental, social and governance (ESG) considerations into the investment portfolio can make economic sense. Its Responsible Investing strategy is based on the three cornerstones Enhancement, Inclusion and Exclusion while integrating climate action.

Key achievements in 2023

USD 4.4bn
Amount of green, social and sustainability bonds held at the end of 2023 currently exceeding the USD 4bn target set for 2025

4 out of 5
Stars achieved for Swiss Re's Policy Governance and Strategy module as well as Indirect modules[1] as part of the Principles for Responsible Investment assessment for reporting year 2022

75%
Share of top 20 emitters in the corporate bond mandates engaged on "Alignment of Business Model with 1.5°C Target"

–45%
Reduction of the carbon intensity[2] of the corporate bond and listed equity portfolio relative to base year 2018

For a full overview of progress per asset class, see page 54.

[1] Listed equity - active, fixed income - active, private equity and real estate.
[2] Greenhouse gas (GHG) emissions relative to revenues, expressed in tonnes CO_2e/USDm revenue, covering Scope 1 and 2 emissions.

Introduction

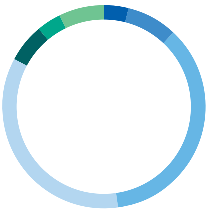
"We make the world more resilient" is Swiss Re's vision. For more than ten years, Swiss Re has been taking environmental, social and governance (ESG) aspects into account in its investment decisions with the aim to generate attractive risk-adjusted returns over the long term. With this approach, Swiss Re Asset Management has been steadily contributing to the Group's vision.

Responsible Investing strategy

Asset-liability management (ALM) continues to be the foundation of Swiss Re's investment philosophy. Swiss Re invests the premiums generated through underwriting in assets whose cash flows match the durations and currencies of its re/insurance liabilities to meet future claims and benefits. Therefore, the majority of the portfolio is generally invested in higher quality fixed income securities with stable long-term returns. At the end of 2023, such investments accounted for 74%[1] of total assets under management (see graph to the right). In the second quarter of 2023, equity exposure was reduced by selling the actively managed listed equity position.

Swiss Re's Responsible Investing strategy relies on the three cornerstones Enhancement, Inclusion and Exclusion, of which Enhancement is the most meaningful. Managing the risks and opportunities arising from climate change complements Swiss Re´s Responsible Investing strategy, and involves setting targets, taking action, measuring and reporting, as outlined in Climate-related financial disclosures, pages 56–87.

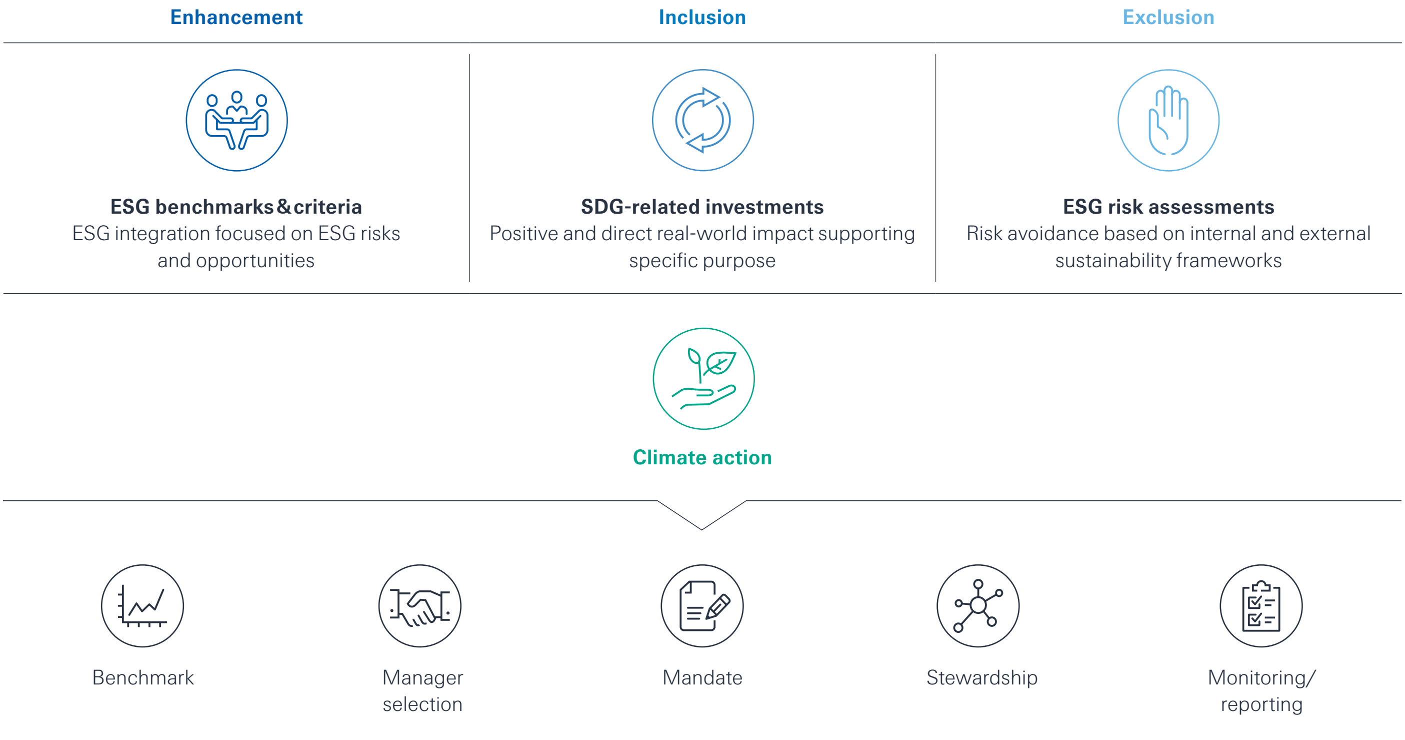
Overall investment portfolio
USD 111.3bn, as of 31 December 2023



- **4%** Cash and cash equivalents
- **9%** Short-term investments
- **30%** Government bonds
- **39%** Credit bonds
- **5%** Equities[2]
- **5%** Mortgages and other loans
- **8%** Other investments (incl. policy loans)[3]

[1] Asset classes considered are government bonds, credit bonds, and mortgages and other loans.
[2] Includes equity securities, private equity and Principal Investments.
[3] Includes real estate at carrying value.

Swiss Re's Responsible Investing strategy



Enhancement

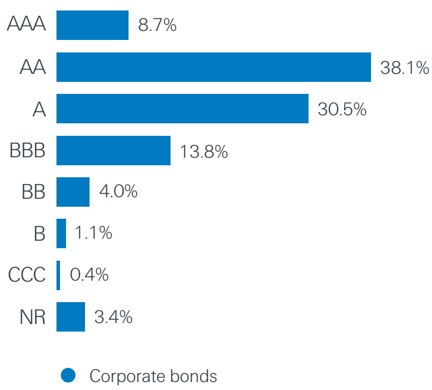
Enhancement refers to the systematic integration of ESG criteria along the entire investment process, from Strategic Asset Allocation (SAA) to monitoring and reporting. Today, ESG aspects are considered for close to 100% of Swiss Re's SAA[1]. Based on the risk-adjusted return profiles tracked by Swiss Re, including ESG criteria into investment portfolios can make economic sense, especially over the long term.

Swiss Re strives to invest in issuers that are addressing sustainability-related challenges and opportunities by taking into account their exposure and ability to manage such risks.

For its sovereign, supranational and agency bonds, Swiss Re has been applying a minimum ESG rating threshold, whenever available. Any possible exception from the minimum rating would be driven by ALM considerations as outlined on page 47.

In 2017, ESG benchmarks[2] were implemented for actively managed listed equity and corporate bond mandates[3] with limited leeway given for deviations. If benchmarks are not applicable, a minimum ESG rating threshold[2] is applied to the mandates, such as to the buy-and-maintain corporate bond mandates (see overview on page 54).

ESG rating distribution across Swiss Re's corporate bond portfolio[4], as of 31 December 2023[5]



[1] The SAA consists of the overall investment portfolio less securities lending, repo assets, collateral balances and income on cash.
[2] Based on *MSCI ESG Research LLC, "ESG Ratings Methodology", msci.com, October 2023.*
[3] A mandate is defined as the contractual agreement for the management of a subset of assets according to a specific strategy.
[4] Active and buy-and-maintain mandates: all ESG ratings from MSCI Inc. and holdings as of December 2023.
[5] Due to the reduction of the listed equity exposure in Q2 2023, the remaining listed equity positions' percentage share relative to the investments in scope is very small and thus not shown.

The ESG ratings applied to companies reflect the investees' exposure to and management of sector-specific key ESG risks, including the ones Swiss Re has identified as financially material. For details on the materiality assessment performed for investments, see Appendix, Swiss CO: additional information, page 121.

Swiss Re defines and contractually agrees these ESG rating requirements with its investment managers. Swiss Re considers the application of minimum ESG ratings as described in the Overview of responsible investing considerations in Swiss Re's investment portfolio on page 54 an effective measure to limit exposure to companies with weaker sustainability and related financial performance. This is reflected in the ESG rating profile of Swiss Re's corporate bond portfolio[1] as shown in the graph on page 48.

For its real estate portfolio, Swiss Re evaluates new investments in properties from an environmental and social perspective, and strives to improve the sustainability characteristics of properties already in the portfolio, as economically sensible. Connected to that, Swiss Re's US real estate investments are benchmarked against GRESB, an industry-driven organisation sharpening the way capital markets assess the ESG performance of real assets.

GRESB scoring US real estate portfolio

85/100 ★★★★☆

(versus GRESB average score of 75)

Performance: 55
(GRESB possible points: 70)

Management: 30
(GRESB possible points: 30)

2023 is the sixth year that the US portfolio achieved four out of five stars in GRESB. Swiss Re was able to maintain the same score over the last three years, thus outperforming the GRESB average.

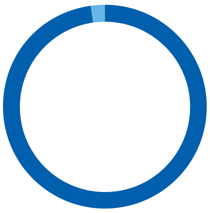
For Swiss Re's Principal Investments, the majority of investee companies[2] is monitored with regard to their ESG related performance with a focus on environmental and governance aspects.

At the end of 2023, approximately 47% of the Swiss Re´s investment portfolio was managed externally, and 98% of those assets were managed by signatories to the Principles for Responsible Investment (PRI).

Swiss Re applies a dedicated due diligence framework for selecting and monitoring external investment managers for compliance with its responsible investing expectations. The framework is used to evaluate the managers' ESG integration into their investment decisions and monitoring, as well as the investment managers' commitment to responsible investing. This includes the assessment of the following elements: governance and policies, resources, philosophy and integration, stewardship, portfolio monitoring and reporting as well as memberships and disclosure. The framework was revised and strengthened in 2022, in line with the then latest market standards and taking into account best-in-class approaches.

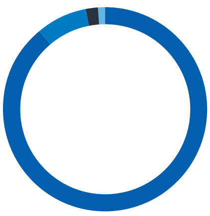
[1] A portfolio is defined as the aggregated collection of the asset type specified.
[2] Based on investment amount in USD as of 31 December 2023.

Swiss Re's listed equity voting activities in the first half of 2023



- **98%** Votes cast
- **2%** No votes cast

Swiss Re's listed equity voting behaviour in the first half of 2023



- **89%** Voted with management
- **8%** Voted against management
- **2%** Votes withheld
- **1%** Abstained

Stewardship

The voting rights of Swiss Re's actively managed listed equity portfolio were exercised on its behalf before the portfolio was sold in the second quarter of 2023. During the holding period, 98% of these voting rights were exercised. The selected external investment managers voted in line with the respective management resolution recommendation in 89% of cases and against it in 8% of cases. In 1% of cases, they abstained from voting. The remaining votes were withheld.

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

Swiss Re considers engagement with the real economy as an integral part of its contribution to limiting global warming to 1.5°C, thus serving the material topic of decarbonisation. Its internally developed Engagement Framework has been designed to encourage investee companies to strengthen their business performance and achieve long-term sustainability-related goals.

In the reporting year, the Engagement Framework was also introduced for corporate bond mandates, building on its application to the actively managed listed equity mandates since 2020. Engagement efforts were consistently carried out for the actively managed listed equity mandates until the divestment in the second quarter of 2023, which is why they are not reported. Swiss Re has been working closely with the external investment managers of both asset classes to execute the Framework across the mandates. Targets have been set for engagement frequency and desired outcomes. The investment managers are contractually required to report the level of progress achieved and highlights of their engagement activities to Swiss Re on a semi-annual basis.

The Engagement Framework comprises two topics, specified by three focus areas as outlined below:

Swiss Re's engagement topics

Alignment of Business Model with 1.5°C Target

1. Development of a strategy to manage climate-related risks (physical and transition) and align the business model with the 1.5°C target to achieve a net-zero GHG emissions economy by 2050 at the latest

2. Development of an approach to reduce GHG emissions (Scope 1, 2 and 3)

3. Publication of climate-related financial disclosures

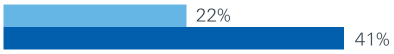
Enhancement of Transparency: Disclosure of ESG Key Metrics

1. Identification of business and financially relevant ESG key metrics

2. Regular reporting on ESG key metrics and sustainability reporting

3. Target setting for the improvement of ESG key metrics

Engagement activities for corporate bond mandates per topic



Swiss Re is working to transition its investment portfolio to net-zero GHG emissions by 2050, setting intermediate targets every five years and regularly reporting on progress achieved. As part of this, Swiss Re defined the target for the combined corporate bond and listed equity portfolio to reduce its weighted average carbon intensity by 35%[1] by the end of 2024, relative to base year 2018. This reduction implies a weighted average carbon intensity level of the portfolio of 153 tonnes CO_2e/USD million revenue by the end of 2024.

Accordingly, asking the external corporate bond investment managers to put emphasis on engaging on "Alignment of Business Model with 1.5°C Target" with companies that have a carbon intensity above the aspired level is one of the measures aimed at achieving the targeted emissions reduction. In 2023, 75% of the top 20 carbon emitting companies[2] in Swiss Re's corporate bond mandates were engaged to this effect.

Having access to financially relevant ESG information is vital to perform a comprehensive assessment of potential underlying risks. Swiss Re encourages investee companies to progress on this matter through its second engagement topic "Enhancement of Transparency: Disclosure of ESG Key Metrics".

In 2023, the Engagement Framework proved to be an effective instrument for bringing the topic of decarbonisation to investee companies' attention. Investment managers have engaged with 22% out of the total corporate bond mandate holdings[3] on the first engagement topic on behalf of Swiss Re. Furthermore, the investment managers engaged with 41% of those on the second topic.

All data can be found in the Appendix

Sustainability Report 2023

Stewardship

swissre.com

1 Scope 1 and 2 GHG emissions.
2 On parent company level.
3 On issuer entity level.

Inclusion

Investments positively contributing to the UN Sustainable Development Goals (SDGs) are suited to address specific sustainability topics in the real world, such as climate change mitigation and the transition to a net-zero GHG emissions economy, as well as social improvements.

For these SDG-related investments, Swiss Re measures the real-world impact against pre-defined and standardised indicators for internal purposes and aligns them to the SDGs.[1] Currently, the focus is on the seven SDGs shown below.

Overview of contributing activities which are financially supported by Swiss Re

Social and renewable energy infrastructure debt	Certified real estate	Impact private equity	Green, social and sustainability bonds
Hospital beds; Affordable housing; Student dorm rooms; Renewable energy installations; Households with access to modern energy services; School infrastructure	Certified real estate	Land under conservation; On-farm solar energy generation; Students' education; Access to financial services for individuals with low income; Health insurance and products acting as safety nets for health-related risks provided to individuals with low income	
USD 1.2bn	**USD 1.1bn**	**USD 95m**	**USD 4.4bn**

Supported SDGs

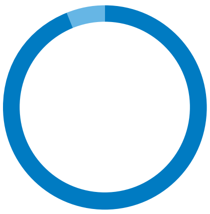
- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 15 LIFE ON LAND

[1] Based on SDI Asset Owner Platform, "Sustainable Development Investments (SDIs) Taxonomy & Guidance", and "SDG Impact Indicators Guide for Investors and Companies", sdi-aop.org, developed by the SDG Impact Assessment Working Group.

Green, social and sustainability bonds are reviewed annually against the Green Bond Principles (GBP) and Social Bond Principles (SBP) issued by the International Capital Market Association (ICMA). Only bonds that fulfil all four components of the GBP and/or SBP, respectively, are included in the reporting. These investments also form the base for Swiss Re's climate action target, financing transition. In 2023, less than 6% of the bonds reviewed by Swiss Re did not meet the criteria of ICMA's two sets of principles. In total, Swiss Re held USD 4.4 billion in green, social and sustainability bonds issued in accordance with ICMA's GBP and SBP at the end of 2023, currently exceeding the target of USD 4 billion to be achieved by the end of 2024.

For the real estate portfolio, Swiss Re also considers certified buildings, such as those that meet the MINERGIE® standard in Switzerland. The externally managed real estate portfolio is mainly invested in the US, Central and Eastern European (CEE) and UK real estate markets. Striving for local sustainability certifications is also part of the approach of the selected external investment managers. For further information, see Climate-related financial disclosures, page 76.

Green, social and sustainability bonds' fulfilment of ICMA's GBP and SBP



- 94.1% Fulfilling
- 5.9% Not fulfilling

Swiss Re aims to finance environmentally and socially sustainable infrastructure projects through its infrastructure debt portfolio, and held USD 1.2 billion of such investments as of year-end 2023. The related target to deploy additional capital of USD 750 million[1] in social and renewable energy infrastructure, including energy efficiency, by the end of 2024 relative to base year 2019 was achieved by the end of 2022. For further information, see Climate-related financial disclosures, page 72 and 82.

Impact private equity funds and co-investments are also considered as part of Swiss Re's SDG-related investments. They invest in companies that contribute to achieving positive social and environmental effects. In 2023, these investments reached a total of USD 95 million.

Exclusion

Swiss Re's approach is based on the Group-wide ESG Risk Framework, which sets criteria for what Swiss Re considers acceptable business and may lead to restrictions of companies or countries from its investment universe. The application of the ESG Risk Framework focuses on country and investee company level. For further information, see Business conduct & overarching policies, pages 32–34.

Additionally, Swiss Re considers the way companies conduct their business by screening their alignment with the UN Global Compact Principles on human rights, labour, environment and anti-corruption, where information granularity is available. Companies that fail to meet the UN Global Compact Principles based on a third-party assessment[2] are restricted from the investment universe. Accordingly, internal and external investment managers are not allowed to invest in such assets on behalf of Swiss Re. This is implemented through a list that is reviewed on a quarterly basis. This requirement is contractually defined, and compliance is internally monitored on a regular basis. For Swiss Re, this is an effective way to avoid exposure to companies posing a significant risk with regards to the UN Global Compact Principles, including the identified material sustainability topics human rights protection and anti-corruption. Specific to the topic of human rights, further information on the steps taken to ensure that slavery and human trafficking are not taking place in Swiss Re's supply chain can be found in its Modern Slavery Act Transparency Statement pursuant to section 54(1) of the UK Modern Slavery Act 2015.

Considering coal assets as particularly carbon intensive with the potential of becoming stranded given their long lifespan, Swiss Re's mid-term objective for 2030 is to fully exit coal mining and coal-fired power generation companies for its corporate bond and listed equity portfolios via normal portfolio reallocations. The company has already taken action in recent years by introducing thresholds for coal-related investments. Additionally, as outlined in the Group-wide ESG Risk Framework, Swiss Re avoids investments in the 10% most carbon intensive oil and gas companies[3]. Furthermore, for its infrastructure debt and corporate private placement portfolio, Swiss Re applies dedicated fossil fuel guidelines. For further information, see Climate-related financial disclosures, page 73.

Fossil fuel-related thresholds

swissre.com

Climate action

Swiss Re's integrated Responsible Investing strategy includes climate action, which is reflected in the commitment to transition the investment portfolio to net-zero GHG emissions by 2050 and thus, addresses the material topic of decarbonisation.

For further information, see Climate-related financial disclosures, page 72.

[1] Based on original face values.
[2] Based on *MSCI ESG Research LLC, "MSCI ESG Controversies and Global Norms Methodology", msci.com, 12 October 2023*. Companies with a "fail" or a "watch list" regarding UN Global Compact compliance in combination with an overall controversies flag "red" that indicates whether a company has a notable controversy related to its operations and/or products.
[3] Companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data.

Overview of responsible investing considerations in Swiss Re's investment portfolio[1]

	Responsible Investing strategy application Three cornerstones / Climate action	Progress status as of year-end 2023
Government bonds	• Investment universe: ESG ratings BB and better, taking ALM considerations into account • Green, social and sustainability bonds to consider ICMA[2] Principles • Country restrictions: Group-wide ESG Risk Framework	• **USD 2.2bn** of government bonds invested in green, social and sustainability bonds[3]
Credit	**Corporate bonds** • Actively managed mandates: Benchmarked against ESG BB and better indices, limited leeway for deviations • Buy-and-maintain mandates: Reinvestment universe restricted to ESG ratings BB and better • Engagement approach • Green, social and sustainability bonds to consider ICMA[3] Principles • Corporate restrictions: ESG Risk Framework, UN Global Compact Principles and fossil fuel-related thresholds Private placements: Fossil fuel guidelines **Infrastructure debt** • Proprietary ESG assessment framework • Social and renewable energy (including energy efficiency) infrastructure debt: SDG contribution measurement and internal reporting • Infrastructure debt restrictions: Fossil fuel guidelines	• **USD 2.2bn** of corporate bonds invested in green, social and sustainability bonds[2] • **USD 1.2bn** of social and renewable energy (including energy efficiency) infrastructure debt invested[2] • The target to deploy additional capital of **USD 750m** in social and renewable energy (including energy efficiency) infrastructure debt relative to base year 2019 was achieved by 2022[2] • Engaged with **75%** of the top 20 emitters in the corporate bond mandates on topic "Alignment of Business Model with 1.5°C Target"
Listed equity	**Actively managed mandates[4]** • Benchmarked against MSCI ESG Leaders Index, restricted to ESG ratings BB and better, limited leeway for deviations • Engagement and voting approach • Corporate restrictions: ESG Risk Framework, UN Global Compact Principles and fossil fuel-related thresholds	• Engagement progress not reported due to divestment
Private equity[5]	**Direct investments** • ESG performance and compliance reviewed for each potential investment • Corporate restrictions: ESG Risk Framework and fossil fuel-related thresholds **Fund investments** • Tracking of customised third-party ESG ratings • Dedicated impact funds: SDG contribution measurement and internal reporting • Fund restrictions: New investments to adhere to ESG Risk Framework and fossil fuel-related thresholds	• **USD 95m** invested in dedicated private equity impact funds and co-investments
Real estate	• Operating model: Environmental and social considerations incorporated • US portfolio benchmarked against ESG standard (GRESB) • Location-dependent sustainability certifications: MINERGIE® standard, LEED certification, BREEAM certification • Counterparty restrictions: ESG Risk Framework and UN Global Compact Principles	• **85/100 GRESB** score achieved with US real estate portfolio

Three cornerstones

Enhancement Inclusion Exclusion

Climate action

Set targets Take action Measure Report

Green/blue shading: implemented **Grey** shading: not implemented

[1] Overview is non-exhaustive.
[2] ICMA: International Capital Market Association (for further details, see Inclusion, on pages 52–53).
[3] For further information, see Climate-related financial disclosures, page 82.
[4] Applied to the actively managed listed equity mandates before the divestment in Q2 2023.
[5] Includes Principal Investments.

Responsible investing expertise

As expertise plays a key role in driving investment-related sustainability activities forward, Swiss Re is a member of relevant organisations, partnerships and initiatives.

Swiss Re first formalised its commitment to responsible investing in 2007 by signing the Principles for Responsible Investment (PRI). In December 2023, PRI released the assessment results for the reporting year 2022. Swiss Re received four out of five stars for all reported categories[1] except for confidence building measures, for which Swiss Re received three out of five stars.

In the reporting year, the newly appointed Group CIO was elected as a member of the UN-convened Net-Zero Asset Owner Alliance (AOA) Steering Group from 2024 until the end of 2025. Swiss Re also co-led the development of the AOA's third Target Setting Protocol, which was released in January 2023. Furthermore, Swiss Re contributed to the AOA's third progress report released in October 2023 and to other relevant publications.

Through relevant industry organisations such as the Swiss Insurance Association and Swiss Sustainable Finance, and through its participation in the development of the Swiss Climate Scores, Swiss Re contributed to discussions about financial market developments related to responsible investing in Switzerland.

Ratings & memberships
swissre.com

Responsible investing governance framework

Swiss Re Asset Management's framework governs that responsible investing is formalised in Swiss Re's Responsible Investing policy and consistently integrated along the entire investment process in a structured and controlled manner. This policy describes the approach, specifies roles and responsibilities in the organisation, and defines implementation and monitoring standards for responsible investment considerations in the Group's investment portfolio. It is complemented by Swiss Re Asset Management's Stewardship policy, which consists of guiding principles on voting activities as well as the Engagement Framework.

To build consistent know-how on responsible investing within Swiss Re, employees have various opportunities to receive sustainability training. This includes mandatory training on the ESG Risk Framework for all new employees (see Sustainability in underwriting, page 39). In addition, regular updates on key developments in responsible investing are provided to Swiss Re's senior leadership, for example, to the Asset Management Investment Committee and to selected Board committees.

Read more on the Swiss Re website

Responsible investing governance
swissre.com

Responsible Investing policy
swissre.com

Stewardship policy
swissre.com

[1] Policy Governance and Strategy and Indirect modules: listed equity – active, fixed income – active, private equity and real estate.

Climate-related financial disclosures

Swiss Re's climate-related financial disclosures aim to improve investors' and other stakeholders' ability to assess climate-related risks and opportunities in Swiss Re's re/insurance business, investment activities and own operations.

Key achievements in 2023

Set first net-zero targets for selected single-risk underwriting portfolios

Published GHG emissions associated with direct and facultative re/insurance portfolios

38%

Premium share from listed companies with science-based targets in single-risk property, general liability and commercial motor portfolios[1]

–45%

Reduction of the carbon intensity[2] of the corporate bond and listed equity portfolio relative to base year 2018

Swiss Re´s scenario analysis reveals **relatively modest increases** of expected market losses for key exposures triggered by climate change

[1] Includes listed companies (underlying risks in the case of reinsurance) with headquarters in OECD countries.
[2] Greenhouse gas (GHG) emissions relative to revenues, expressed in tonnes CO_2e/USD million revenue, covering Scope 1 and 2 emissions.

Summary

Swiss Re recognises that climate change, if not mitigated, will potentially have significant effects on society and the global economy. For this reason, Swiss Re has committed to net-zero GHG emissions by 2050. Climate risk mitigation and the energy transition are core pillars of Swiss Re's sustainability strategy (see Group Sustainability Strategy, page 12).

Swiss Re does not consider the transition to a low-carbon economy to present a material financial risk for its underwriting activities. Swiss Re can manage the associated risks effectively through regular review of assumptions based on the most recent historic loss experience and scientific evidence that can be reflected during the annual renewal of contracts.

Managing climate-related risks in underwriting

Swiss Re deems the impact of climate change on its underwriting portfolios and strategy overall to be limited and manageable.

Property re/insurance for natural catastrophe risks is a core business of Swiss Re. For key portfolios in its book, physical risk due to climate change is expected to lead to moderate increases of expected losses in the long term. To reflect such changes in physical risks, Swiss Re regularly adjusts its proprietary natural catastrophe models based on the most recent loss experience and scientific findings. These adjustments are relatively modest compared to those for other loss drivers. Since most property re/insurance contracts are renewed on an annual basis, Swiss Re can effectively steer its weather-related exposures and set risk-adequate prices.

Swiss Re's scenario analysis for property re/insurance reveals that the increases in expected losses triggered by climate change until 2050 are relatively modest and will not generally challenge insurability. While for certain policyholders in highly exposed regions or industries insurance may become unaffordable or unavailable, demand may increase in other, less exposed regions.

Swiss Re does not consider climate change to have a financially material negative effect on its life & health portfolios in the short, medium or long term. In its main markets, more frequent and intense heatwaves, air pollution from wildfires and vector-borne diseases are expected to modestly increase mortality, while mortality related to cold temperatures is expected to decrease.

Managing climate-related risks in investments

Swiss Re's approach to managing investment-related climate risk involves the systematic monitoring of the carbon intensity of its corporate bond, listed equity and government bond portfolios, and parts of its real estate portfolio. For the corporate bond portfolio, Swiss Re also tracks temperature scores.

Swiss Re estimates the financial materiality of transition risks as low to medium for Swiss Re's largest asset classes, ie corporate and sovereign bonds. Physical risks are currently considered as low in terms of materiality, both due to limited net exposure and their relevance mainly in the long term.

Opportunities related to climate change

Climate-related physical and transition risks also present opportunities for underwriting and investment activities.

Swiss Re's natural catastrophe re/insurance business is a growth area for the Group. These products are a form of climate change adaptation and help clients cope effectively with the weather risks of today's climate. In 2023, Swiss Re's natural catastrophe premiums amounted to USD 5.7 billion. The market is expected to see strong growth over the coming decades due to economic growth, urbanisation and climate change.

The decarbonisation of the economy offers re/insurance business opportunities across a range of sectors such as power and energy, materials and processes, transport, agroforestry and food. Swiss Re is well positioned to support this transition with re/insurance covers and is particularly active in the renewable energy sector. In 2023, Swiss Re underwrote direct and facultative re/insurance for more than 15 000 renewable energy generation facilities.[1]

Climate change can also translate into portfolio diversification opportunities for asset owners. Swiss Re sees such opportunities in investments that address specific sustainability topics such as climate change mitigation and adaptation. Green bonds contribute to financing the transition to a low-carbon economy. At the end of 2023, Swiss Re held USD 4.4 billion of green, social and sustainability bonds.

[1] Total number for which direct insurance (all lines of business) and facultative reinsurance (property and engineering) cover was written during the year. Includes wind, solar, hydro, biomass, geothermal and marine/tidal. The renewable energy transactions described here should be understood as representing only a fraction of the total direct and facultative property and engineering re/insurance portfolio.

Commitment to reach net-zero GHG emissions

Swiss Re has committed to reach net-zero GHG emissions by 2050, and has set corresponding targets in line with the Paris Agreement and the Swiss Climate and Innovation law.[1]

For underwriting activities, the Group set its first near- and medium-term targets in 2023. The goal of the targets is to increase the share of client companies aligned to net zero by 2050 in selected single-risk re/insurance portfolios. Two of the targets relate to the re/insurance of oil and gas companies, the third applies to listed companies in all other industries with headquarters in OECD countries. The new targets build on Swiss Re's existing actions to reduce exposures in the fossil fuel sector.

For its corporate bond and listed equity portfolio, as well as parts of its real estate portfolio, Swiss Re has set intermediate carbon intensity reduction targets. Swiss Re also aims to fully exit coal mining and coal-fired power generation companies for its corporate bond and listed equity portfolios by 2030. In addition, Swiss Re applies maturity limitations for fossil fuel-related investments for its infrastructure debt and corporate private placement portfolios.

Swiss Re also strives to minimise its operational footprint by reducing GHG emissions to the greatest extent and as swiftly as possible, while gradually moving from carbon avoidance to carbon removal to compensate the remaining operational emissions in scope[2] by 2030. In 2023, Swiss Re increased the internal carbon price on in-scope operational emissions to USD 123 per tonne of CO_2e (see Sustainable operations, page 91).

Task Force on Climate-related Financial Disclosures of the Financial Stability Board (TCFD)

Swiss Re´s climate-related financial disclosures are structured around the recommendations by the Task Force on Climate-related Financial Disclosures. Swiss Re was an active contributor to the Task Force and has followed the recommendations since the 2016 Financial Report.

See also Climate-related financial disclosures (TCFD): reference table, page 124.

Governance	Strategy	Risk management	Metrics and targets
A) Board oversight	A) Description of 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 GHG emissions
	C) Resilience of strategy in climate-related scenarios	C) Integration into overall risk management	C) Targets to manage climate-related risks and opportunities

Source: TCFD

[1] Swiss Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security of 30 September 2022 (BBl 2022 2403, available in German only).
[2] Scope 1, Scope 2 and selected Scope 3 categories (category 3 – fuel- and energy-related activities; category 5 – waste generated in operations; category 6 – business travel; in category 1 – purchased goods and services: paper and water).

Climate governance

Swiss Re's climate-related governance is part of its overall sustainability governance, see Sustainability governance, page 21.

Climate strategy

Swiss Re's underwriting and investment activities, own operations and sourcing are linked to the impacts the global real economy has on climate change. GHG emissions result indirectly from investments and underwriting portfolios, and – to a much lesser extent –directly from Swiss Re's own operations and sourcing. Swiss Re aims to decarbonise its business and has committed to net-zero GHG emissions by 2050. Climate risk mitigation and the energy transition are a core pillar of Swiss Re's sustainability strategy (see Swiss Re's approach to sustainability, page 12). Swiss Re's concrete net-zero targets and actions are covered on page 80 for underwriting; page 82 for investments; and pages 90–93 for Swiss Re's own operations and sourcing.

This chapter describes the physical and transition risks and opportunities Swiss Re has identified in the short term (over the next five years), in the medium term (up to ten years) as well as in the long term (until 2050). Underwriting and own operations are covered first, followed by information about investments in a separate section (see page 72).[1]

Underwriting and own operations

Swiss Re deems the impact of climate change on its underwriting portfolios and strategy overall to be limited and manageable. Climate change may lead to certain risks in highly exposed regions or industries becoming uninsurable, but demand may increase in other, less exposed regions or in industries that benefit from the transition to net zero. Swiss Re can respond effectively to such changes with its strategy process.

Swiss Re's Group strategy guides the business and underwriting strategies of the Business Units. The overall strategy is translated annually into a detailed three-year financial plan and corresponding KPIs. The underlying portfolio plans take into account the relevant drivers, including loss, growth and portfolio mix assumptions. The portfolio plans also consider climate-related risks and opportunities aligned with the time horizon relevant for the respective portfolio, if their impact is considered relevant.

Swiss Re actively monitors and manages the relevant re/insurance portfolios [2] that are potentially exposed to physical and transition risks related to climate change. Such risks could impact demand for re/insurance products as well as profitability in the short, medium and long term. In this chapter, these risks are disclosed for portfolios where the impact could be potentially financially material for the Swiss Re Group, if not adequately mitigated.

The following areas of Swiss Re's underwriting activities and own operations are covered:

- Property re/insurance (including agriculture)
- Casualty re/insurance (general third-party liability and directors & officers)
- Life & health re/insurance (mortality and critical illness)
- Swiss Re's main office locations

Physical risks

Acute and chronic physical risks arising from climate change can have significant consequences for societies and economies as a whole. For Swiss Re's underwriting portfolios they represent a limited and manageable risk in the short, medium and long term (2050).

This section describes the relevant physical risks posed by climate change that can potentially affect Swiss Re's underwriting activities and own operations.[3] Climate change could:

- Impact loss experience and thus influence modelling and pricing of weather-related natural perils in property and agriculture re/insurance.
- Impact the insurability of property and agriculture risks exposed to extreme weather events and hence the potential market for property and agriculture re/insurance.

[1] Swiss Re does not explicitly assess climate-related risks as part of its sourcing activities. Potential risks are mitigated by a risk-based due diligence process for vendors, which includes business continuity management.
[2] The relevance of climate-related risks for Swiss Re´s businesses is determined based on a combination of quantitative and qualitative factors. The quantitative threshold for the identification of potentially relevant portfolios is 5% of total premium, reserves or expected profits. For natural catastrophe-related business, annual expected losses (AEL) are also used. In a second step, the projected trends for climate-related risks relevant for each portfolio are evaluated on a qualitative and – if possible – on a quantitative basis. In addition, climate-related risks are disclosed for portfolios where weather-related perils are the dominant loss driver.
[3] In addition to property, liability and life & health, motor also accounts for more than 5% of Swiss Re's total re/insurance portfolios. Increased precipitation could lead to more accidents in motor, but this is unlikely to have a substantial impact. While the risk of hail from severe convective storms is an important risk factor in motor insurance, no clear trends due to climate change are projected for this hazard in the short, medium or long term.

- Impact Swiss Re's assumptions on mortality and morbidity rates in long-term life and health re/insurance contracts.
- Reduce/disrupt Swiss Re's own operations due to increased frequency of weather-related events affecting its office locations.

Pricing of weather-related perils in property re/insurance

Climate change is likely to impact the frequency and severity of weather-related natural catastrophes such as tropical cyclones and floods in the short, medium and long term. Not accurately reflecting climate-related changes and other, more dominant drivers when underwriting property re/insurance could lead to an inaccurate estimation of the underlying risk. Swiss Re adjusts the technical pricing of such risks on a regular basis using its proprietary loss-modelling framework. Since most property re/insurance contracts are renewed on an annual basis, this risk can be managed effectively.

In 2023, the annual expected losses (AEL) for tropical cyclone (TC) North Atlantic, US convective storm, European windstorm, Japanese tropical cyclone and European flood remained the five largest weather-related exposures in Swiss Re's natural catastrophe portfolio, each accounting for more than 5% of total weather-related AEL (see Metrics and targets, page 81).

Swiss Re's natural catastrophe models and historical loss observations show considerable interannual variability in the occurrence of extreme events and the resulting losses. This interannual variability dominates over climate change impacts for Swiss Re's current weather-related risk exposure. This is expected to remain the case both in the short and medium term, based on the most recent scientific findings from the Intergovernmental Panel on Climate Change (IPCC).[1]

Swiss Re's proprietary natural catastrophe loss-modelling framework consists conceptually of four modules: hazard (location, frequency and intensity of events), vulnerability (extent of damage at a given event intensity), exposure (location and value of the insured objects) and insurance conditions (proportion of loss insured).[2] All relevant loss drivers such as urbanisation, economic development, growing asset concentrations in exposed areas, vulnerability changes and climate change are directly incorporated into the respective module.

Climate effects, defined as both natural climate variability and anthropogenic climate change, represent only one loss driver impacting Swiss Re's natural catastrophe exposure, as measured by AEL.[3] Other important loss drivers include, but are not limited to, urbanisation, asset concentrations in exposed areas, resilience of buildings or infrastructure, and insurance penetration. In 2023, Swiss Re quantified the importance of the different loss drivers for US TC losses over the last 50 years (see box on the next page for details). The analysis revealed that population trends and the concentration of assets in coastal urban areas have been the dominant drivers for US TC loss increases since 1970 (120—130% or 1.8—1.9% per year). Higher TC activity due to natural and anthropogenic climate effects have played a relatively minor role (20—25% or 0.4—0.5% per year).[4]

Swiss Re's strategy to ensure resilience of its natural catastrophe property business in a changing climate:

1) Diversification of insured natural hazards with regard to regions, lines of business, sectors and clients.
2) Flexible management and steering of weather-related exposure through limited duration of re/insurance contracts (typically one-year contracts for property insurance) as well as active portfolio steering.
3) Regular updates of Swiss Re's in-house natural catastrophe models to ensure adequate technical pricing of natural hazards for the current and near-term climate and socio-economic environment.
4) A qualitative and quantitative scenario process to assess the most material impacts of climatic and socio-economic trends that affect insured risks. This is supported by quantitative assessments of the likely range of expected changes to determine their materiality over different time horizons and emission pathways.

[1] IPCC, *Sixth Assessment Report, Working Group 1, Chapter 4*, 2021.
[2] Further information on natural catastrophe modelling can be found in Natural catastrophes and reinsurance, Swiss Re, 2003.
[3] Disentangling the impacts of natural climate variability and anthropogenic climate change on natural hazards is challenging due to the complex interplay of these two drivers. For an appropriate risk view today, it is, however, more important to adequately reflect the near term climate conditions rather than to disentangle natural climate variability and anthropogenic climate change.
[4] *Ian revisited: Disentangling the drivers of US hurricane losses*, Swiss Re, 2023.

Disentangling the drivers of US tropical cyclone (TC) losses

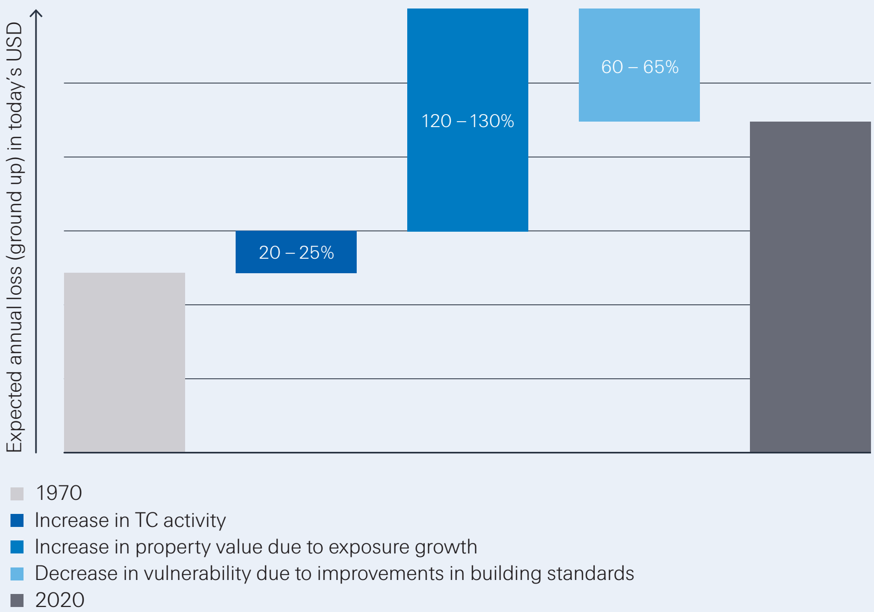
Swiss Re's four-module proprietary natural catastrophe loss models make it possible to quantify individual loss drivers and understand their interplay. In 2023, Swiss Re performed a quantitative analysis to disentangle the factors that have contributed to the increase in US TC losses over the past five decades. The hazard, exposure, and vulnerability modules were individually adapted to represent the TC activity, property values, and building standards in 1970. The study focused on residential exposure and modelled losses due to wind, the main cause of losses to date.

The modelled AEL in 1970 was compared with the modelled AEL in 2020. The analysis shows that exposure growth is the most dominant driver behind the increases in TC wind AEL. Exposure growth was approximated by population growth. The corresponding AEL more than doubled compared to the 1970s (increase of 120—130% corresponding to 1.8—1.9% per year). It is worth noting, however, that areas in the US that are vulnerable to TCs have seen above-average overall population growth in recent decades.[1]

Changing frequency and severity of TCs also had an impact during the 1970–2020 observation period. This is due to the fact that over the last 150 years, there has been a significant variation in North Atlantic TC activity, mainly fuelled by changes in sea surface temperatures. Typically, warmer sea surface temperatures result in a greater number of TCs. The post-1995 period saw elevated activity. Relative to the historically low TC activity in the 1970s, today's higher frequency has resulted in an increase in AEL in the US of 20—25% (0.4—0.5% per year).

While both exposure growth and TC activity contributed to higher loss expectations, these are partially offset by improved US house building standards and practices, which reduced the vulnerability of the insured residential properties. New buildings erected in TC-prone regions generally follow better building codes. Such improvements have reduced AEL by 60–65% (1.0–1.1% per year).

Quantification of historic drivers of TC AEL in the US since 1970



[1] *sigma* 1/2023: Natural catastrophes and inflation in 2022: a perfect storm, Swiss Re.

Swiss Re closely monitors climatic trends and other risk factors that are potentially material for its business over various time horizons, and updates its models to ensure an adequate risk assessment of the property re/insurance natural catastrophe business. Physical climate change risks that may affect its financially relevant property portfolios are:

- **Rising sea levels:** Confidence about observed and future climate trends is highest with regard to the increase in global temperatures, leading to rising sea levels. This can in turn increase the magnitude of storm surges. To date, the rise in sea levels has been relatively slow and will likely remain so in the short and medium term, allowing time for measures to mitigate the long-term risk for coastal regions.[1]
- **Increased temperature extremes:** Another outcome of climate change for which there is high confidence is increased temperature extremes, which will continue to bring longer and more frequent heatwaves, droughts and periods of water scarcity, also in regions that were not exposed to such risks before.[1] Hot and dry conditions exacerbate drought and wildfire risk, as seen in different regions in recent years, including western North America, southern Europe and Australia (see box below for further information).[2]
- **More frequent and severe rainfall:** Rising temperatures enable the atmosphere to hold more moisture, thus increasing the severity and frequency of rainfall events, which in turn is expected to amplify flood risk. However, the rainfall-flood link is complex. Furthermore, flood risk is also impacted by other factors such as soil sealing, urban flood protection, land-use changes and seasonal dependencies such as snow melt and soil moisture.[3]
- **Severe convective storms and European windstorms:** There is no conclusive scientific evidence on how climate change impacts the frequency and severity of such events.[4]

Wildfire

Wildfire only accounts for 2% of Swiss Re's total annual expected losses for weather-related perils. However, it is discussed here due to recently observed loss trends, and potential impacts of historic and future climate change. Total insurance industry losses from wildfire have been increasing more rapidly than for any other peril over the past years, fuelled by an intricate interplay of man-made and natural factors.[5]

There is medium scientific confidence[6] that weather conditions that promote wildfires (fire weather) have become more probable in southern Europe, the US and Australia over the last century. Evidence shows that anthropogenic climate change has driven increases in the area burned by wildfire in western North America. Elsewhere, deforestation, fire suppression, agricultural burning and short-term cycles like El Nino exert a stronger influence than anthropogenic climate change.[7]

Swiss Re has in-house wildfire pricing models for the most risk-prone regions North America, Europe and Australia to adequately reflect this peril in risk assessments. But wildfire is one of the most complex perils from a modelling perspective for various reasons:

- Both fire ignition and fire spread potential (and thus severity) are the consequence of an intricate interplay of man-made and natural factors.
- The hazard is very small scale, which implies a pronounced hit-or-miss characteristic.
- For a given location, the hazard risk can vary drastically on a year-to-year basis, depending on weather history, vegetation health, fire prevention rigidity, fire-fighting capability, government policies etc.
- With its strong and immediate dependency on meteorological conditions as well as man-made factors, wildfire is strongly influenced both by weather trends and demographic processes.

Due to modelling complexities formulating climate scenarios for wildfires is challenging. While scientific evidence indicates an increased future risk of escalated wildfires in regions such as Australia, southern Europe and western North America,[2] the complex interplay between anthropogenic and natural factors precludes meaningful AEL projections for wildfires based on climate change signals alone.

[1] *IPCC, Sixth Assessment Report, Working Group 1, Summary for Policymakers, 2021.*
[2] IPCC, *Sixth Assessment Report, Working Group 2, Chapter 2*, 2022.
[3] IPCC, *Sixth Assessment Report, Working Group 2, Chapter 4*, 2022.
[4] IPCC, *Sixth Assessment Report, Working Group 1, Chapter 11*, 2021.
[5] *sigma* 1/2021: Natural catastrophes in 2020: secondary perils in the spotlight, but don't forget primary-peril risk, Swiss Re. Secondary perils are independent natural catastrophe events that can happen frequently, typically generating low- to medium-sized losses. Examples include severe convective storms (thunderstorms, hail and tornadoes), drought, wildfire, snow, flash floods and landslides.
[6] Standard IPCC terminology, see IPCC, *Sixth Assessment Report, Working Group 1, Summary for Policymakers*, 2021.
[7] IPCC, *Sixth Assessment Report, Working Group 2, Chapter 2*, 2022.

Impact on the insurability of property and agriculture risks exposed to weather-related perils

Climate change could render certain objects exposed to extreme weather events uninsurable by undermining one of the three pillars of insurability:

- **Assessability:** In order to offer insurance protection, re/insurers must be able to assess the frequency and severity of possible losses from extreme weather events for the near term according to the re/insurance contract duration. This implies that the loss models must reflect the climate for the time horizon relevant to underwriting, in other words, the next few years. Based on the information that is currently available, Swiss Re expects extreme weather risks to remain assessable by scientific methods in the short, medium and long term.
- **Randomness of risk:** Insurability also depends on the random nature of a risk. If risks increase to a level at which losses are certain and predictable, insurance is no longer the right financing mechanism to protect assets. Based on Swiss Re's current scenario analyses (for tropical cyclones US and flood UK), randomness will largely remain intact in the short, medium, and long term.
- **Economic viability[1]:** An increase in the frequency and severity of extreme weather events requires a rise in technical price, and ultimately in premiums for the end consumer, which may render insurance economically unviable for the owners of certain objects.

  For instance, coastal areas affected by tropical cyclones are particularly at risk. While there is substantial uncertainty in the projection of frequency and severity of tropical cyclones in the short and medium term, rising sea levels are projected to lead to substantial increases in storm surge risk for coastal areas in the long term.

  Additionally, warmer temperatures are projected to increase the severity of rainfall induced by tropical cyclones. In combination, these developments might push re/insurance prices in coastal areas exposed to tropical cyclones beyond affordable limits, especially if counteracting climate adaptation measures were to remain insufficient.

  If re/insurance were to become unaffordable for certain areas and/or risks, demand for re/insurance would decrease. However, this would likely be at least partly offset by increasing demand in currently less exposed areas, as people relocate and risk awareness increases (see Resilience under different climate scenarios, page 68).

Impact of weather-related perils on agriculture re/insurance

Agriculture re/insurance typically provides cover against perils such as hail, drought, excess rain and frost, with the extent of covers diverging between markets. The impact of climate change on Swiss Re's agriculture reinsurance business is limited to the sub-portfolios of crop and forestry, which are mostly exposed to hail and drought.

Hail is an important peril for Swiss Re's agriculture reinsurance book, constituting roughly 45% of the total exposure. The impact of climate change on this part of the book is unclear, because there is high uncertainty about future changes in hail activity driven by climate change in most regions.

Over the past two decades the frequency and severity of droughts and frost have increased, with significant differences across regions. The 2023 IPCC Synthesis Report predicts this trend will continue in the short, medium and long term.[2] This will require an adjustment of re/insurance risk models, but Swiss Re is confident that with its modelling approach, it will be able to accurately assess risks in a changing environment. In some regions, the economic viability of insurance could become an issue in the medium to long term, which could limit the market potential for Swiss Re. The level of premium at which insurance is no longer economically viable for policy holders is uncertain and will also depend on the extent of government interventions such as subsidies.

The impact of climate change on Swiss Re's agriculture book is mitigated by several factors:

- Climate change effects are reflected in historical losses, which are the main basis for risk modelling.
- Agriculture re/insurance is a short-tail business with annual renewals, which means that terms and conditions, as well as the portfolio composition are reviewed and adjusted yearly.
- Swiss Re continuously improves forward-looking modelling where the speed of change (ie accelerating effects on weather-driven perils due to climate change) is specifically reflected. The projections are also taken into account when defining Swiss Re's risk appetite for agriculture re/insurance overall, as well as across regions and perils.
- Climate adaptation measures with farmers through new agro-management practices such as new seeds, fertilisers, etc further mitigate the impact of climate change on Swiss Re's agriculture book.

Climate change's impact on life and health re/insurance

Climate change could impact life & health portfolios, where premium rates are not annually reviewed. In Swiss Re's main markets, mortality related to climate-related risk factors is expected to increase modestly, while mortality related to cold temperatures will decrease. Overall, Swiss Re does not expect this effect to be financially material. There are many other biological risk factors that have a much larger impact on mortality and morbidity rates than climate change.

The most prominent climate-related risk drivers are expected to be extreme heat, air pollution and increased exposure to infectious diseases spread by non-human vectors:

- Global warming is the cause of more severe and frequent heatwaves that have the potential to increase the incidence of heart attacks and strokes, and worsen

[1] In public discussions affordability is also used as a term for economic viability.
[2] IPCC, *Sixth Assessment Report, Climate Change 2023: Synthesis Report*, 2023.

cardiovascular disease states, thus affecting both mortality and critical illness portfolios. Heatwaves will extend in duration and to previously unaffected regions, thereby increasing the share of the world's population impacted by such conditions. The extent of an individual's direct exposure to heatwaves and access to mitigation tools will be the determinants of their overall risk.

- Hot and dry conditions exacerbate the risk of wildfires, which may increase air pollution levels. In some instances, deteriorated air quality may last several weeks after the event. The pollutants emitted from wildfires can travel long distances, exposing people across a wide area to various irritants, primarily affecting respiratory and cardiac morbidity and mortality, and thereby affecting mortality and critical illness experience.
- Climate change is modifying the transmission of vector-borne diseases, particularly those spread by mosquitoes and other insect vectors. Global warming is altering their geographical distribution and creating favourable breeding conditions in new regions. This expansion of habitats is resulting in vector-borne diseases, such as malaria or dengue fever, formerly confined to tropical regions and areas with high temperatures, progressively expanding into temperate and subtropical climates. As a consequence, the incidence of vector-borne diseases in the general population is expected to rise in the short, medium and long term.

The above risks mostly impact clinically vulnerable individuals with pre-existing comorbidities, or groups such as the elderly and the disabled, and individuals who are socioeconomically disadvantaged. Increasingly frail, ageing populations could see an increase in annual deaths. Without mitigation action, mortality rates and healthcare costs could rise, leading to higher claims costs than anticipated by Swiss Re.

Scientific evidence quantifying the impact of climate-related heatwaves, air pollution and vector-borne diseases on health and mortality outcomes today and in the long term is still limited. There is additional uncertainty around how climate change will play out in conjunction with other key adverse trends such as increases in unhealthy behaviours or obesity. Swiss Re follows the scientific discussion and incorporates new evidence into its mortality assumptions on a regular basis (see Climate risk management, page 77).

Current research suggests that in Swiss Re's main life & health markets (North America, Northern Europe and Oceania) cold temperatures are currently a more substantial driver of mortality than extreme heat.[1] Consequently, Swiss Re does not expect a financially material net adverse impact from climate change on mortality for these portfolios in the short, medium and long term (see Resilience under different climate scenarios, page 71).

Several factors are expected to reduce the impact of climate-related risks on Swiss Re's life & health business:

- Policy holders can reduce severity and duration of exposure to the elements.
- Affordable mitigation measures such as air purifiers, air cooling or increased hydration will further limit the impact on insured lives.
- In some climate scenarios, anthropogenic air pollution, a driver of claims today, is expected to improve as countries push for more stringent emissions limits.

Disruption of own operations due to weather-related events

Physical risk related to climate change could disrupt Swiss Re's own operations due to increased frequency of weather-related events affecting its office locations. Severe weather risks are potentially of importance for some operations, mainly in Florida and on the north-eastern coast of the US. However, even assuming an extreme climate change scenario, Swiss Re does not expect any of its office locations to be exposed to risk levels that would undermine their economic viability. The Group can adjust its locations relatively easily, as almost all of its offices are rented. Robust and regularly tested business continuity plans covering all locations are in place to mitigate the risk of weather-related disruptions (see Climate risk management, page 77).

[1] See *The risk of a lifetime: mapping the impact of climate change on life and health risks*, Swiss Re, pages 19–20.

Transition risks
Swiss Re does not consider the risks in the context of the overall transition towards a net-zero GHG economy a material financial risk for its re/insurance business in the short and medium term. It expects to be able to manage the associated risks effectively thanks to established processes for reviewing underwriting assumptions based on the most recent loss experiences and scientific findings, as well as the annual renewal of most contracts.

Policy, legal, technology, market and reputational risks and their potential impact on insurance liabilities are described in the figure on the next page. Also included are the implications for re/insurers in general. Depending on the speed of the transition, the risks may impact the growth and structure of re/insurance demand or the quality of re/insured risks alongside other factors, such as the overall economic and financial market environment or technical innovation. Adapting to such changes is part of Swiss Re's Group strategy and the related planning process (see Climate strategy, page 59). Swiss Re can therefore manage these risks effectively with its established underwriting and risk management processes.

Two specific transition risks that could affect Swiss Re are related to changes in insurance regulation and climate change litigation.

Regulatory risks for re/insurers
Climate change could render an increasing share of objects exposed to extreme weather events uninsurable in the short, medium and long term (see Impact on the insurability of property and agriculture risks exposed to extreme weather events, page 63).

Regulatory action to improve the affordability and availability of re/insurance could include i) limiting the price of re/insurance; ii) making certain re/insurance covers mandatory; and/or iii) mandating extended duration of re/insurance, for example, for property natural catastrophe business.

Such mandates could limit Swiss Re's ability to diversify risk or set risk adequate prices and could therefore have a negative impact on underwriting results. Swiss Re believes this risk is limited and mitigated by the mandate of insurance regulators to protect policy holders and ensure the solvency of the industry. Currently, the discussion in the regulatory community indicates that supervisors are well aware of the corresponding trade-offs.[1]

Climate change litigation risk
Swiss Re identified climate change litigation risk (CCL) as a potential risk for certain segments of casualty re/insurance over a decade ago. Since the adoption of the Paris Agreement in 2015, the number of CCL court cases has more than doubled to a total of more than 2 300 cases worldwide in 2023.[2] While these activities are currently focused on the US, Europe and Australia, they are spreading to other jurisdictions as well. Most of the cases are directed against governments and public entities, but private companies are also increasingly being targeted. So far, most of the cases brought up are an attempt to change behaviour rather than seeking monetary compensation. The potentially insurance-relevant cases fall mostly within one of the following four categories: contribution to climate change, improper disclosure, misleading product disclosures and mismanagement of climate-related risks.

To date, many of the CCL decisions in the cases that are potentially relevant for insurers were made in favour of defendants. They have therefore not led to significant claims for the re/insurance industry. However, CCL has the potential to cause losses in certain segments of casualty re/insurance in the short to medium term.

While Swiss Re has not faced any significant CCL claims to date, it actively monitors and assesses CCL risks in its underwriting and risk management units. In particular, Swiss Re tracks advances in climate attribution science, CCL cases, regulatory changes and developments in legal concepts for different geographies, industries and lines of business in order to assess potential exposures under different scenarios. Potential CCL exposures are mitigated by an underwriting strategy that also considers CCL risk in addition to broader ESG topics with a reduction of carbon exposures based on the Oil and Gas Policy and Thermal Coal Policy that started as early as 2018 (see Business conduct & overarching policies, page 34). However, cases might still arise from runoff for a number of years.

[1] *A call to action: the role of insurance supervisors in addressing natural catastrophe protection gaps*, International Association of Insurance Supervisors, 2023.
[2] Sabin Center's climate change litigation, Climate change litigation database, 11 December 2023.

Transition risks for the real economy and their potential relevance for re/insurance underwriting

	Transition risks	Financial impacts on real economy	Impacts on insurance liabilities
Policy and legal	• Removal of fossil fuel subsidies • Increased pricing of GHG emissions • Exposure to litigation for historical and current GHG emissions • Emission disclosure requirements • Mandates on and regulation of existing products and services	• Write-offs, asset impairment and early retirement of existing assets due to policy changes (ie stranded assets) • Increased operating costs (eg higher compliance costs, increased insurance premium) • Increased costs and/or reduced demand for products and services resulting from fines and judgments • Increased regulatory pressure for decarbonisation and disclosure	• Climate policy-induced economic effects may lead to higher claims for certain lines of business (eg credit insurance) • Increased operating risk and lower risk quality for impaired assets may impact property insurance (eg due to increased cost pressure and reduced asset maintenance) • Increased litigation activity may become relevant for casualty insurance (eg general liability, directors & officers insurance) • Insurance regulators introduce disclosure requirements, insurance mandates and limit insurance pricing
Technology	• Substitution of existing products and services with lower GHG emissions options • Unsuccessful investment in new technologies • Costs to transition to lower emissions technology	• Write-offs, early retirement of existing assets • Reduced demand for products and services • Research and development expenditures in new and alternative technologies • Capital investments in technology development • Costs to adopt/deploy new practices and processes	• Shift in predominant energy technologies could lead to a change in the liability structure and diversification for re/insurers • New technologies without established loss histories may increase uncertainties in property and engineering insurance
Market and reputation	• Changing customer behaviour • Uncertainty in market behaviour • Decarbonisation efforts required by business partners • Increased cost of raw materials	• Reduced revenue from certain goods and services due to shift in consumer preferences • Change in revenue mix • Increasing costs for decarbonising business models • Reduction in capital availability • Increased reputational risk for high-emission sectors	• Premium volume in engineering and property insurance will shift from GHG-intensive assets and activities to low emissions alternatives • Reputational risk for re/insurers via insurance-associated emissions (eg insurance of thermal coal) may intensify • Potential societal backlash due to transition in fossil fuel-dependent societies causing market decline (eg due to political unrest)

Source: Swiss Re, adapted from TCFD.

Opportunities

Climate change also presents opportunities for Swiss Re in the short, medium and long term.

Developing corresponding products and services is a core part of Swiss Re's Group Sustainability Strategy 2023–2025 (see, Swiss Re's approach to sustainability page 12).

Opportunities related to physical risks

Swiss Re's re/insurance products offering protection against natural catastrophes is a core business and remains a growth area. These products are a form of climate change adaptation and help insurers, governments and end consumers cope effectively with the weather risks of today's climate. In 2023, Swiss Re's natural catastrophe premiums amounted to USD 5.7 billion, or about 20% of corresponding Property & Casualty Reinsurance and Corporate Solutions premiums.[1]

The natural catastrophe market and the broader property insurance market are expected to see strong growth in the short, medium and long term, independent of a specific climate scenario. A *sigma* report by Swiss Re Institute projects that the global property insurance market is set to experience stronger growth than the overall economy until 2040.[2] While economic growth and increasing urbanisation in emerging markets will contribute 80% of additional premiums over the next two decades, 20% of additional premiums projected until 2040 are attributable to increased physical risk arising from climate change. At the same time, the share of uninsured losses is still high, indicating further growth potential.[3] Swiss Re also helps expand re/insurance protection to new client segments (in particular in the public sector), underdeveloped markets and by offering risk transfer instruments.

See Sustainability in underwriting, page 42, for examples of risk transfer instruments for natural catastrophes.

Opportunities related to transition risks

Swiss Re contributes to stability in the insurance industry and societies at large with risk transfer solutions covering new technologies or industries that advance the decarbonisation of the global economy towards net zero. This transition offers re/insurance-related business opportunities for Swiss Re across a range of sectors, such as power and energy, materials and processes, transport, agroforestry and food, particularly in a Net Zero 2050 scenario (see Resilience under different climate scenarios, page 68). For the power sector alone, the International Energy Agency estimates that in order to achieve net-zero emissions by 2050, investments in the global power sector must rise from an annual average of USD 1.0 trillion between 2018–2022 to USD 2.2 trillion by 2030, and that this level must be maintained through to 2050. Close to USD 1 trillion from 2030 onwards is required for wind turbines and solar panels, and almost as much will need to flow into battery storage, transmission grids and distribution grids.[4] Swiss Re Institute predicts that investments in renewable energy could lead to additional energy sector-related insurance premiums of close to USD 240 billion by 2035.[5]

Swiss Re is re/insuring renewable energy projects across all lines of business. In 2023, Swiss Re underwrote direct insurance and facultative re/insurance for more than 15 000 renewable energy generation facilities.[6]

Swiss Re Corporate Solutions has been a recognised market leader for offshore wind risks for a decade. The Business Unit's renewable energy centre has teams with dedicated underwriters, risk engineers and claims managers, and it is gradually building capabilities to lead insurance programmes for solar, wind and battery energy storage systems.

P&C Reinsurance, in May 2023 further strengthened its renewable energy capabilities with a new Centre of Competence to help clients manage their renewable energy portfolios. The Centre currently supports clients involved in offshore and onshore wind and solar technologies, with plans to support other technologies in the future.[7]

See Sustainable underwriting, page 41, for examples of concrete solutions related to transition risks from climate change.

[1] Estimated gross premiums for losses exceeding USD 20 million. The premiums are net of external expenses such as brokerage and commissions, and cover Property & Casualty Reinsurance and Corporate Solutions business.
[2] *sigma* 4/2021: More risk: the changing nature of P&C insurance opportunities to 2040, Swiss Re.
[3] *sigma* 2/2023: Restoring resilience, the need to reload shock-absorbing capacity, Swiss Re.
[4] World Energy Outlook 2023, International Energy Agency 2023, page 129.
[5] *sigma* 5/2022: Maintaining resilience as a new world order takes shape, Swiss Re.
[6] Total number for which direct insurance (all lines of business) and facultative reinsurance (property and engineering) cover was written during the year. Includes wind, solar, hydro, biomass, geothermal and marine/tidal. The renewable energy transactions described here should be understood as representing only a fraction of the total direct and facultative property and engineering re/insurance portfolio.
[7] See J. Keime, *Insuring a renewable future? Leverage 160 years of risk expertise and meaningful capacity to support your journey*, swissre.com, 5 March 2024.

Resilience under different climate scenarios

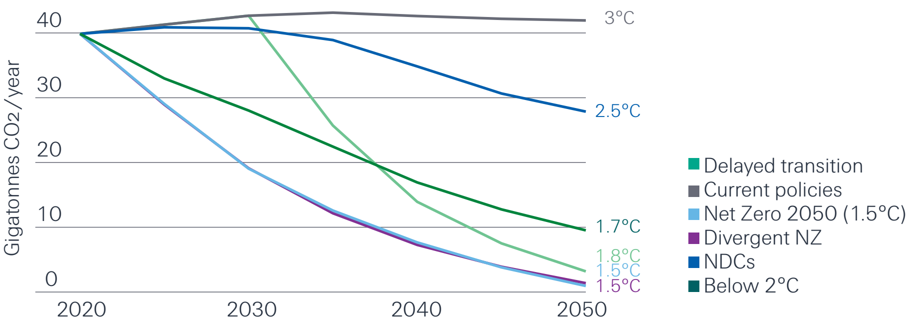
Scenario analyses for natural catastrophe re/insurance as well as life & health confirmed Swiss Re's view that climate change does not pose a fundamental threat to the resilience of Swiss Re for its re/insurance risk-taking in the short, medium and long term.

Swiss Re uses qualitative and quantitative scenario analyses to assess the resilience of its strategy under different climate scenarios. The scenarios of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) serve as the common narrative for the analysis of investment and underwriting portfolios.[1] The NGFS scenarios incorporate different degrees of transition risks along different paths of global warming in the selected orderly, disorderly and hot house scenario:

- **Orderly** (Net Zero 2050, Below 2°C): Climate policies are introduced early and become gradually more stringent. Physical and transition risks are both relatively low.
- **Disorderly** (Delayed transition, Divergent Net Zero): Climate policies are delayed or divergent across countries and sectors. Emission reductions need to be sharper than in the orderly scenario to limit warming to the same target. The result is higher transition risk.
- **Hot house world** (Current policies, Nationally Determined Contributions (NDCs)): Some climate policies are implemented in some jurisdictions, but global efforts to limit warming are insufficient. This leads to severe physical risks including irreversible impacts.

The NGFS scenarios are linked to Representative Concentration Pathway (RCP) scenarios, which Swiss Re uses for natural catastrophe re/insurance.[2]

Representative NGFS scenarios: CO_2 emissions by scenario



Source: IIASA NGFS Climate Scenarios Database, REMIND model.
End of century warming outcomes shown.

Property natural catastrophe re/insurance

Swiss Re's long-term climate change scenario work for natural catastrophe property re/insurance addresses the following focal question: Could climate change challenge the insurability for key portfolios because the technical price increases required will render it uneconomical for the end consumer? For more information, see Impact on the insurability of property and agriculture risks exposed to extreme weather events, page 63.

To address this question, the annual expected losses (AEL), a proxy for the technical price, are projected under different RCP scenarios for Swiss Re's largest portfolios. Additionally, the projected AEL increases for the individual policyholders within a portfolio are also assessed. The analyses done in 2023 build on and confirm previous work.[3]

The results are derived by adjusting the hazard module in Swiss Re's proprietary natural catastrophe loss-modelling framework to the climate in 2050, while keeping all other modules and assumptions constant (ie vulnerability, exposure, and insurance conditions). The selection of perils and regions, for which climate change impact is estimated, is motivated by economic relevance for the Swiss Re Group (based on AEL) and scientific evidence. Based on these criteria, tropical cyclones (TC) were investigated first, followed by flood. TC risk in US property is the most material exposure in Swiss Re's natural catastrophe re/insurance portfolio. Flood risk for the United Kingdom is a well-studied region, lending itself for a first flood scenario.

Four different climate change scenarios were analysed for the long term (2050): the three scenarios under RCP4.5 and the one under an extreme RCP8.5 considered the latest-available scientific insights. For its analysis, Swiss Re chose static portfolios reflecting the overall market, as this provides a fair approximation of a global reinsurer's portfolio (see box on the following page for more details). Differences in the projected physical impacts between RCP2.6, RCP4.5 and RCP8.5 in the short to medium term (ie in the next ten years), but also in the long term (ie 2050) are minor, however, a considerable divergence is expected for the second half of the 21st century. Furthermore, significant uncertainty exists within a single scenario (eg RCP4.5), mainly caused by different modelling assumptions used in various climate models.

[1] Swiss Re's analysis is based on the representative scenarios of the phase II NGFS Climate Scenarios that are used by the external data provider.
[2] RCP scenarios represent possible future concentration trajectories of greenhouse gases. The scenarios are named after the resulting radiative forcing at the end of the 21st century, eg 8.5W/m^2 for RCP8.5, where no mitigation measures or technical innovation will limit temperature increases.
[3] See Swiss Re, Climate-related financial disclosures. Financial Report, 2021, pages 166–168, for previous scenario work on TC Japan and US. This pilot scenario study was based on a different baseline period (2005) and projection horizon (2055) than the new assessment (2023 baseline and 2050 projection). Comparing on the same basis, the new work on TC US is consistent with previous findings.

The climate scenario work revealed that the expected climatic changes for TCs in the US and flood in the UK until 2050 are relatively modest compared with historic developments or average annual inflation and therefore manageable for Swiss Re:

- Annual changes in AEL for TC US are projected to amount to –0.5% to 0.7% under RCP4.5 and to 1.1% under the extreme scenario (RCP8.5). The projected AEL changes for the more likely RCP4.5 scenario reflecting current policy actions, are in line with historic loss trends arising from higher TC activity (0.4–0.5% per year).
- For flood UK, AEL are projected to increase by 0.2–1.3% per year under RCP4.5 and by 1.4% per year under RCP8.5, the extreme scenario.

The results for the extreme scenario RCP8.5 for TC US and flood UK demonstrate that for most policyholders, projected AEL increases are expected to be still economically viable. Within a portfolio, the moderate yearly increases in AEL and thus technical price for most policyholders will most likely more than offset the loss of premium from those that are no longer insurable. Swiss Re's analysis anticipates a growing premium volume of the TC US and flood UK markets as long as at least 78% and 65% of policyholders in today's market portfolio remain insured by 2050.

The findings should be used with full awareness of the limitations. There is still only limited scientific consensus on how climate change will translate into changes in frequency and severity of natural hazards. It is therefore crucial to show the range of possible impacts for different climate change scenarios and treat them as possible and internally consistent future paths. Furthermore, natural hazards are complex in nature and often involve an intricate interplay between both perils and other drivers like soil sealing or exposure growth. Consequently, scrutinising the impacts of climate change in isolation lacks a comprehensive understanding of the broader dynamics at play. Finally, Swiss Re's future re/insurance book and AEL are determined by factors such as exposure growth, underwriting risk appetite, market conditions, insurance penetration and climate adaptation measures. Scenario analysis beyond the 2050 time horizon would have to consider the complex interaction of all the factors outlined, which are likely to quantitatively dominate over the impact of climate change.

Quantitative scenario analysis for TC US and flood UK

The climate change adjustments to Swiss Re's event-based probabilistic models were based on multi-model climate change projections[1] for 2050 under RCP4.5. To account for the uncertainty in climate model simulations, three additional sub-scenarios were defined covering the lower (10th percentile), median and upper (90th percentile) end of the uncertainty range spanned by the climate models. In addition to the three sub-scenarios under RCP4.5, an extreme scenario for the upper end of the uncertainty range under RCP8.5 was evaluated. The climate change scenario analyses for TC US and flood UK were done on market portfolios, and kept constant over the 2050 horizon to isolate the climate change impact from economic development, shift to exposed areas, vulnerability changes or any other risk factor impacts.

Similar to the previous scenario work in 2021,[2] for the TC US scenarios, climate change effects were implemented for three sub-perils, namely wind, rainfall-induced flooding and storm surge. The adjustments to the sub-perils wind and rainfall-induced flooding were based on Knutson et al. (2020)[3]. This meta study provides basin-wide multi-model projections for changes in TC frequency (overall and category 4–5) and TC rain rate that would occur with 2°C warming of global mean surface temperature. The conversion of the Knutson et al. (2020) results into percentage changes of TC signals for the projection time 2050 relative to the temporal baseline of 2023 follows the algorithm proposed by Jewson (2021)[4]. The sub-peril storm surge was adjusted based on IPCC AR6 sea level projections[5]. All climate change signal adjustments were performed on a basin-wide level.

For the flood UK scenarios, multi-model river discharge data provided by Copernicus Climate Change Service[6] was used. Projected changes in river discharges were implemented on a local scale into Swiss Re's river flood UK model[7].

Changes in the AEL due to climate change by 2050 are shown in the figure on the following page. They are estimated to amount to –13% to 21% (–0.5% to 0.7% per year) for TC US under RCP4.5 and to 35% (1.1% per year) under the extreme

[1] A group of parallel climate model simulations, see IPCC, *Sixth Assessment Report, Annex VII: Glossary*, 2021.
[2] See Swiss Re, Climate-related financial disclosures. Annual Report, 2021, pages 166–168 for details.
[3] Knutson, T., Camargo, S. J, Chan, J. C. L., et al., "Tropical Cyclones and Climate Change Assessment: Part II: Projected Response to Anthropogenic Warming". *Bulletin of the American Meteorological Society*, 2020, 101(3), E303-E322. https://doi.org/10.1175/BAMS-D-18-0194.1.
[4] Jewson, S., "Conversion of the Knutson et al. Tropical Cyclone Climate Change Projections to Risk Model Baselines". *Journal of Applied Meteorology and Climatology*, 2021, 60(11), 1517-1530. https://doi.org/10.1175/JAMC-D-21-0102.1.
[5] Garner, G. G., T. Hermans, R. E. Kopp, A. B. A. Slangen, T. L. Edwards, A. Levermann, S. Nowikci, M. D. Palmer, C. Smith, B. Fox-Kemper, H. T. Hewitt, C. Xiao, G. Aðalgeirsdóttir, S. S. Drijfhout, T. L. Edwards, N. R. Golledge, M. Hemer, G. Krinner, A. Mix, D. Notz, S. Nowicki, I. S. Nurhati, L. Ruiz, J-B. Sallée, Y. Yu, L. Hua, T. Palmer, B. Pearson, IPCC, "Sixth Assessment Report Sea Level Projections. Version 20210809", 2021. https://doi.org/10.5281/zenodo.5914709.
[6] Berg, P., Photiadou, C., Bartosova, A. et al., "Hydrology related climate impact indicators from 1970 to 2100 derived from bias adjusted European climate projections", Copernicus Climate Change Service (C3S) Climate Data Store (CDS), 2021. https://doi.org/10.24381/cds.73237ad6 (Accessed on 19-04-2023).
[7] Swiss Re's event-based river flood models cover fluvial flooding as well as pluvial flooding co-occurring with fluvial flood events; pluvial-only events are not covered. Fluvial flooding is of higher relevance for large flood loss events and hence, also for the reinsurance property natural catastrophe business.

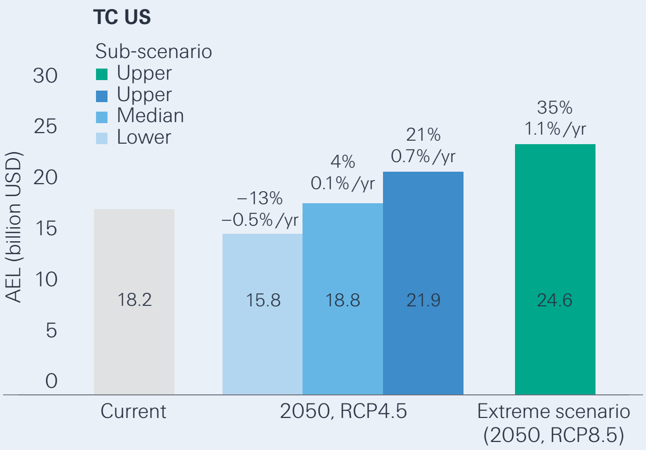
Quantitative scenario analysis for TC US and flood UK (continued)

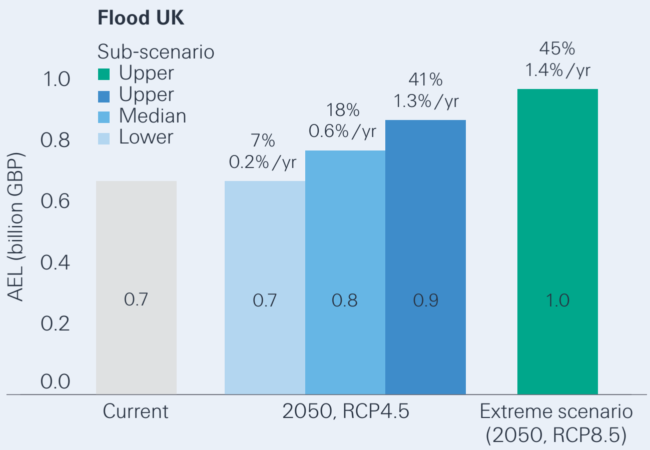
scenario. For the more likely RCP4.5 scenario under current policy actions, this is in the order of historic loss trends arising from higher TC activity (0.4–0.5% per year). The projected AEL changes for flood UK are in the range of 7–41% (0.2–1.3% per year) under RCP4.5 and of 45% (1.4% per year) under the extreme scenario.[1]

The extreme scenarios for TC US and flood UK demonstrate that for most policyholders, the projected increase of AEL is expected to be still economically viable by 2050. Assuming that the required premium increase will follow the AEL, essentially all TC US policyholders will experience a yearly premium rise, below 1.8% (see left figure below), which is relatively modest.[2] Swiss Re's analysis predicts a growing premium volume of the TC US market under these moderate premium rises as long as 78% of today's market portfolio based on insured values is still insured by 2050. Estimated AEL increases for flood UK are somewhat larger. For example, only 83% of the UK policyholders are projected to encounter a yearly AEL rise below 2%. With the larger increase in AEL a smaller fraction of the portfolio (65%) is needed to maintain a stable market size.

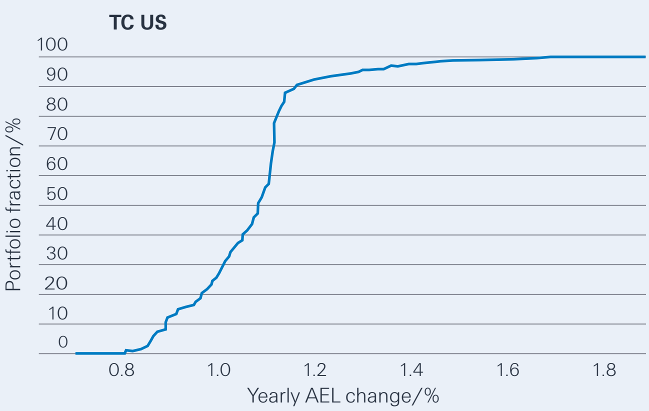
The scenario analysis further indicates that the losses related to high-severity events increase similarly to AEL.

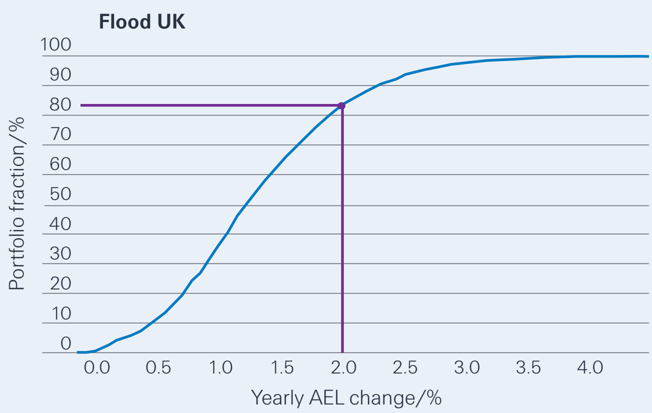
AEL for four scenarios vs today (USD billion and change in % overall and per year)





Yearly change of AEL vs portfolio fraction (accumulated insured value) under the extreme scenario (RCP8.5 upper end of uncertainty range)





[1] The results for TC US are in line with the NGFS findings (Climate Analytics — Climate impact explorer, accessed 15.11.2023), whereas estimates for flood UK are significantly less extreme than projected by the NGFS. These discrepancies can be traced back to differences in the underlying climate data sets and in the methodology. Swiss Re's flood UK climate change scenarios are based on state-of-the-art natural catastrophe property models and the latest scientific insights, and are in overall agreement with model vendor studies.
[2] This is less than the US Federal Reserve's inflation target of 2% in the longer term.

Life & health re/insurance

Swiss Re does not expect any of the climate scenarios it has analysed to have a major impact on its life & health portfolio. In the regions with Swiss Re's largest life & health exposures, excess mortality from heat is likely to be offset by lower mortality from cold temperatures, with the net impact on mortality remaining low.

For life & health, scientific research combining health outcomes with climate data continues to be too limited and fragmented to reliably inform extensive quantitative scenario work. When considering the impact of climate change on mortality and morbidity outcomes, other key variables also play a significant role. These variables include, but are not limited to health comorbidities, lifestyles and socioeconomic status, and non-uniformity across regions (see Climate strategy, page 64). Qualitative approaches therefore remain the best method for assessing the long-term implications of climate change for Swiss Re's life & health businesses.

In the interests of providing directional vectors, Swiss Re derived excess mortality projections from academic literature and expert reports as part of a meta-analysis.[1] The projections cover the effects related to air pollution, heat and cold, and provide some directional guidance on the expected long-term trends in mortality for the global general population, under three RCP scenarios (2.6, 4.5 and 8.5), for mid-century and the end of century. However, the forecasts are subject to a high degree of uncertainty, as they apply to the general population, which has a different structure than Swiss Re's portfolio of insured lives.

Under the RCP2.6 and RCP4.5 climate scenarios, which represent considerable mitigation efforts, a low level of net excess mortality is expected globally until 2100 in the general population. In North America, Europe and Oceania, the regions where Swiss Re's portfolio is concentrated, limited excess mortality is expected. The increased mortality from heat is expected to be offset by reductions in mortality from cold temperatures attributable to causes such as respiratory viruses and fewer deaths due to old age, as climate change reduces the severity of winter.

Under the RCP8.5 scenario of unmitigated climate change, net excess mortality may reach up to 5.25% globally in the general population by 2100. Again, the impacts are expected to concentrate in regions where Swiss Re does not currently have significant portfolio exposure.

Overall, Swiss Re expects that in the regions where Swiss Re's portfolio is concentrated, access to mitigation measures, less exposure to environmental factors and better health of the insured population would lead to better outcomes for Swiss Re's portfolio compared to the general population. Under some scenarios, Swiss Re may even see a modest mortality improvement, as cold temperatures-related deaths potentially reduce and some air pollution-related mortality is on the decline, with better air quality and government policy enforcement.

Casualty re/insurance

Swiss Re closely monitors the climate change litigation (CCL) landscape, potential claims scenarios and their impact on its casualty book (see page 65). Swiss Re also assesses the CCL activity and how such activity may develop under different scenarios. While it is probable that CCL activity will continue in all scenarios, it is likely to increase in the hot house and disorderly NGFS climate scenarios (see page 68).

[1] *The risk of a lifetime: mapping the impact of climate change on life and health risk*, Swiss Re, 2023.

Investments

Addressing the risks and opportunities arising from climate change, Swiss Re Asset Management has embedded its climate action approach into the Responsible Investing strategy in a structured manner (see Responsible investing, page 48). The climate action approach comprises four steps to align the investment portfolio with a 1.5°C world by 2050: set targets, take action, measure and report.

Swiss Re set intermediate climate targets in 2020 to be achieved by 2025[1] in alignment with the commitment made as a founding member of the Net-Zero Asset Owner Alliance (AOA), (see Climate targets, page 82). The aim is to transition the investment portfolio to net-zero GHG emissions by 2050. The actions to actively manage climate risk and support the real economy transition (take action) are explained in this chapter, while the metrics to monitor the trajectory towards net zero (measure) can be found in the Climate metrics and targets section of this report (see pages 82–86).

In 2023, Swiss Re enhanced its climate action approach on the investment side by analysing the impact of transition and physical risks under the updated climate scenarios for its corporate bond and listed equity portfolios (see Climate risk management, page 78).

Swiss Re Asset Management's climate action approach:

Climate action
Enable the transition to a net-zero GHG emissions economy and mitigate climate-related risks

Set targets	Take action	Measure	Report
Set targets to achieve net-zero GHG emissions by 2050	Actively manage climate risk and support real economy transition	Measure and monitor trajectory towards net zero	Inform shareholders and stakeholders transparently

Swiss Re Asset Management's 2025[1] climate targets

Financing transition	Engagement
• Green, social and sustainability bonds: at least USD 4bn • Social and renewable energy infrastructure debt: + USD 750m[2], relative to base year 2019	• Topic: Alignment of Business Model with 1.5°C target
Sub-portfolio[3]	**Sector**
• Corporate bond and listed equity portfolio: –35% carbon intensity (Scope 1 and 2 emissions), relative to base year 2018 • Swiss and German real estate portfolio: –5% carbon intensity (Scope 1, 2 and 3 operational emissions), relative to base year 2018	• Corporate bond and listed equity portfolios: phase-out of coal mining and coal-fired power generation companies by 2030 • Infrastructure debt and corporate private placements: maturity limitations for fossil fuel-related investments

[1] The achievement of targets is measured at year-end 2024, and must be reported in 2025.
[2] Based on original face values.
[3] Referring to the current investment portfolio in scope to set emission reduction targets.

Transition and physical risks

Transition risks may arise from climate change mitigation and adaptation requirements to limit the global temperature rise. Swiss Re considers the transition risks for the investment portfolio to be mainly relevant in the short to medium term.[1]

The key transition risk faced by Swiss Re is that a changing policy and regulatory environment, such as increased taxes and/or new regulations, may irreversibly reduce asset values of particularly negatively exposed companies (stranded assets). Swiss Re also recognises that climate related litigation risk for companies remains elevated.

Swiss Re aims to gain a better understanding of the transition risks for the respective asset classes and of methodologies in general. Emission reduction targets have been defined and implemented for the corporate bond and listed equity portfolio, as well as for the Swiss and German real estate portfolio. This can be perceived as a way to manage these risks to a certain extent.

Physical risks are relevant where assets are exposed to weather-related perils, such as Asset Management´s infrastructure debt and real estate holdings. Most relevant in this context are acute, event-driven impacts due to weather-related perils, for example, tropical cyclones and floods. These can result in direct damage to assets or loss of revenue due to business interruption unless there is an insurance protection applied. For Swiss Re's assets, physical risks are expected to mainly become relevant in the long term.

For more details about processes used to determine which transition and physical risks Swiss Re is exposed to and their estimated financial materiality, see Climate risk management, page 78.

Swiss Re considers the *Financing transition* and *Engagement* approaches as key in the global transition towards a low-carbon economy. Additionally, divestments and restrictions are used to manage the risk of stranded assets.

Swiss Re no longer directly invests in coal mining and coal-fired power generation companies or oil sands-related companies that are above set thresholds as shown in the table below. As outlined in the Group-wide ESG Risk Framework, Swiss Re avoids investments in the 10% most carbon-intensive oil and gas companies.[2] Since 2022, it also avoids investments in companies that have more than 10% of their upstream production located in the Arctic AMAP region (Norwegian production is exempt) (see Business conduct & overarching policies, page 34).

Companies above the thresholds described in the table below are restricted from the investment universe based on a list that is reviewed at least once a year. Accordingly, internal and external investment managers are not allowed to invest in such assets on behalf of Swiss Re. This requirement is contractually defined, and compliance is monitored internally on a regular basis. For Swiss Re, this is an effective way to avoid exposure to companies posing a significant risk with regard to the material topic of decarbonisation. Green, social and sustainability bonds are exempt from these restrictions, provided they comply with the International Capital Market Association's (ICMA) Green Bond Principles, Social Bond Principles and/or Sustainability Bond Guidelines, respectively.

Swiss Re Asset Management's fossil fuel-related thresholds along its implementation timeline

2016	2018	2019	2020	2022
Coal production (relative)	Oil sands production (relative)	Coal production (absolute)	Coal production expansion (absolute)	Oil and gas production (relative)
• Companies that generate 30% or more of their revenues from thermal coal mining • Companies that use at least 30% thermal coal for power generation	• Companies that generate 20% or more of their revenues from oil sands operations	• Mining companies that produce at least 20 million tonnes of coal per year • Power generation companies with more than 10GW installed coal fire capacity	• Companies that have more than USD 100 million capital expenditure p.a. on coal exploration • Power generation companies that plan coal-fired capacity expansion of more than 300MW p.a.	• Companies that have more than 10% of their upstream oil and gas production located in the Arctic AMAP region (Norwegian production is exempt)
			Oil and gas companies (relative)	
			• 10% most carbon-intensive oil and gas companies	

[1] Short term: < 5 years; medium term: 5–10 years; long term: 10 years and more.
[2] Companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data.

For its infrastructure debt and corporate private placements, Swiss Re applies dedicated fossil fuel guidelines, listed in the table below. Accordingly, Swiss Re restricts any investments in up-, mid- and downstream thermal coal projects and companies for these portfolios.

Furthermore, for oil-related exposures, maturities are limited to 2030 and for gas-related exposures to 2035.

In addition, Swiss Re applies a dedicated fossil fuel approach to its primary private equity funds and co-investments. Together with the fossil fuel guidelines, it improves the risk mitigation strategy in these less liquid asset classes, which is particularly important given the longer-term investment horizon.

Swiss Re's fossil fuel guidelines for infrastructure debt and corporate private placements

	Coal	Oil	Gas
Upstream	● Full restriction	● Full restriction	● Full restriction
Midstream	● Full restriction	● Pipeline/distribution and storage	● Pipeline/distribution network and storage
Downstream	● Full restriction	● Petrochemicals & refinery ● Power generation	● Power generation: peaking plant ● Power generation: base load plant
	N/A	**Max maturity until 2030**	**Max maturity until 2035**

● Only finance brownfield projects
● No financing for either brownfield or greenfield projects

Opportunities

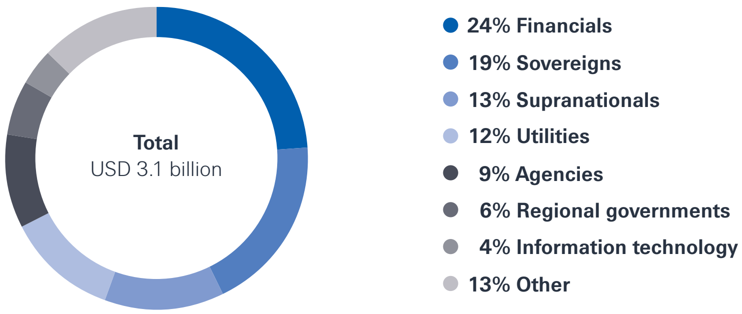
Climate change can also translate into portfolio diversification opportunities for asset owners. Swiss Re sees such opportunities in investments that address specific sustainability topics such as climate change mitigation and adaptation. They enable the transition to a net-zero GHG emissions economy in the short and medium term, while a smaller fraction of investment opportunities applies also in the long term. Swiss Re considers opportunities that align with its risk appetite and can generate attractive long-term returns.

Green bonds

Swiss Re aims to invest in green bonds issued in accordance with the Green Bond Principles (GBP) published by the International Capital Market Association (ICMA). Based on the GBP, green bond proceeds are used exclusively to finance projects that foster a low-emissions economy and/or protect the environment. Green bonds are part of Swiss Re's target to have a green, social and sustainability bond portfolio of at least USD 4.0 billion by the end of 2024, thus serving the material topic of decarbonisation (see Financing transition, page 82). Swiss Re's internal and external investment managers are contractually requested to prefer such bonds over traditional ones if all else is equal. This has proven an effective way for Swiss Re to pursue its investment target, which is reflected in the positive development of the amount invested in green bonds (see Climate metrics and targets, page 82).

As at 31 December 2023, Swiss Re held USD 3.1 billion of green bonds.

Green bonds per sector

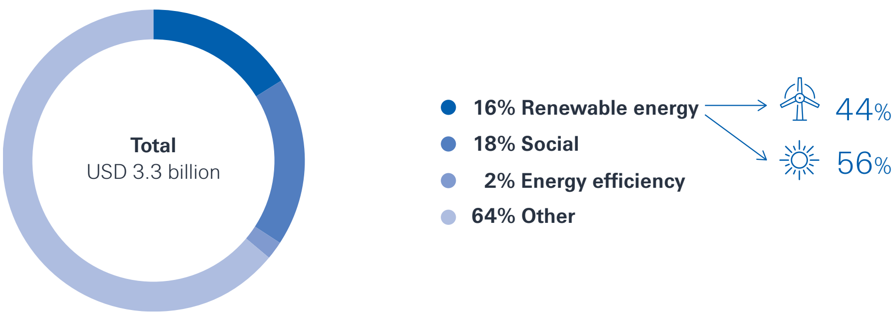


Social and renewable energy infrastructure debt

Swiss Re aspires to finance sustainable infrastructure projects that reflect its risk appetite and generate attractive risk-adjusted returns. This includes, for example, loans to finance infrastructure projects in renewable energy as well as loans to finance projects such as hospitals, student dorms or affordable housing.

As at 31 December 2023, Swiss Re held USD 0.5 billion in renewable energy infrastructure debt, making up approximately 16% of the infrastructure debt portfolio, of which 56% was invested in solar energy generation and 44% in wind farms. Additionally, Swiss Re invested around USD 52 million in energy efficiency projects and USD 0.6 billion in social infrastructure projects. Swiss Re has achieved its target to deploy additional capital of USD 750 million[1] in social and renewable energy (including energy efficiency) infrastructure debt relative to base year 2019 by the end of 2022 (see Climate metrics and targets, page 82).

Infrastructure debt portfolio



[1] Based on original face values.

Real estate

Swiss Re evaluates the current and future status of new real estate investments with respect to energy efficiency and the use of sustainable materials. For properties that Swiss Re already holds, different approaches for improving their sustainability characteristics are pursued.

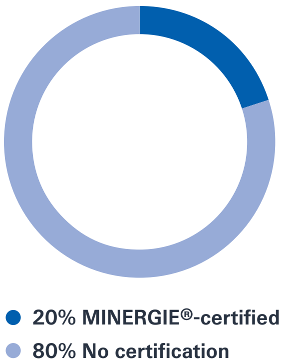
Swiss Re's real estate investment portfolio comprised commercial and residential buildings with a total market value of USD 5.2 billion as at 31 December 2023. These are predominantly located in Switzerland, Germany, the US, the UK, Central and Eastern Europe (CEE) and remaining Western Europe (WE).

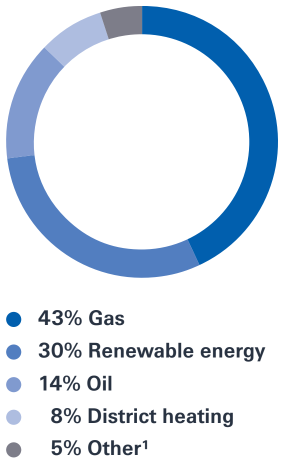
Swiss real estate portfolio

For real estate investments in Switzerland, Swiss Re considers climate-related aspects such as the energy source and MINERGIE® certifications. MINERGIE® is a Swiss sustainability label for new and refurbished buildings. By the end of 2023, the combined market value of Swiss Re's MINERGIE®-certified buildings was USD 0.5 billion, or 20% of the Swiss real estate portfolio by market value (2022: 27%). These correspond to an energy consumption floor area of 56 192 m². The significant decrease in 2023 was due to the sale of selected properties.

For the Swiss real estate portfolio, the preferred energy sources are either renewable energy (30%) or district heating (8%). Gas (43%) is currently the most prevalent heating source in this portfolio.

Swiss real estate portfolio: certified buildings (left) and energy sources (right) (as a percentage of market value)

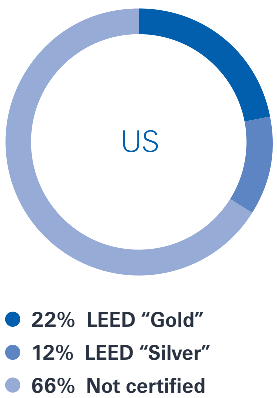


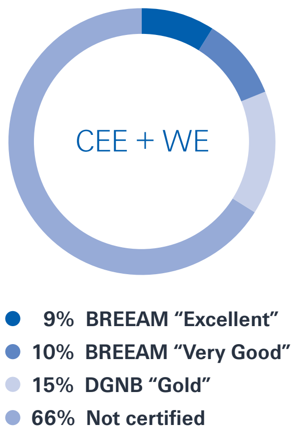


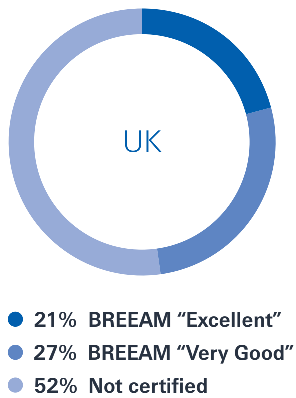
US, CEE and WE, and UK real estate portfolios

The externally managed real estate investment portfolio is predominantly invested in the US, CEE and WE, and the UK, and contains in total 36% certified buildings by market value. The UK portfolio is the most advanced with 48% BREEAM-certified buildings, followed by 34% certified buildings in CEE and WE, and 34% LEED-certified buildings in the US.

US, CEE and WE, and UK real estate portfolios: certified buildings







[1] Includes wood pellets, projects under construction, land and non-heated assets.

Climate risk management

Sound risk management, underwriting and asset management lie at the core of Swiss Re's businesses. This enables Swiss Re to use existing processes and instruments to address climate-related risks.

Underwriting and own operations

The identification, assessment and management of climate-related risks is integrated into Swiss Re's overall Risk Management Framework (see Financial Report 2023, page 53). Climate change-related risks are not a standalone risk category. Instead they are reflected in the established risk categories if they are relevant for current risk-taking (eg natural catastrophe risk, man-made risk, mortality trend risk, sustainability risk, emerging risk).

Physical risks

Property re/insurance

Natural catastrophes are the key exposure in Swiss Re's re/insurance property risk landscape. Swiss Re has proprietary risk models for all relevant natural catastrophe perils such as tropical cyclones, floods, winter storms and earthquakes. The science-based models are updated regularly and ad-hoc when relevant insights emerge. Updates incorporate the latest scientific findings and leverage research collaborations with academic institutions, and further benefit from advances in computing and modelling capabilities (see Pricing of weather-related perils in property re/insurance, page 60).

Swiss Re's proprietary natural catastrophe risk models are important tools for managing its business: they are used to determine the Annual Expected Loss (AEL), the economic capital required to support the natural catastrophe risks on Swiss Re's books as well as to allocate risk-taking capacity to different market segments.

Secondary perils[1] have caught the re/insurance industry's attention in recent years due to increasing losses, following a similar growth path as tropical cyclones, winter storms and earthquakes. This loss trend is expected to continue, supported by asset growth in exposed areas, urbanisation and a warming climate. To address these developments, Swiss Re executes on a broad agenda related to secondary perils to build a resilient and sustainable natural catastrophe portfolio:

- Systematic review and enhancement of secondary perils' models to reflect today's risk landscape (eg climate change, urbanisation, etc).
- Governance and steering: enhance capturing of secondary perils' expected losses to enable rigid monitoring, steering; establishing an enhanced framework for actual vs expected analysis.
- Portfolio de-risking.
- Thought leadership to raise awareness in the re/insurance sector.

Life and health re/insurance

Climate change is one of many risk factors for Swiss Re's life and health businesses. Mortality assumptions (base rates and trend) underlying the pricing of re/insurance business are formally reviewed at different intervals. In the most recent adjustment of the long-term mortality trend assumptions in 2022, climate change was not considered a material enough factor to be incorporated. This assessment was based on external and internal data and analysis, the latest available scientific evidence regarding the impact of climate change on health outcomes alongside other biological risk factors and determinants of poor health outcomes. The results of this process are reviewed and approved by the Group Executive Committee.

Own operations

For Swiss Re's own operations, robust and regularly tested business continuity plans covering all locations are in place to mitigate the risk of climate-related disruptions. Strategies include transferring work and/or employees to unaffected Swiss Re locations and providing temporary alternative office space. Furthermore, the Own The Way You Work™ Programme, which was introduced in 2013, offers employees full flexibility in their work arrangements through the use of laptops and seamless access to a Swiss Re Virtual Workplace.

Transition risks

Swiss Re monitors the transition risks described on page 65. Technological developments are monitored through Swiss Re's respective underwriting units. As the contracts of the relevant P&C re/insurance covers are renewed on an annual basis, changes in loss experience and underwriting assumptions can be incorporated in a timely manner.

In addition, two policies in the ESG Risk Framework limit the risk appetite of Swiss Re to write business in the fossil fuel sector and hence also limit potential transition risks related to them: the Thermal Coal Policy and the Oil and Gas Policy (see Business conduct & overarching policies, page 27, and Sustainability in underwriting, page 36).

[1] Secondary perils are independent natural catastrophe events that can happen frequently, typically generating low- to medium-sized losses. Examples include severe convective storms (thunderstorms, hail and tornadoes), drought, wildfire, snow, flash floods and landslides.

Investments

Climate-related risks can impact the value of Swiss Re's investments and are therefore considered an important factor in the transition towards a low-carbon economy. By monitoring portfolio GHG emissions and using climate scenario analysis (see Resilience under different climate scenarios, page 68), Swiss Re takes a structured approach to identify, assess and manage climate-related risks of its investment portfolio. Swiss Re also actively manages the risk of stranded assets by applying the fossil fuel-related thresholds and guidelines (see Climate strategy, page 73). To learn more about how these processes are integrated into overall risk management, please visit Swiss Re's website.

Swiss Re considers financial materiality as the modelled net asset value based on specific climate scenarios. The materiality analysis of transition and physical risk takes into account the relevant time horizon and the asset class exposure. The table below provides a materiality overview of the identified risks faced by Swiss Re (see Transition and physical risks, page 73), and how they are linked to the NGFS scenarios (see Resilience under different climate scenarios, page 68).

The financial materiality of transition risks is estimated, according to the analysed scenarios, to be low to medium for its largest asset classes (ie corporate bonds and government bonds). Physical risks are currently considered low in terms of materiality due to both limited net exposure and their mainly long-term relevance.

Materiality of climate-related risks for relevant asset classes

Risks	Time horizon[1]	Asset classes in scope	NGFS scenarios	Materiality	Tools
Transition risks: Policy and legal Technology Market Reputation	Short and medium term	Corporate bonds	Orderly Disorderly	Medium	• GHG emission monitoring • Policy monitor • Trend identification • Management monitoring • Revenue mix analytics
		Listed equity[2]		Low	
		Government bonds		Low to medium	
Physical risks: Acute Chronic	Long term	Corporate bonds Listed equity[2] Real estate Infrastructure debt Commercial mortgage loans US commercial mortgage-backed securities	Hot house world	Low	• Weather forecasting/ natural catastrophe analytics • Physical exposures analytics

GHG emission monitoring

Swiss Re aims to identify those industries and groups of companies that are most exposed to transition risks by assessing their GHG emissions. In this regard, Swiss Re monitors the carbon intensity of its corporate bond and listed equity portfolios on an ongoing basis, of its government bond portfolio on a semi-annual basis and parts of its real estate portfolio on an annual basis.

Swiss Re also uses forward-looking indicators such as temperature scores for the corporate bond portfolio. Temperature scores can provide signalling and reflect how a company's emissions translate into global warming, thus indicating where it stands on its decarbonisation journey. At this stage, Swiss Re assesses the temperature alignment outputs annually. This information is mainly used for internal purposes, such as to identify portfolio leaders and laggards (see Climate metrics and targets, page 86).

Scenario analysis

Swiss Re assesses the transition and physical risks arising from climate change under different climate change scenarios, with a focus on the three NGFS climate scenarios orderly, disorderly and hot house world (see Resilience under different climate scenarios, page 68).

The idea behind Swiss Re's scenario analysis is to derive the investment portfolio's sensitivity to different scenarios. In its latest analysis, Swiss Re focused on liquid assets for the orderly and disorderly scenarios, while for the hot house world scenario, real assets were also in scope.

For transition risks, critical input parameters include investments' Scope 3 emission projections and estimates on carbon pricing over time. For physical risk analysis, the relevant factors focus on the development of climate-related perils by location for the remainder of the century.

[1] Short term: < 5 years; medium term: 5–10 years; long term: 10 years and more.
[2] Due to the material reduction of the listed equity exposure in Q2 2023, the remaining listed equity share is very small.

Orderly

Swiss Re used the NGFS orderly Net Zero 2050 scenario[1] for its analysis, which assumes timely action is taken by the real economy to reduce emissions consistent with the Paris Agreement. This transition typically involves the immediate introduction of stringent climate policies, leading to net-zero GHG emissions in some countries by 2050. Swiss Re's emission reduction targets for corporate bonds and listed equity are based on the IPCC 1.5°C pathway scenarios[2]. Reducing the carbon intensity according to the target trajectory puts these asset classes on a decarbonisation pathway consistent with an orderly scenario in the short to medium term. In this case, the economic impact on the portfolio is estimated to be low in the short term but can be higher for certain (especially energy-intense) sectors if carbon costs increase. The corporate bonds' vulnerability in an orderly transition is low, with the energy sector and utilities expected to be impacted most by the transition to a low-carbon economy.

Given the real economy itself still has to align to a 1.5°C world, the exposure to transition risk may change over time, in particular for carbon-intensive industries. The investee companies need to further reduce their carbon intensities such that the portfolio remains consistent with an orderly 1.5°C trajectory post-2030/2035.

Disorderly

The NGFS disorderly Divergent Net Zero policies scenario is consistent with the same expected temperature increase as in an orderly scenario, but with higher transition risk and cost associated with the transition. This scenario is built on a delayed introduction of a carbon price at a higher starting point, covering a shorter period of time for reaching net zero. The transition therefore happens in a more disruptive manner compared to an orderly transition, which also impacts companies beyond the energy-intensive sectors.

For the corporate bond portfolio, Swiss Re expects a significant economic impact for carbon-intensive industries such as the energy and utilities sectors, followed by chemicals and agriculture, with higher vulnerability for companies that did not adapt to climate change early on.

Hot house world

A hot house world scenario is expected to materialise primarily through physical risks, as economies will be exposed to physical damages on a larger scale due to the absence of sufficient transition actions. The physical risk analysis was conducted for Swiss Re's corporate bond portfolio as well as real assets with clearly identifiable locations within Swiss Re's private debt portfolio (infrastructure debt and commercial mortgage loans), commercial mortgage-backed securities and real estate holdings.

Under the hot house world Nationally Determined Contributions scenario, modest impacts were detected for the corporate bond portfolio, which can largely be explained by the low-to-medium duration of assets combined with typically lower-risk locations of investee companies.

For real assets, Swiss Re used its proprietary modelling tool Swiss Re Climate Risk Scores to calculate stresses and assess the impact of an increase in severity and frequency of physical climate risks on the portfolios. The portfolio changes were modelled and evaluated under the different warming scenarios (RCP 2.6, 4.5 and 8.5). The results of the analyses suggest a low exposure of Swiss Re's real asset holdings to natural perils in general and to climate-related perils in particular, which translates into low to medium risks in the next 30–50 years. The low materiality of climate impacts is primarily tied to the portfolio's exposure to low risk locations, and cannot be interpreted as physical climate risks being low in general.

[1] See phase II NGFS Climate scenarios and Resilience under different climate scenarios, page 68. Based on the methodology of the external data provider.
[2] IPCC, *Fifth Assessment Report. Global Warming of 1.5°C: An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global GHG emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty, Summary for Policymakers*, 2018.

Climate metrics and targets

Underwriting and own operations

Swiss Re has specific targets to reduce the carbon footprint of selected single-risk underwriting portfolios. Complementary metrics are used to identify, assess and manage climate-related risks and opportunities in its underwriting portfolios. Swiss Re's internal carbon price incentivises the reduction of operational GHG emissions.

Climate targets

In October 2023, Swiss Re set underwriting-related decarbonisation targets supporting the net-zero transition (see also Net zero: what it means for Swiss Re, page 13). For Swiss Re's targets related to its own operations, see Sustainable operations, page 90.

Phase-out of single-risk re/insurance[1] for oil and gas producers not committed to align to net zero by 2050

The Oil and Gas Policy within the ESG Risk Framework included ambitions to increase the share of oil and gas premium income from companies that are aligned with net zero as per Science Based Targets initiative (SBTi) validation or a comparable third-party assessment. One assumption when setting this ambition in March 2022, was that third-party guidance and assessment would be available soon. However, as per December 2023, there was still no (science-based) target setting standard available that could be applied to the oil and gas sector.

Against this background, Swiss Re has revised the ambitions into concrete and measurable targets for its single-risk property and general liability business:

- By 2025, 50% of Swiss Re's gross written premiums (GWP) from oil and gas producers[2] is to come from companies committed to align to net zero by 2050.[3]
- By 2030, 100% of Swiss Re's GWP from oil and gas producers[2] is to come from companies committed to align to net zero by 2050.[3]

Swiss Re is working to integrate these two targets into the portfolio steering process for the business in scope. In 2023, the share of GWP in scope from oil and gas producers committed to align to net zero by 2050 was 49.5%. Swiss Re is on track to achieve its 2025 target.

Net-zero target covering single-risk re/insurance for listed companies in other industries

In addition, Swiss Re has set itself a target for listed companies beyond the fossil fuel industry:

- By 2030, 60% of GWP from listed companies in the single-risk property, general liability and commercial motor portfolios (excluding fossil fuels) is to come from corporates with science-based targets (SBTs)[4] validated by a third party. The target scope includes listed companies (underlying risks in the case of reinsurance) with headquarters in OECD countries.

This net-zero target is based on the Portfolio Coverage Approach (PCA). With this approach the share of premium coming from clients with validated SBTs for reducing GHG emissions in line with limiting global warming to 1.5°C must be increased. The share required for a 2030 PCA target is based on a method from the SBTi, which prescribes a linear path to 100% of business with SBTs within the target boundary by 2040. The insurance-associated emissions attributed to transactions in scope of this target amounted to around 550 000 tonnes or about 40% of Swiss Re's total insurance-associated emissions reported for 2022. Swiss Re has started to work on implementing the target. A first step is providing reliable information to underwriters and portfolio owners. In 2023, the share of companies in scope with SBTs validated by a third party was 37.8%. This represents an 8.9 percentage points increase compared with the base year 2022.

The new targets build on our existing actions in relation to Swiss Re's ambition to reach net zero in underwriting by 2050:

- Since 2018, Swiss Re no longer provides single-risk re/insurance to businesses with more than 30% exposure to thermal coal utilities or mining.[5]
- Since July 2021, Swiss Re no longer provides single-risk re/insurance covers to those oil and gas companies that produce the world's 5% most carbon-intensive oil and gas. In July 2023, this threshold was extended to 10%.
- Since January 2023, Swiss Re no longer provides single-risk re/insurance covers for, nor directly invests in, new oil and gas field projects.[6]

All data can be found in the Appendix

Sustainability Report 2023

[1] Single-risk business refers to our direct and facultative re/insurance business, excluding facilities.
[2] Producers refers to companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data. Transactions that cover activities unrelated to oil and gas, for example, renewable energy, are out of scope.
[3] Definition of "committed to align to net zero by 2050": have 2050 net-zero targets (including Scope 3) and near/medium-term reduction targets (including Scope 1, 2 and/or 3), with the adoption of both near- and long-term commitments viewed as demonstrating credibility. Swiss Re anticipates continuing to assess this definition in light of anticipated developments in available data and science-based guidance.
[4] Science-based targets (SBTs) define a clear emissions reduction pathway, in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.
[5] For transactions 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 re/insured is implementing an effective GHG emissions reduction strategy.
[6] New oil and gas fields / reservoirs receiving final investment decisions after 2022 and that have not been producing before.

Metrics used to measure and manage climate-related risks and opportunities

Physical risks

Annual expected losses

Swiss Re uses annual expected losses (AEL) from weather-related perils to identify material portfolios that are potentially exposed to changes in the frequency and severity of extreme weather events due to climate change. AEL are estimated based on Swiss Re's natural catastrophe loss-modelling framework. Swiss Re's property natural catastrophe models have global coverage.

AEL are an indicator for the average current underwriting exposure to natural catastrophes. However, AEL figures do not, by definition, provide a meaningful measure for the loss potential of individual years with exceptionally intense natural catastrophes. For assessing the risk of individual rare natural catastrophes, Swiss Re uses value-at-risk (VaR) or tail VaR. For example, the 99.5% VaR measures the loss likely to be exceeded in only one year out of two hundred, see Financial Report 2023, page 63, where the results of insurance risk stress tests are provided for the peak insurance risks.

The table with the AEL by region and peril as well as the highest AEL for Swiss Re's business as of year-end 2023 is provided in Appendix, Sustainability data, page 107.

Premiums related to natural catastrophes

Swiss Re's re/insurance products covering natural catastrophe risks constitute one of its core businesses. In 2023, gross premiums for such covers accounted for USD 5.7 billion or about 20% of corresponding Property & Casualty Reinsurance and Corporate Solutions premiums. Gross premiums are estimated for losses exceeding USD 20 million. The premiums are net of external expenses such as brokerage and commissions, and cover Property & Casualty Reinsurance and Corporate Solutions business.

Transition risk

Swiss Re uses several metrics to assess transition risks and opportunities in its underwriting portfolios and to meet reporting requests (eg legal requirements, rating agencies).

Insurance-associated emissions (IAE) and weighted average carbon intensities (WACI)

Since 2018, Swiss Re has been using weighted average GHG emission intensities as proposed by the CRO Forum to identify the most carbon-intense direct insurance portfolios. Gross written premium is used as the weight for calculating GHG intensities relative to the insureds' revenue.

In 2023, Swiss Re updated its carbon accounting approach in light of the newly published Global GHG Accounting & Reporting Standard Part C for IAE by the Partnership for Carbon Accounting Financials (PCAF). The scope of the approach was extended to cover all direct and facultative commercial re/insurance portfolios in scope of this Standard. The new methodology was integrated and new and updated data sources were assessed and used for the IAE and WACI calculation. The work highlighted several fundamental issues for calculating solid GHG emissions estimates:

- Limited reported data by companies: Actual reported data is available for 23% of the portfolios in scope (sourced mainly from CDP).
- Carbon intensity data available on sectoral and country level is unreliable and/or outdated: The data used to estimate the IAE and WACI of companies that do not report on them shows very large differences between different temporal releases of the same data source.

For the financial year 2023, the IAE for the portfolios in scope of the PCAF Standard are estimated to be 1.6 million tonnes of CO_2e (Scope 1 and 2 only). The GHG emission intensity for the same portfolio was 320 tonnes CO_2e/USD million revenue of re/insured. For the full data and details on the methodology, see Appendix, Sustainability data, page 108.

Based on the currently available external data, steering commercial insurance portfolios towards net-zero based on IAE is not feasible, in Swiss Re's view. This is one of the reasons that Swiss Re has opted to take a PCA approach for its net-zero underwriting target (see Climate targets, page 80). Swiss Re continues its engagement in industry initiatives aimed at establishing standards, such as PCAF, and is further exploring the progress being made on data availability and data quality.

Exposure to insured carbon-related assets

Based on TCFD classification, the share of insurance portfolios in carbon-intensive industries in 2023 was estimated to be 55.5%. The carbon-related industries in scope, in accordance with the TCFD, are energy, transportation, materials and buildings and agriculture, food and forest products. The figures are calculated for the same portfolio of direct and facultative commercial re/insurance portfolios used to calculate IAE (see Appendix, Sustainability data, page 108, for the data and details on the methodology).

Number of re/insured renewable energy projects

Swiss Re is re/insuring renewable energy projects across all lines of business. In 2023, Swiss Re underwrote direct insurance and facultative re/insurance for more than 15 000 renewable energy generation facilities. This is the total number for which direct insurance (all lines of business) and facultative reinsurance (property and engineering) cover was written during the year. The covered types of projects are solar, onshore and offshore wind, hydro and other (eg geothermal, marine) re/insured during construction and while in operation (see Appendix, Sustainability data, page 105, for further data).[1]

Internal price for carbon on in-scope operational GHG emissions

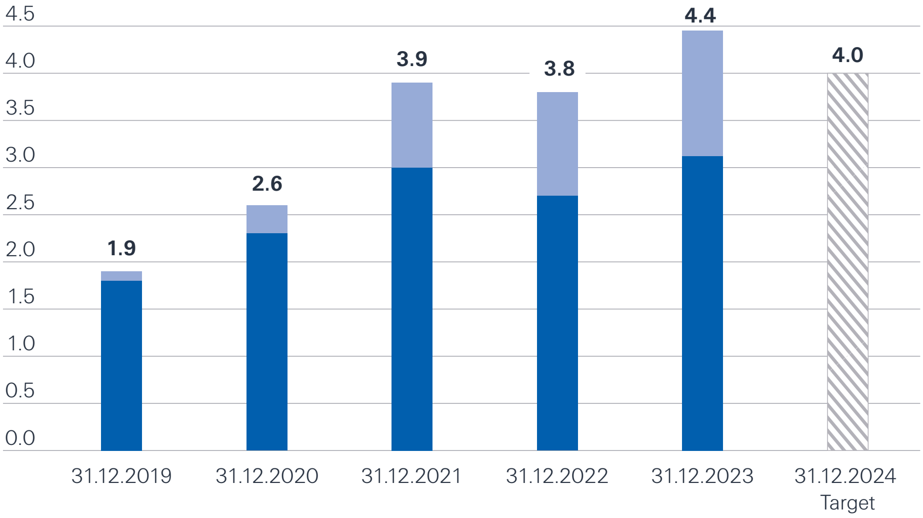
The carbon steering levy, Swiss Re's internal carbon price on both direct and selected indirect operational GHG emissions was set at USD 123 in 2023 (see The internal Carbon Steering Levy, page 91, for further details).

[1] The renewable energy transactions described here should be understood as representing only a fraction of the total direct and facultative property and engineering re/insurance portfolio.

Investments

As part of its climate action approach and transition to a net-zero GHG emissions investment portfolio by 2050, Swiss Re sets intermediate targets every five years and regularly reports on progress. Targets were set in 2020 for 2025 in accordance with the AOA Target Setting Protocol (TSP) version 1. The targets aspire to align Swiss Re's investment portfolio with a 1.5°C world, and include financing transition, engagement, sub-portfolio and sector targets.

Green, social and sustainability bond holdings since target inception (USD billion)



Climate targets

Financing transition

Green bonds contribute to the transition to a low-carbon economy. By the end of 2023, Swiss Re held USD 3.1 billion in green bonds.

Swiss Re's "Inclusion" cornerstone (see Responsible investing, pages 52–53), also covers investments in social and sustainability bonds, which enable a company to positively contribute to the SDGs related to underserved groups or populations. Swiss Re's ambition is to achieve an investment portfolio of at least USD 4 billion of green, social and sustainability bonds by the end of 2024. Swiss Re held USD 4.4 billion in green, social and sustainability bonds per year-end 2023.

Swiss Re only counts bonds as contributing to target achievement if they meet all four components of the International Capital Market Association (ICMA) Green Bond Principles (GBP) and/or ICMA Social Bond Principles (SBP), respectively. In 2023, less than 6% of bonds did not pass the annual review and were therefore not included in the reporting of Swiss Re's green, social and sustainability bond holdings.

Swiss Re has also set a target to deploy additional capital of USD 750 million[1] in social and renewable energy (including energy efficiency) infrastructure debt by the end of 2024 relative to base year 2019. Swiss Re has reached this target ahead of time as reported last year.

In 2023, Swiss Re's direct holdings of carbon-intensive energy infrastructure debt, as defined in the AOA TSP version 2, were close to nil. This position is therefore considered not material from a reporting perspective. In accordance with AOA TSP version 3, Swiss Re is asked to report on progress on GHG emission data collection for its new commercial mortgage loan (CML) holdings. As at year-end 2023, the share percentage of GHG emission coverage of the CML portfolio was close to nil.

Engagement

Swiss Re believes that engagement with the real economy is an integral component to support the limitation of global warming to 1.5°C. In the reporting year, the Engagement Framework was additionally introduced for corporate bond mandates, after being introduced for actively managed listed equity mandates in 2020. The framework supports the aspired emission reduction described in the sub-portfolio paragraph on the right. For additional information on Swiss Re's stewardship activities, see Responsible investing, pages 50–51.

Sub-portfolio

Swiss Re defined a target for the combined corporate bond and listed equity portfolio to reduce its weighted average carbon intensity[2] by 35% by the end of 2024 relative to base year 2018, as informed by the IPCC pathways[3] consistent with global warming of 1.5°C. In addition, Swiss Re set a target to reduce the weighted average carbon intensity[4] of its Swiss and German real estate investment portfolio by 5% relative to base year 2018, to be achieved by year-end 2024. For information on the progress made against these targets, see next page and page 84.

Sector

Coal assets are particularly carbon intensive and susceptible to becoming stranded given the long life of these assets, as well as the evolving regulations on carbon emissions. Swiss Re aims to fully exit coal mining and coal-fired power generation companies for the corporate bond and listed equity portfolios via normal portfolio reallocations by 2030. In addition, Swiss Re does not invest in fossil fuel-related companies that exceed certain thresholds, as described in Climate strategy, pages 73–74.

[1] Based on original face values.
[2] Scope 1 and 2 emissions.
[3] IPCC, *Fifth Assessment Report. Global Warming of 1.5°C: An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global GHG emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty, Summary for Policymakers*, 2018.
[4] Scope 1, 2 and 3 operational emissions.

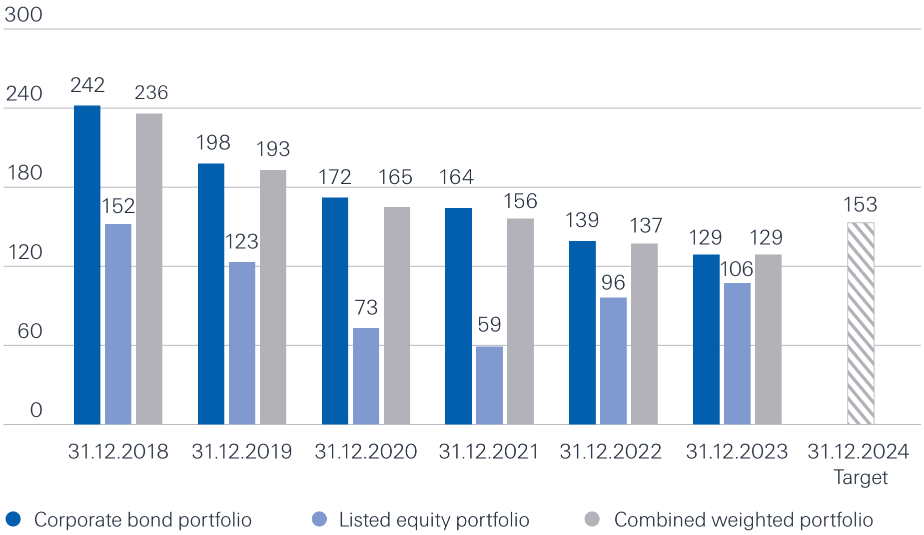
Climate metrics

Carbon footprint of the corporate bond and listed equity portfolios

Swiss Re measures the carbon footprint of its corporate bond and listed equity (including ETFs, excluding Principal Investments) portfolios using market-accepted methodologies, resulting in weighted average carbon intensities[1] (WACI, revenue-based) and absolute financed CO_2e emissions[2] (both metrics take Scope 1 and 2 CO_2e emissions[3] into account). To report on its climate metrics, Swiss Re used data from MSCI ESG as at February 2024, based on holdings as at December 2023. Carbon intensity is particularly useful for quantifying the carbon emissions of multi-asset portfolios and is a measure of choice for comparisons over time, between portfolios and against benchmarks. Swiss Re also sets its emissions reduction targets based on this metric.

The carbon intensity of Swiss Re's combined corporate bond and listed equity portfolio was 129 tonnes CO_2e/USD million revenue as at year-end 2023, and decreased by 45% relative to base year 2018. These assets cover 33% of the total investment portfolio. The increase in the listed equity carbon footprint versus 2022 depicted in the chart was mainly driven by investment decisions: in 2023, most of the actively managed listed equity portfolio was divested, which led to a change in the listed equity portfolio's emission composition.

Carbon intensity of the corporate bond and listed equity portfolios (tonnes CO_2e/USD million revenue)[4]



At the end of 2023, the absolute financed emissions of the in-scope portfolio composing of corporate bonds amounted to 1.3 million tonnes CO_2e.

Swiss Re started to internally monitor Scope 3 emissions for its corporate bond and listed equity portfolios with the aim of better understanding data availability and quality. The results revealed that in contrast to Scope 1 and 2 emissions data, Scope 3 figures pose challenges in terms of quality, consistency and stability over time. The progress in data availability over the past year was not sufficient to justify a different conclusion. While full disclosure remains a target, further work on the availability and quality of underlying data must advance in order to derive meaningful Scope 3 outputs.

[1] Carbon intensity: weighted average carbon intensity = (company CO_2e emissions/company revenue)* (investment/portfolio). For more information on the chosen measurement approach, see Swiss Re's publication "Responsible Investments – Our roadmap to net zero" (from page 15 onwards).
[2] Absolute financed CO_2e emissions = company CO_2e emissions multiplied by the investor's ownership percentage (market value of the investment/enterprise value of the company).
[3] CO_2 equivalents (CO_2e), which include greenhouse gases as per the definition of the GHG Protocol (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3) as far as data is available.
[4] Due to the material reduction of the listed equity exposure in Q2 2023, the remaining listed equity share is very small.

Corporate bonds carbon intensity reduction relative to base year (end of 2018)

The corporate bond emission reduction of 113 tonnes CO_2e/USD million revenue (or 47%) since the end of 2018 was mainly driven by the portfolio rebalancing activities (–86 tonnes CO_2e/USD million revenue) and the change in reported intensities (–27 tonnes CO_2e/USD million revenue). A lower carbon intensity was achieved by reducing the allocation to utilities, and by overweighting companies with more favourable intensities within the same industry. Further to this, the change in reported intensities shows a broader market trend across companies to reduce carbon emission intensity.

Drivers of carbon intensity[1] reduction from 2018 to 2023: corporate bond portfolio

Investment portfolio	2018		2023
Carbon intensity (tonnes CO_2e/USD million revenue)	242	–113	129
Change in reported intensities		–27	
Rebalancing		–86	
Total		**–113**	

Sector perspective	Sector allocation –54	Security selection –59
Utilities	Decrease	Decrease
Energy	Decrease	Unchanged
Financials	Unchanged	Unchanged
Transportation	Unchanged	Decrease

● Decrease ● Unchanged ● Increase

Corporate bond weighted average carbon intensity relative to benchmark

The lower corporate bond portfolio carbon intensity in 2023 was driven by selective reductions in high carbon-intensive companies. It is well below the corresponding benchmark in terms of carbon intensity, which is largely driven by its underweight in carbon-intensive holdings.

Carbon intensity as per year-end 2023: corporate bond portfolio vs benchmark[2]

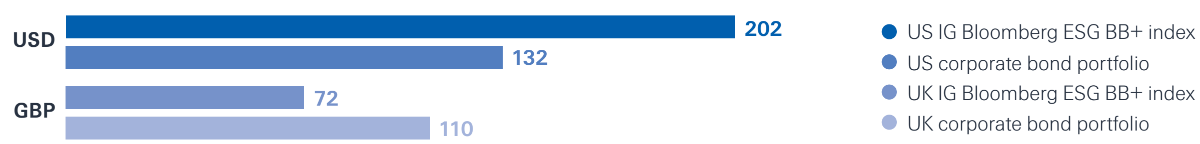
December 2023	Investment portfolio		**Benchmark** Corporates IG Bloomberg MSCI ESG BB+
Carbon intensity (tonnes CO_2e/USD million revenue)	129	–52	181

Sector perspective	Sector allocation –14	Security selection –38
Utilities	Underweight	Underweight
Energy	In line with benchmark	In line with benchmark
Financials	Overweight	Underweight
Transportation	In line with benchmark	In line with benchmark

● Underweight ● In line with benchmark ● Overweight

A comparison of the current investment portfolios against the US and UK market benchmarks shows a lower carbon intensity versus the USD benchmark, but a higher one versus the GBP benchmark.

Corporate bond weighted average carbon intensity per year-end 2023 (tonnes CO_2e/USD million revenue)[3]



[1] Carbon intensity: weighted average carbon intensity = (company CO_2e emissions/company revenue) * (investment/portfolio).
[2] This benchmark is a composite of main developed market corporate credit indices.
[3] Carbon intensity: weighted average carbon intensity = (company CO_2e emissions/company revenue) * (investment/portfolio). Including ETFs.

Carbon footprint of the Swiss and German real estate portfolio

The below analysis focuses on the combined internally managed Swiss and German portfolio, which made up 70% of the market value of the total direct real estate holdings per year-end 2023. The weighted average carbon intensity profile of this portfolio (WACI, m²-based taking annual Scope 1, 2 and 3 operational GHG emissions into account) is benchmarked against decarbonisation pathways reflecting 1.5°C global warming provided by the Carbon Risk Real Estate Monitor (CRREM) updated in 2023.[1] The CRREM pathways are in line with the Paris Agreement and are based on the breakdown of the global GHG budget into individual country and property type-specific carbon budgets.

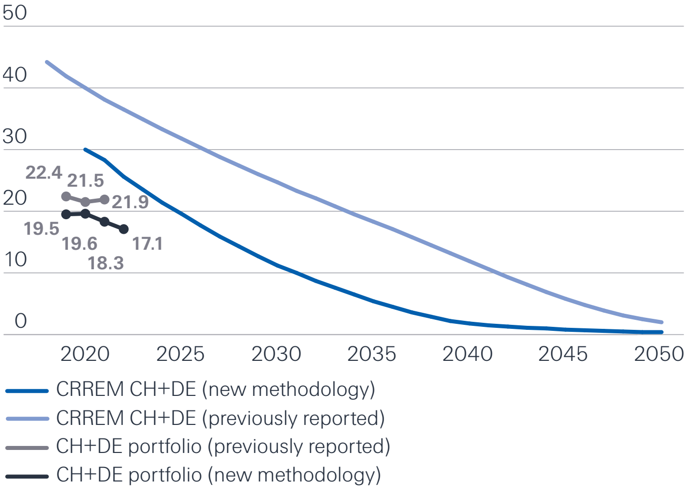
The absolute financed emissions of the portfolio amounted to around 11 500 tonnes CO_2e in 2022. The figure below on the left shows that its carbon intensity decreased by 12% relative to 2019, and is well below the decarbonisation pathway of 1.5°C.[2]

Three factors drove the decrease (see figure below, on the right):

- Lower energy intensity (energy consumption effect): –4%
- Less carbon-intensive energy source mix (energy source effect): –5%
- Properties added or removed from portfolio (scope effect): –3%

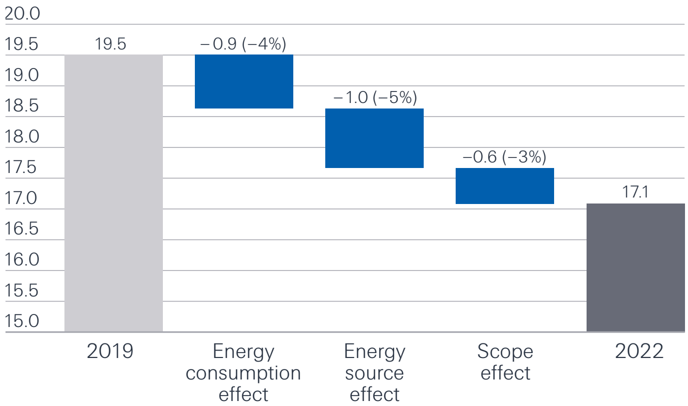
Swiss and German real estate portfolio operational carbon intensity (kg CO_2e/m²)

Portfolio vs decarbonisation pathways³



Source: Swiss Re, CRREM

Attribution of changes (2019–2022)³



The decarbonisation pathways and the methodology used to calculate carbon emissions were updated by CRREM in 2023 (version 2).[4] The key changes are:

- Steeper decarbonisation pathways due to a slightly lower remaining global anthropogenic carbon budget and the fact that the real estate sector overshot the budget between 2018 (base year of version 1) and 2020 (base year of version 2).
- More ambitious grid decarbonisation and changing energy-mix/electrification.
- The emission factors for electricity exclude transmission and distribution (T&D) losses (in version 1 T&D losses were included).

Swiss Re also aligned its reporting methodology with the Asset Management Association Switzerland (AMAS) recommendations:

- Scope definition: Include only properties that were operational and part of the portfolio for the entirety of each reporting year.
- Report climate-adjusted carbon intensity (previously unadjusted), based on the Accumulated Temperature Difference (ATD) method in accordance with Real Estate Investment Data Association (REIDA).
- Consistent use of location-based emission factors across the portfolio.

¹ SBTi-aligned decarbonisation pathways according to Version 2 CRREM Risk Assessment Tool.
² Based on the new CRREM measurement methodology.
³ Reported figures include estimations of carbon emissions driven by data availability.
⁴ Further details: CRREM, From Global Emission Budgets To Decarbonization Pathways At Property Level, Version 1.0 - 11.01.2023.

Government bond carbon intensity as per year-end 2023

Asset-liability management is at the core of Swiss Re's investment approach, with the government bond portfolio primarily reflecting the profile of re/insurance liabilities. The regional composition of Swiss Re's government bond portfolio, and thus its carbon intensity, is therefore mainly driven by the regional composition of the underwriting portfolio. In 2023, the portfolio was less carbon intensive compared to the G20 due to its higher allocation to low carbon-intensive countries.

Carbon intensity of government bond portfolio versus G20 per year-end 2023[1]

kg CO2e/USD GDP PPP-adjusted

Temperature alignment assessment for the corporate bond portfolio

Since 2021, Swiss Re has applied a temperature score to the corporate bond portfolio. The methodology is based on a company's aspired intensity reduction and the related emissions projections. This metric has the benefit of providing an outlook element and thus a certain degree of signalling. The results and analytics of temperature scores allow for a granular assessment of the future carbon risks embedded in Swiss Re's holdings and help gain an in-depth understanding of the portfolio positioning. Nevertheless, comparability across methodologies and providers is limited in the absence of recognised global standards and given these methods are still evolving. Consequently, temperature scores from different providers are not comparable. Furthermore, the timeliness and quality of data remains a challenge: the latest available datapoint for the forward-looking projections relies on year-end 2022 company filings.

The two metrics carbon intensity and temperature score can lead to different outcomes as the carbon intensity refers to Swiss Re's past portfolio emissions while the temperature score shows where it might be heading in the future. They also differ in terms of scope, coverage and timing.

The temperature score for Swiss Re's corporate bond portfolio is 2.4°C, which is higher than the benchmark score of 2.3°C. The portfolio's higher score can be explained by security selection effects within some sectors. These scores highlight that more actions are required to align Swiss Re's investment portfolio and the broader economy with a 1.5°C pathway.

Temperature alignment comparison of portfolio vs benchmark[2]

	Corporate bond portfolio	
	Investment portfolio	**Benchmark** Corporates IG Bloomberg MSCI ESG BB+
Temperature score	**2.4°C**	**2.3°C**
High sector contributors		
Energy		
Utilities		
Transportation		
Chemicals		

● Below 1.5°C ● 1.5–2°C ● 2–3°C ● >3°C

[1] Based on holdings as at year-end 2023. CO_2 emissions (actual), GHG emissions (estimated) and GDP (actual) data as of 2021, with GDP PPP-adjusted in 2017 USD terms (sources: MSCI ESG, WDI, CIA, EDGAR). Carbon intensity: weighted average carbon intensity = (GHG emissions /GDP PPP-adjusted) * (investment/ portfolio).
[2] Temperature-related data from S&P Global Trucost as per August 2023, based on holdings as per December 2023.

Disclosure of Scope 1, 2 and 3 GHG emissions

Absolute operational GHG emissions were around 200 000 tonnes of CO_2e in 2023.[1] Absolute insurance-associated emissions in the current reporting scope were estimated at 1 600 000 tonnes CO_2e. Absolute financed emissions for the in-scope portfolio were 1 300 000 tonnes CO_2e.

As typical for a re/insurance company, GHG emissions associated with Swiss Re's re/insurance and investment activities in its current reporting scope are several times the amount of operational emissions.

Swiss Re strives to continuously improve its calculation methodology for GHG emissions. However, there is considerable measurement uncertainty for a large portion of upstream and downstream Scope 3 categories. For operations this relates mostly to limitations in accessing data and the availability of standardised methodologies for embodied emissions in the buildings, products and services needed to run the core business operations.

Similar challenges apply to IAE (see Insurance-associated emissions, page 81, for details) and financed emissions (see Carbon footprint of the corporate bond and listed equity portfolios, page 83, and Carbon footprint of the Swiss and German real estate portfolio, page 85).

For the full GHG emissions table, see Appendix, Sustainability data, page 111.

[1] Scope 1, 2 and 3. Emissions from Scope 2 electricity are market-based. Emissions from Scope 3 cover categories 1, 2, 3, 5, 6, 7, 13.

Sustainable operations

As a company committed to sustainability, Swiss Re strives to minimise its operational footprint through dedicated measures and by monitoring progress against clear targets.

Key achievements in 2023

64%
Absolute reduction in GHG emissions from business air travel relative to base year 2018

“A” company in the 2023 Travel Smart Ranking
Received the highest grade in an NGO ranking for efforts undertaken to reduce business air travel

98%
Proportion of Segment I and Segment II suppliers that have completed their ESG assessment

34%
Share of carbon removals achieved in the mix to compensate remaining GHG emissions in scope

USD 123 per tonne of CO_2e
New price set for internal Carbon Steering Levy, up from USD 112 per tonne of CO_2e in 2022

Introduction

For over 20 years, Swiss Re has placed a strong focus on reducing its operational greenhouse gas (GHG) emissions and energy consumption. Between 2003 and 2019, the Group more than halved the reported GHG emissions intensity per worker (employees and contractors, expressed as full-time equivalent – FTE) and reduced total energy intensity by almost 70%. While overall GHG emissions from Swiss Re´s own operations[1] are relatively low compared to those from its other business activities, Swiss Re believes it can have an impact and inspire other companies by sharing good practices for reducing operational emissions.

In 2019, Swiss Re was one of the first financial institutions worldwide to commit to reaching Group-wide net-zero GHG emissions by 2050 via the Science Based Targets initiative (SBTi). For its operations, Swiss Re committed to reach the net-zero target by 2030. The commitment was made based on the following definition of net zero: for every tonne of GHG that cannot be avoided, an equivalent amount of CO_2 needs to be removed from the atmosphere and stored durably. At the time, the SBTi's definition of net zero and the framework providing guidance on how to reach this goal were not available. In this context, Swiss Re launched the CO2NetZero Programme for its operations. The policy consists of a dual strategy, namely reducing GHG emissions to the greatest extent as swiftly as possible, and gradually moving from carbon avoidance to carbon removal[2] to compensate the remaining emissions in scope (Scope 1, Scope 2 and selected Scope 3 categories).[3]

Through its Corporate Net-Zero Standard, the SBTi recently defined what is required of companies in the real economy in order to achieve the net-zero state and ensure their individual net-zero efforts effectively contribute to the global net-zero goal. Backed by the current scientific consensus, the SBTi's corporate net-zero framework requires first and foremost a steep decarbonisation path. This entails absolute emission reductions of around 50% in the near term (five to ten years out) and around 90% in the long term (at the latest by 2050), followed by the neutralisation of all residual emissions through carbon removal in the net-zero target year and thereafter.

Additionally, the SBTi encourages companies to support mitigation efforts beyond their own value chain.[4] For example, by compensating remaining emissions on the path to net zero either through carbon avoidance or carbon removal certificates.

As underlined in its Group Sustainability Strategy, it is also Swiss Re's ambition to contribute to advancing the transition to a net-zero economy. Moreover, the operational emissions of a financial institution are essentially real economy emissions. As a result, Swiss Re has aligned its language for operations with the SBTi Corporate Net-Zero Standard, aiming to achieve the net-zero state by 2050 in line with the Group-wide net-zero commitment. In the near-term, the company aims to reduce its operational emissions on a 1.5°C- compatible pathway, and to compensate 100% of the remaining in-scope emissions with carbon removals as early as 2030. The latter is Swiss Re's contribution to climate change mitigation beyond its own value chain, and thus an additional effort to support the transition to a net-zero global economy.

All data can be found in the Appendix

Sustainability Report 2023

[1] The term "own operations", which has been shortened to "operations" in this chapter, refers to the collective activities or processes within Swiss Re with the aim to support the conduction of all its business activities. For further information on the scope of the Sustainability Report, see Appendix, About this report, page 120.

[2] Carbon avoidance: emitters pay third parties to avoid or reduce someone else's emissions. Carbon removal (or negative emissions): emitters pay third parties for removing emissions from the atmosphere through natural or technological means and store them durably.

[3] Selected Scope 3 categories: category 3 – fuel- and energy-related activities; category 5 – waste generated in operations; category 6 – business travel; in category 1 – purchased goods and services: paper and water.

[4] According to the SBTi, "beyond value chain mitigation" refers to mitigation actions or investments that fall outside of a company's value chain. This includes activities on the way to net zero that avoid or reduce greenhouse gas emissions, and those that remove and store greenhouse gases from the atmosphere. At the net-zero state, only the latter are eligible for the neutralisation of the residual emissions.

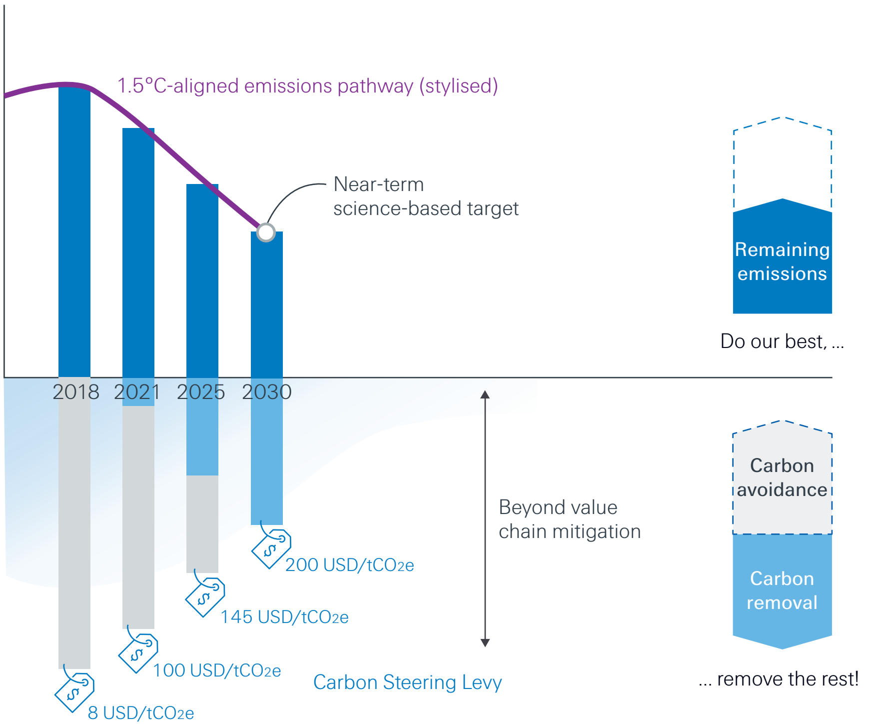
CO2NetZero Programme

Swiss Re's transition path to net zero for its operations consists of two phases, which are encompassed by the CO2NetZero Programme: a near-term phase (until 2030) and a long-term phase (beyond 2030).[1] The programme includes three key elements:

- Swiss Re focuses on reducing GHG emissions within its operations by setting both near-term and long-term science-based targets that are aligned with a 1.5°C-compatible pathway. The Group has set near-term targets for Scope 1, Scope 2 and Scope 3 – category 6 (business air travel). Long-term targets, including targets pertaining to the other relevant Scope 3 categories within operations, are planned to be developed after the release of the applicable SBTi standard for financial institutions. Swiss Re's operational GHG emission near-term targets are described on the following page. For an overview of key targets, see Swiss Re's approach to sustainability, page 19.
- Swiss Re supports the development of the carbon removal market through early engagement. The Group has set a target to purchase and retire 100% carbon removal certificates as early as 2030, covering the remaining operational emissions in scope in that year.[2]
- Swiss Re continues to purchase and retire carbon avoidance and carbon removal certificates to compensate its remaining operational emissions in scope for the near-term, linearly increasing the minimum share of carbon removal certificates in the mix from 0% in 2020 to 100% in 2030 (see page 93).

These three elements, representing the cornerstones of the CO2NetZero Programme, are encapsulated in the motto "Do our best, remove the rest", as illustrated in the figure opposite (near term only). The principal measures Swiss Re has taken under this motto are described on the following pages.

CO2NetZero Programme (near term – until 2030)



Key measures of the CO2NetZero Programme

Do our best, ...	... remove the rest
• Operating the internal carbon price (Carbon Steering Levy)	
• Reducing business air travel • Reducing total energy consumption and direct GHG emissions • Using 100% renewable electricity • Advancing sustainability in gastronomy services • Facilitating healthier and greener commuting	• Moving from carbon avoidance to carbon removal to compensate the remaining GHG emissions in scope[2]

[1] The terms "near term" and "long term" refer to the SBTi Corporate Net-Zero Standard's definitions.
[2] Scope 1, Scope 2 and selected Scope 3 categories (category 3 – fuel- and energy-related activities; category 5 – waste generated in operations; category 6 – business travel; in category 1 – purchased goods and services: paper and water.

The internal Carbon Steering Levy

In early 2021, Swiss Re became the first multinational company[1] to introduce a triple-digit, real internal carbon price on Scope 1, Scope 2 and part of upstream Scope 3 GHG emissions (business travel, fuel and energy-related activities, waste, paper and water), across all of the Group's Business Units, functions and locations under the company's operational control.

In 2023, this internal price per tonne of CO_2e (Carbon Steering Levy) was set at USD 123 – up from USD 112 in 2022. This increase is part of Swiss Re's plan to linearly raise the levy up to USD 200 per tonne of CO_2e in 2030, which reflects the expected market price for high-quality carbon removal certificates at that point in time. Following an internal standard on carbon certificates purchase, Swiss Re assesses key quality aspects such as integrity, durability, scalability and additional social co-benefits to determine the overall quality of carbon certificates.

The levy is the overarching element of Swiss Re's CO2NetZero Programme, as it helps the company to simultaneously meet both its "Do our best" and "remove the rest" objectives:

- Placing an increasing price on carbon incentivises concrete actions on emissions reduction – hence the name Carbon Steering Levy (see pages 91–92).
- The levy is expected to generate the funds required to cover the rising costs of the carbon certificates mix used for compensating emissions, as Swiss Re plans to linearly increase the share of carbon removals to 100% in 2030 (see page 93).

Finally, with its ten-year time horizon the levy allows Swiss Re to source certificates through long-term purchase agreements, thus sending a strong signal to the market.

"Do our best, ..." measures

Reducing business air travel

For financial services companies, business air travel often accounts for a major portion of operational GHG emissions. Swiss Re has taken several measures to reduce these emissions, including a carbon levy on business air travel (introduced in 2014 at the price of USD 8 per tonne of CO_2e), state-of-the-art video conferencing equipment and IT interoperability solutions.

Despite these measures, the Group's average air travel per employee increased between 2014 and the onset of the COVID-19 pandemic, mainly driven by its continued business expansion in emerging markets. For 2020, Swiss Re set a 15% reduction target for GHG emissions from air travel compared with the 2018 level and rolled out its first tools for planning and monitoring such emissions. In view of the strong increase in alternative collaboration methods resulting from the pandemic, the reduction target was increased to 30% for 2021 and then to at least 50% for 2022, 2023 and 2024 (all compared with the 2018 level).

The achievement of the 50% reduction target in 2023 is particularly meaningful for Swiss Re, considering this was the first full year without COVID-19 travel restrictions. In 2023, the Group´s GHG emissions from business air travel were more than 60% lower than in 2018. This is mainly attributable to: Swiss Re embedding the lessons learned during the pandemic in its day-to-day business operations, thus avoiding unnecessary business trips; increasing the internal Carbon Steering Levy to USD 123 per tonne of CO_2e; and assigning all Business Units and Group Functions stringent yearly CO_2e budgets for business flights.

To enable proper monitoring and steering of business air travel activity, both the levy and the CO_2e budgets have been seamlessly integrated into the Group's travel planning, booking and reporting systems. An internal dashboard shows real-time consumption compared with these budgets, and the associated emissions and levy costs. This provides transparency on the impact of each business trip, creating a strong incentive to reconsider whether a particular trip is necessary.

Swiss Re's efforts in this area have been recognised externally and were given the highest grade in the 2023 Travel Smart Ranking, the campaign led by the European NGO Transport & Environment to promote the reduction of GHG emissions from corporate air travel.[2]

Reducing total energy consumption and direct GHG emissions

Swiss Re has made continuous efforts to lower the amount of total energy intensity measured as kWh/FTE. Key measures include optimising the workplace-related footprint by reducing space utilisation and creating more flexible and modern office environments, and moving to more energy-efficient buildings (both leased and owned) with green labels (eg LEED).

The implementation of these measures, along with warmer temperatures, the progressive replacement of fossil fuels used for office heating and internal transport as well as an improved maintenance of technical equipment containing refrigerants with high global warming potential contributed to a decrease in direct GHG emissions from Swiss Re's office locations (Scope 1) by about 30% in 2023 compared with 2022, and by more than 45% compared with 2018. Swiss Re has set a specific target for these GHG emissions: an absolute reduction of 53% by 2030 compared with the base year 2018.

The target to reduce total energy intensity (kWh/FTE) by 2% per year has been continuously overachieved in the past few years, including in 2023 with a more than

[1] Based on an internal assessment using global data from the CDP Climate Change 2019 Questionnaire.
[2] The Travel Smart Ranking ranks 322 US, European and Indian companies according to ten indicators relating to air travel emissions, reduction targets and reporting. Swiss Re is one of the companies that makes up the gold standard of the Travel Smart Ranking (category A), a select group of companies that meet all of the Travel Smart requirements.

50% reduction compared with 2018. This Group-wide target will be discontinued due to the progressive shift from on-premise to cloud-based services for data management, resulting in the constant decrease of electricity consumption from own or co-located data centres and challenges in data availability for the corresponding electricity consumption from cloud-based services. The target has therefore lost its relevance in terms of representing the Group's efforts to reduce its total energy intensity.

Since 2015, Swiss Re's entire Corporate Real Estate & Services division has been certified according to the ISO 14001 standard. This means that all office locations and their related services are covered by an ISO 14001-certified global environmental management system. Due to office closures during the COVID-19 pandemic, in 2021 and 2022 Swiss Re paused the re-certification process. The process was resumed again in 2023. In addition, Swiss Re has received ISO 50001 certification for the energy management system of its main European locations, namely London (UK), Folkestone (UK), Munich (DE), Frankfurt (DE), Milan (IT), Genova (IT), Madrid (ES), Paris (FR), Luxembourg (LU) and Bratislava (SK).

Using 100% renewable electricity

Since the end of 2020, Swiss Re has been using 100% renewable electricity, in line with its commitment made under the Climate Group's RE100 initiative, which Swiss Re co-founded with Ingka Group (IKEA) in 2014.

Applying an internal standard that defines the minimum environmental attributes for the procurement of 100% renewable electricity, Swiss Re prioritises bringing new renewable assets onto the grid (known as "additionality"), preferably through its own installations for renewable electricity generation or long-term virtual power purchase agreements. Where neither option is feasible, it sources high-quality renewable electricity certificates (for example, naturemade star in Switzerland).

The following solutions, which illustrate the Group's efforts to maintain the use of 100% renewable electricity, were in place in 2023:

- Solar photovoltaic installations at the office locations in Armonk (US), Bangalore (IN), Folkestone (UK) and Zurich (CH).
- A virtual power purchase agreement (vPPA) with the Green River wind farm in Illinois (US) covering the Group's entire power consumption in the US and Canada.
- A power purchase agreement (PPA) with the landlord of the Bangalore (IN) office to obtain power from another solar photovoltaic installation.
- Green tariffs with local electricity providers and purchase of renewable electricity certificates for the remaining office locations.

Advancing sustainability in gastronomy services

Gastronomy plays an important role at Swiss Re and is part of its cultural values. The GHG emissions associated with gastronomy services also contribute to Swiss Re's total operational footprint. As a result, a global initiative supporting sustainable gastronomy was launched in 2020 with a focus on three pillars: zero waste, resilient food systems and GHG emissions reductions.

Over the past two years, Swiss Re put a strong focus on the GHG emissions pillar, with the initial objective of developing a measurement strategy. In 2022, Swiss Re's main restaurants in Zurich (CH), Armonk (US), Munich (DE) and Bangalore (IN) started to monitor GHG emissions from their food purchases, in close collaboration with their caterers. In 2023, the monitoring process was extended to the restaurant in Folkestone (UK), and a reduction path was defined for all the restaurants mentioned. Among other things, the reduction path includes a progressive shift from animal-based to plant-based products.

Swiss Re's main restaurants account for around 80% of its overall GHG footprint from on-premise gastronomy services. Improvement actions have also been identified for around 40 pantry zones, which represent around 20% of the footprint. For these zones, focus is being placed on coffee and dairy products, as they have the greatest impact on climate and global food systems. In addition to offering plant-based alternatives to cow's milk whenever possible, Swiss Re strives to source coffee with credible sustainability certifications (Organic, Rainforest Alliance, Fairtrade, Bird Friendly) or from suppliers who invest in ecological and social aspects of its production.

Facilitating healthier and greener commuting

Swiss Re incentivises its employees to take advantage of low-carbon options for their daily commutes by offering bicycle parking, shower facilities with lockers, subscriptions for public bike rental services, public transportation subsidies, and last-mile shuttle services, among others.

"… remove the rest" measures

Moving from carbon avoidance to carbon removal

Since 2003, Swiss Re has compensated with carbon certificates 100% of its Scope 1 and Scope 2 emissions[1] and an increasing share of operational Scope 3 emissions, including those from business travel, fuel- and energy-related activities, office consumables (paper and water) and waste generation.

Funded through its Carbon Steering Levy, Swiss Re is gradually reducing the share of high-quality carbon avoidance certificates while increasing that of high-quality carbon removal certificates. With this approach, it aims to contribute to the development of the carbon removal market and support it in reaching the scale deemed necessary for reaching a net-zero state on a global level.

In 2023, Swiss Re's operational GHG emissions in scope for compensation with carbon certificates amounted to around 28 000 tonnes of CO_2e. The share of carbon removal certificates in the mix was 34%, meaning that the Group's minimum target of 30% was achieved. These certificates were sourced from a variety of suppliers and two main project types – "displace coal consumption" and "biochar".

For carbon avoidance, Swiss Re has exclusively supported Gold Standard-certified projects since 2014. Most carbon avoidance certificates stem from a Gold Standard-certified project in China. The project has provided biodigesters to low-income households to collect methane from stored manure, which is used as a source of energy in replacement of coal.

Most carbon removal certificates are of the "biochar" type and stem from various suppliers in Europe, Africa, Americas and Asia. Biochar is produced by heating biomass in the absence of oxygen (pyrolysis). It consists of carbon black, the majority of which, under natural conditions remains in the soil for hundreds of years, rendering biochar a more durable form of carbon storage than the original biomass. It is usually added to degraded topsoil to improve soil fertility. The remainder of the carbon removal certificates are of the "mineralisation" type. They are from a project in the UK that uses captured CO_2 to treat wastes, thereby creating durable construction materials that store carbon in mineralised form.

Swiss Re's strategy and approach on carbon certificates purchase

swissre.com

[1] Scope 2 emissions from purchased electricity are market-based (see Appendix, Sustainability data, page 112).

Sustainability in the supply chain

Swiss Re procures various goods and services to facilitate its operations. Relationships with third parties are governed by Swiss Re's Third Party Framework including operating expenses related to the supply chain. The main categories in Swiss Re's supply chain, by spend, of goods and services procured externally include IT application services, consulting services, legal services, contractors, recruitment services, office and equipment, leasing/rent and external investment managers.

Procurement

Swiss Re takes responsibility for overseeing purchases from external vendors that meet a combination of cost and risk criteria, such as providing goods and/or services that are critical to a Business Unit's or Group Function's operational resilience and/or meeting a minimum spend threshold. Swiss Re aims to select vendors that offer the best value for money, balancing demand, financial impact and operational, legal and compliance risk.

As a signatory to the UN Global Compact, Swiss Re observes its Ten Principles, which are grouped into four categories: human rights, labour, environment and anti-corruption. The UN Global Compact Principles are referenced in Swiss Re's Code of Conduct.

Potential risks associated with Swiss Re's sourcing activities include adverse human rights impacts on stakeholders in the supply chain as well as a risk that some of the Ten Principles of the UN Global Compact, such as combatting corruption and bribery, the right of non-discrimination, the right to safe working conditions or the right to freedom of association and collective bargaining, are not adhered to by all vendors in the supply chain. This could result in a reputational risk for Swiss Re. By encouraging sustainable procurement practices and through ESG assessments, Swiss Re aims to reduce the risk of discrimination, adverse working conditions and infringing on the rights of workers in the supply chain.

When selecting new products and vendors, Swiss Re examines whether external vendors comply with the Swiss Re Code of Conduct. Segment I and Segment II vendors[1] undergo periodic relationship reviews, which may include a virtual inspection or on-site visit to the vendor.

Since 2016, Swiss Re has continuously promoted sustainability among its vendors by asking its Segment I and Segment II vendors to provide transparency on their sustainability performance. To support this request, Swiss Re collaborates with an external ESG assessment company to evaluate suppliers using a wide variety of ESG screening criteria across the topics of human rights, labour, environment and anti-corruption, which are aligned with Swiss Re's Code of Conduct, and which in turn refers to the Principles of the UN Global Compact.

To meet the requirements relating to child labour contained in the Swiss Code of Obligations and assess the risk of child labour in its supply chain, Swiss Re's ESG assessment asks vendors to confirm, for example, that they comply with the ILO Minimum Age Convention (No. 138) and the ILO Worst Forms of Child Labour Convention (No. 182). Other questions related to the verification of legal proof of age documentation for all employees are also included in this assessment. As a result of such efforts, during this reporting cycle Swiss Re has not identified reasonable grounds to suspect child labour in its supply chain.

By the end of 2023, 98% of targeted Segment I and Segment II vendors had completed their ESG assessment. Since 2021, new vendors supporting operations are required to complete this ESG assessment during the onboarding process. The transparency gained on vendors' sustainability performance is an important element of Swiss Re's ESG Vendor Development Programme (VDP), which aims to support vendors in continuously improving and maintaining their ESG performance.

In 2023, Swiss Re began engaging with vendors specifically on the topic of decarbonisation. The objective is to encourage vendors to identify and measure material emissions and set science-based targets[2] with a view to decarbonising Swiss Re's supply chain in line with the ambition of achieving net zero globally by 2050. In 2023, Swiss Re became a CDP Supply Chain Member and ran a pilot engagement with 39 vendors to pursue the defined objectives of this engagement.

[1] Segment I and Segment II vendors represent 85% of an annual spend of more than USD 1 billion, and include all vendors with an annual spend of at least USD 500 000 as well as outsourcing vendors classified as critically important or material for Swiss Re.
[2] Science-based targets (SBTs) define a clear emissions reduction pathway, in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.

Engaging with stakeholders

External engagements for sustainable operations

While the share of GHG emissions from Swiss Re's operations is relatively small compared to those from its other business activities, Swiss Re welcomes the opportunity to have a real impact in inspiring other companies by sharing good practices for reducing operational GHG emissions.

In 2023, after receiving top marks in the Travel Smart Ranking (see page 91), Swiss Re collaborated with the European NGO Transport & Environment on a case study. The case study was published on the Travel Smart Campaign's website to inspire other companies to reduce business air travel and cut their corresponding GHG emissions.

In addition, as part of its continuous engagement on environmental topics, Swiss Re is an active member of the following Swiss organisations:

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 original partners and sponsors its managing director.

swisscleantech
swisscleantech is a Swiss business association that advocates for environmentally responsible business practices and a sustainable political framework.

Energie-Modell Zürich
Members have a common goal of increasing energy efficiency by a total of 14% and decreasing CO_2 emissions by a total of 20% by 2030, relative to the base year 2020.

With regards to Swiss Re's supply chain, Group Procurement engages ESG-assessed vendors in an ongoing dialogue to achieve meaningful improvements to their sustainability performance (see page 94).

Engaging employees on climate change

In 2021, Swiss Re introduced the NetZeroYou2 Programme to encourage employees[1] to take individual action against climate change. The programme is part of the Group Sustainability Strategy, as a "people and operations" enabler, promoting engagement with the net-zero transition. It aims to inspire employees to personally adopt the CO2NetZero Programme's motto "Do our best, remove the rest".

The "Do our best, ..." component of the programme encourages employees to calculate their carbon footprint and participate in climate challenges, which include informative quizzes, suggestions for practical climate actions, events and workshops. Since its launch, over a third of employees have calculated their carbon footprint.

To involve employees in Swiss Re's efforts to "... remove the rest", the programme gives them access to the same high-quality carbon certificates and long-term projects in the mix that Swiss Re uses to compensate operational emissions (see page 93). In 2023, over 1 000 tonnes of carbon certificates were secured through the NetZeroYou2 Programme. Swiss Re matched 100% of all employee contributions.

Advancing the net-zero transition with colleagues

swissre.com

[1] The NetZeroYou2 Programme is accessible to all individuals employed full or part time by a company within the Swiss Re Group, as well as temporary staff and trainees.

Our people

Swiss Re is committed to strategically planning for and developing the talent it needs. It aims to unlock the potential of its employees and drive resilience, engagement and sustainable success through a culture of performance and inclusion.

Key achievements in 2023

81%
Employee engagement remains high[1]

82%
Share of employees that experience the work environment as inclusive[1]

35%
Ambition to increase female representation at executive and senior management level to 35% by the end of 2027

[1] Based on the results of the company-wide employee engagement survey conducted in 2023, which surveyed permanent employees.

Group People Strategy

People are a key enabler of the overall Group Strategy as well as the Group Sustainability Strategy. Swiss Re's focus on developing a sustainable workforce, in which employee[1] needs are met while building the business of the future, is of strategic importance to the company. Swiss Re's Group People Strategy is built on the three pillars: We lead, We build and We perform. The Group People Strategy is implemented through the Group People Agenda.

Employee facts & figures[2]

15 032	**47.8%**	**120**
Permanent and temporary employees	Share of female employees	Nationalities

Group People Strategy

swissre.com

Employee data

swissre.com

All data can be found in the Appendix

Sustainability Report 2023

Group People Agenda

The Group People Agenda (People Agenda) strives to offer an attractive, flexible and inclusive work environment where employees[2] can perform at their best. It supports a culture of performance in which clear expectations result in accountability for outcomes. The People Agenda also helps maintain and increase access to the best talent in Swiss Re's markets.

The themes supporting the People Agenda that are in focus for the Swiss Re Group include culture of performance, and diversity, equity & inclusion, which are described in the following sections. Talent management is also described, as it is another theme that supports the business in delivering against the Group Strategy.

Culture of performance

At Swiss Re, employees are expected to take responsibility and feel accountable for their work. This culture of performance builds on three interconnected components:

- Clear individual goals derived from the Group targets.
- Regular feedback, supporting the individual to achieve the targets set.
- Performance assessments based on the outcomes achieved.

Line managers' ability to provide constructive feedback and support employee development is essential to this culture of performance. Swiss Re is committed to continuously investing in leadership skills, and to this effect trained 3 393 line managers in 2023. This translates into an average of 8.5 hours invested per manager.

Compensation is one of the elements that underpins the culture of performance. Swiss Re's compensation philosophy is based on pay for performance, and reward schemes are in place to recognise exceptional performance and conduct by individual employees. Swiss Re offers its employees a range of benefit programmes and incentives. The compensation framework is designed to attract, engage and retain the talented professionals the company needs to succeed around the world.

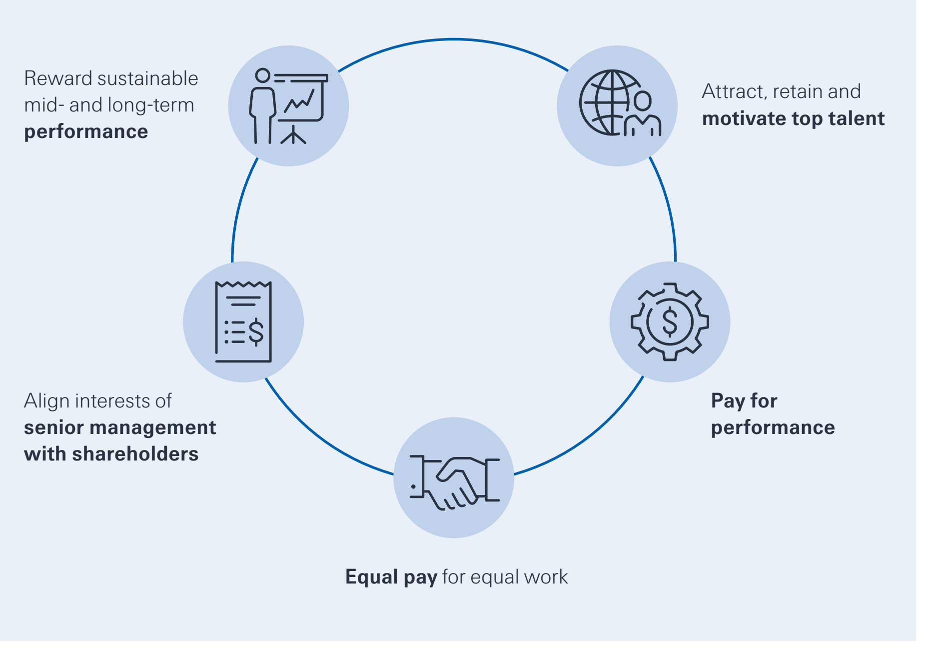
[1] The term employees refers to all individuals employed full or part time by a company within the Swiss Re Group. Third parties working on behalf of Swiss Re, such as contractors, freelancers, temporary staff and trainees, and non-executive members of the Board of Directors for all legal entities are excluded from this definition.
[2] Figures as of 31 December 2023. For more detailed employee data, see Appendix, Our people, pages 114–116 as well as Swiss Re's website.
[3] The target audience for the Group People Agenda is permanent employees. However, temporary employees have access to certain initiatives and programmes that fall under the umbrella of the People Agenda and which are described throughout this chapter.

Furthermore, Swiss Re is committed to ensuring equal pay for equal work, regardless of gender, race, ethnicity, sexual orientation or other personal characteristics, as outlined in the company's standards on compensation. It strives to take a neutral, non-discriminatory approach to determining pay at all levels. Every year, individual salaries and target incentives are reviewed to ensure internal pay equity, external competitiveness and pay for performance. Pay equity is regularly monitored and addressed throughout the employee life cycle, ensuring that decisions regarding compensation remain unbiased and fair. As of June 2023, the adjusted gender pay gap for the company globally remains low at 1.4% (2022: 1.7%).[1]

Compensation Report: Group compensation framework

Financial Report 2023, pages 126–132

Promoting performance



Diversity, equity & inclusion

Swiss Re takes a holistic approach to diversity, equity & inclusion (DEI) aimed at creating a sense of belonging for everyone through an inclusive culture and inclusive practices. A lack of DEI could give rise to the risk of ineffectively using the talent pool, and can negatively impact both employee engagement and retention. Swiss Re is working on building and embedding the right mindsets, capabilities and practices throughout its organisation in the belief that stronger inclusion powers greater diversity in a virtuous cycle through the company's DEI Strategy.

The DEI Strategy sets out three target areas:

- Leading with inclusion first.
- Embedding equity and inclusion in Swiss Re's core people practices.
- Leveraging and driving diversity in the workforce.

To lead with inclusion, Swiss Re has provided leaders with frameworks, insights and behaviours to model in order to help them lead their teams inclusively. As of the end of 2023, 90% of key executives and managing directors had completed the first phase of a two-year programme on inclusive leadership.

To better understand what is needed to further embed equity and inclusion in Swiss Re's core people practices, the company conducted a review of its high-impact people processes in 2022. In 2023, Swiss Re continued to work on implementing the recommended changes by further enhancing inclusion across all stages of the employee life cycle. These range from attraction, selection, reward and development, through to progression and separation. A particular focus in 2023 was given to a global parental leave standard and continued attention on pay equity.

The third target area covers measures to increase the diversity of Swiss Re's workforce to drive resilience and support better business decision-making. To this end, Swiss Re focusses on the following diversity themes: gender; race/ethnicity; LGBTI+ status; generations; and mental health. Numerous initiatives are in place to drive progress in these areas, including reinforcing flexible working arrangements and enhancing parental leave benefits, as well as mentoring and leadership programmes targeting female and diverse talent.

[1] Swiss Re defines the global adjusted gender pay gap as the weighted average target compensation gap between male and female employees, considering the employee's country, job level and category of work. The calculation excludes individuals if there is no opposite gender in the same grouping. A positive pay gap number represents that males are on average being paid more than their female counterparts. Target compensation includes base salary at 100%, the target bonus and the Leadership Share Plan grant amounts, converted to USD.

Swiss Re's various employee resource groups (ERG) focussing on each of these diversity themes raise employee awareness and foster greater diversity through leadership dialogue sessions, sponsorship and/or mentoring programmes, events and more.

To support the DEI Strategy, Swiss Re expanded its programme for voluntary diversity data collection to seven countries in 2023. The programme had originally been launched in a few pilot countries in 2022.[1] This DEI data helps measure the distribution and size of underrepresented groups, and will support management in driving an inclusive environment.

At the end of 2023, female representation at the executive and senior management level stood at 31.5% (30.9% as at the end of 2022). Swiss Re aims to further increase this share. Its ambition is to reach 35% female representation in executive and senior management by the end of 2027.

In recognition of Swiss Re's ongoing DEI efforts , Swiss Re was included in the Bloomberg Gender Equality Index for the fifth consecutive year in 2023. In 2022, Swiss Re attained silver status in Stonewall's Global Workplace Equality Index, a certification which is valid for two years. Internally, the company's annual employee experience survey shows that its efforts are being recognised: 82% of Swiss Re employees said they experience the work environment as inclusive (2022: 83%).

Talent management

The aim of talent management, under which the relevant topic human capital development is addressed (see Swiss Re's approach to sustainability, page 16), is to ensure it has the right people to successfully deliver against the Group's strategy, today and in the future. Due to Swiss Re's dependence on skilled employees, a lack of effective talent management could give rise to the risk that the company is not able to attract, develop and retain the talent needed. Line managers actively support employees in identifying and developing their talents for greater business impact. Understanding employees' potential is essential for targeting their development and building strong talent pipelines and pools. The company's Standard on Talent Management[2] sets out further details.

The themes covered as part of talent management include strategic people planning, learning and development, employee engagement and working conditions.

Strategic people planning

Strategic people planning will continue to be a core tool for anticipating how the workforce will evolve and supporting Swiss Re in preparing its workforce for the future. In other words, it helps Swiss Re put the right people in the right place at the right time to help the company succeed.

Learning & development

Swiss Re is committed to supporting learning and personal growth, and to helping employees develop the skills and knowledge they require in order to be effective in their job now and in the future. The company's Global Standard on Learning and Growth[3] provides a foundation for these measures.

Swiss Re continues to provide training through iCampus, its global learning management system. The in-house training data mentioned in the box on the right refers to iCampus training.

LearningOne, Swiss Re's in-house learning platform, also supports employees throughout their learning journey by giving them access to learning content where and when they need it.

In 2023, Swiss Re's Learning & Development solutions received 17 Brandon Hall Awards, including Best Advance in Competencies and Skill Development and Best Unique or Innovative L&D Program.

One of Swiss Re's key learning events in 2023 consisted of two weeks of training to support the IFRS (International Financial Reporting Standard) initiative. Over 6 500 registrations were received for the different modules offered, reflecting the strong interest in building this knowledge.

In-house training data for 2023

Learning and training highlights

15 828
Number of permanent and temporary employees trained[4], with an average of 7.3 hours spent on training per employee

3 393
Number of managers trained, with an average of 8.5 hours per manager

[1] The pilot countries encompassed the South Africa, UK and the US. The seven countries for the extended data collection included the pilot countries as well as Canada, India, Slovakia and Switzerland.
[2] The Standard on Talent Management applies globally to all line managers or employees with line management responsibilities.
[3] The Global Standard on Learning and Growth applies to all employees excluding temporary employees, contractors or externals, interns and trainees.
[4] The number of employees who did training in 2023 exceeds the year-end headcount, as employees who left Swiss Re during the reporting year are also captured in the total.

Employee engagement
Informing and consulting with employees remains a high priority for Swiss Re. Not engaging with employees frequently could negatively impact Swiss Re's ability to respond to employee needs and damage its reputation as an employer. In line with best practice, Swiss Re therefore regularly conducts employee experience surveys in order to receive first-hand feedback. This measure is not, however, based on a specific policy. Since 2022, employees have been given access to a dashboard containing the survey results of their teams, as well as a comparison of their team's results to those of the Group.

According to the results of the 2023 employee experience survey, in which 77% of employees participated (2022: 79%), employee engagement remains high at 81%[1] (2022: 82%). This is on par with the finance/insurance industry benchmark of 82%, as provided by an external survey provider, and was mainly driven by favourable results for questions regarding how proud employees are to work for Swiss Re (87%, 2022: 90%) and whether they would recommend Swiss Re as a great place to work (81%, 2022: 85%). Favourability scores for key topics relating to a sustainable workforce (eg integrity, inclusion, collaboration and performance culture) were similarly high.

The company's Net Promoter Score (NPS), which measures how likely leavers would be to recommend Swiss Re as an employer to friends or colleagues, amounted to –1 point in 2023 (2022: 9). This is 18 points above the global average of –19. The NPS is compiled based on feedback that Gartner, an external service provider, collects from people who have left Swiss Re. Overall, 71% of leavers in 2023 rated their employment experience favourably, which is also above the global benchmark of 63%, a figure provided by Gartner.

Working conditions
Swiss Re is dependent on skilled employees and is committed to taking care of their health, well-being and safety. Swiss Re also aims to provide a positive and supportive working environment conducive to all aspects of good health. This is set out in the company's Code of Conduct under the heading "Health, safety and security".

In order to attract the best talent, Swiss Re supports the growth and development of its employees by offering good working conditions in line with or exceeding local labour standards.

Swiss Re's approach to managing the well-being, health, safety and welfare of employees is further detailed in its Global Policy on Safety and Security as well as its Statement on Occupational Health, Well-being and Safety at Swiss Re.[2] Swiss Re aims to prevent occupational ill-health and where this is not possible, it aims to minimise its effects. The company encourages employees to be proactive in enhancing their own health and well-being, thereby promoting a healthy and safe working environment. Swiss Re makes every effort to comply with all local norms and legal requirements with regard to these efforts.

Swiss Re supports employee well-being through initiatives such as its external Employee Assistance Hotline and Pathways, the global employee resource group dedicated to mental health awareness.

Swiss Re recognises that different people have different needs and preferences when it comes to how they work. Swiss Re accommodates formal and informal flexible work arrangements. Its Own The Way You Work™ Programme motivates and engages teams by allowing employees to decide how, when and where to carry out their tasks, while also taking into consideration team needs, and adherence to the applicable laws, rules and regulations of the specific region.

The company's efforts in this area were recognised in the 2023 employee experience survey, with 82% of employees agreeing that Swiss Re cares about their wellbeing (2022: 85%). Additionally, 84% of employees said that Swiss Re's office environment and workplace services helped them to be productive (new question added in the 2023 employee experience survey), and 87% (2022: 90%) stated they felt supported by Swiss Re's workplace technologies.

Occupational Health, Well-being and Safety at Swiss Re
swissre.com

Own The Way You Work™
swissre.com

[1] The employee engagement metric is based on four questions from the employee experience survey: whether or not respondents are proud to work for Swiss Re, whether they would recommend Swiss Re as a great place to work, whether they intend to stay with the company in the next 12 months; and whether their work gives them a sense of accomplishment.
[2] The Global Policy on Safety and Security as well as the Statement on Occupational Health, Well-being and Safety apply to permanent and temporary employees, as well as customers, suppliers, visitors and any non-employees when they are on Swiss Re premises.

Human rights of Swiss Re employees

Swiss Re is committed to respecting the human rights[1] of its employees.[2] Infringing on employee's rights could negatively impact Swiss Re's reputation as a company and hinder its efforts to attract the best talent.

Swiss Re does not condone any unethical practices such as bullying or harassment, or acts of prejudice and discrimination on the grounds of race, ethnicity, age, gender, religion, sexuality or other characteristics.

Swiss Re's expectations of and commitments to its employees are detailed in its policies and guidelines, including the Code of Conduct. The company's commitment to respect the human rights of its employees is enshrined in its public Human Rights Statement.[3]

Swiss Re's approach to respecting and promoting human rights is guided by the United Nations Guiding Principles on Business and Human Rights. Swiss Re has signed the UN Global Compact and is committed to implementing its Ten Principles (in particular principles 1–6 on human rights and labour). The company upholds the freedom of association and effective recognition of the right to collective bargaining.

Many of Swiss Re's locations have employee advocacy groups, in line with local practice. These contribute to the company's success by offering valuable perspectives and helping the company identify employment-related challenges.

Swiss Re strives to foster an environment where everyone feels comfortable speaking up, which can include any concerns about human rights issues. For more information, see Swiss Re's website on Reporting Misconduct (Whistleblowing).

In 2023, Swiss Re investigated 44 reports related to discrimination and harassment (including bullying) through official reporting channels, see Appendix, Business conduct & overarching policies, page 104.

Given that Swiss Re operates in the financial services industry and has highly skilled employees, the company considers the risk of having serious breaches of human rights in its own operations to be low. Nevertheless, Swiss Re remains committed to this important topic and will continue to assess further measures as needed.

Global Human Rights Statement

swissre.com

Reporting Misconduct (Whistleblowing) at Swiss Re

swissre.com

[1] This includes the right of employees to form trade unions.
[2] This includes both permanent and temporary employees.
[3] Swiss Re's Human Rights Statement applies to all countries and regions in which the company operates.

Appendix

Sustainability data

This section provides an overview of sustainability data related to the topics covered in the Sustainability Report 2023. These should be read in conjunction with the explanations and context provided throughout the report.

Sustainability governance

Board composition	Unit	Notes	2021	2022	2023
Total members of the Board	number of persons	1, 2	13	12	11
Gender diversity					
Male	number of persons		10	9	7
Female	number of persons		3	3	4
Male	%		76.9	75.0	63.6
Female	%	3	23.1	25.0	36.4
Regional representation		4			
Americas	number of persons		5	5	4
EMEA	number of persons	5	3	3	3
Switzerland	number of persons		3	3	2
Asia	number of persons		2	1	2
Americas	%		38.4	41.7	36.3
EMEA	%	5	23.1	25.0	27.3
Switzerland	%		23.1	25.0	18.2
Asia	%		15.4	8.3	18.2

[1] In 2022, the number of Board members was reduced from 13 to 12. In 2023, the number of Board members was reduced from 12 to 11.
[2] Calculated on the last day of the financial reporting period, 31 December.
[3] Female Board members as a % of all Board members.
[4] Based on nationality, and/or experience in a region.
[5] EMEA: Europe, Middle East and Africa (excluding Switzerland).

Business conduct & overarching policies

Investigation Coordination Process (ICP)	Unit	Notes	2021	2022	2023
Cases investigated	**number**		**67**	**82**	**109**
External actors involved	number		24	20	5
Investigated, by intake					
Internal channels (Human Resources, line managers, Compliance)	number		46	55	79
External sources	number		6	5	5
Whistleblowing hotline	number		7	16	15
Intake through process detection	number		8	6	10
Investigated, by category		1			
External fraud	number		24	20	5
Discrimination and harassment (including bullying)	number		18	24	44
Internal fraud	number		3	11	22
Insider trading (including accidental trading within a close period)	number		9	10	8
Other code violations	number	2	13	17	34
Closed					
Substantiated	number		41	39	48
Unsubstantiated	number		18	28	37

Employee training	Unit	Notes	2021	2022	2023
Mandatory eLearning assignments completed (incl. new hire and refresher)	**%**	3	**100**	**98**	**98**

ICP details 2023	Unit	Notes	2023	2023	2023
Category		1	**Closed substantiated**	**Closed unsubstantiated**	**Ongoing**
Discrimination and harassment (including bullying)	number		13	21	10
External fraud	number		3	2	0
Internal fraud	number		12	3	7
Insider trading (including accidental trading within a close period and misuse of confidential business information)	number		6	1	1
Corruption and bribery	number		0	2	0
Conflict of interest	number		5	3	0
Culture of integrity	number		3	5	6
Missed annual Compliance attestations	number		1	0	0
Missed Compliance eLearning	number		3	0	1
Other	number		3	1	3

Actions taken in 2023	Unit	Notes	2023
Written warning	number	4	56
Verbal warning	number	4	39
Bonus reduction	number	4	3
Termination with notice	number	4	3
Termination without notice	number	4	5
Termination agreement	number	4	0
Non-disciplinary actions (including: training, awareness, process improvements, reports to authorities, etc)	number	4	63

[1] Cases can concern more than one risk category.
[2] Other code violations include corruption and bribery, conflicts of interest, culture of integrity, missed annual compliance attestations, missed compliance eLearning. The table on ICP details below offers more detail on these cases for 2023.
[3] Compliance continues to follow up on non-completions via the escalation process to achieve 100% completion.
[4] Multiple actions are possible per case.

Sustainability in underwriting

ESG risk assessments	Unit	Notes	2021	2022	2023
Transactions screened for ESG risk exposure	number		92 214	106 754	108 029
Companies on the ESG watchlist	number	1	2 358	2 050	3 388
Projects on the ESG watchlist	number	1	300	641	1 047

ESG risk referrals	Unit		2021	2022	2023
ESG risk referrals	**number**		**185**	**250**	**465**
Abstain	number		18	21	58
Proceed	number		129	158	185
Proceed with conditions	number		38	71	222
ESG risk referrals, by sector					
Agriculture, Forestry and Food	%		5.9	4.4	5.7
Hydro Dams	%		21.1	9.2	6.7
Defence	%		4.9	6.8	9.7
Mining (excl. thermal coal)	%		22.7	23.6	21.7
Nuclear Material Non-Proliferation	%		0.0	0.0	0.6
Oil and Gas	%		16.8	26.0	20.2
of which oil and gas conventional	%		16.2	22.4	16.8
of which oil and gas offshore	%		0.5	3.6	3.4
Thermal Coal	%		10.8	12.8	8.4
Other sectors	%	2	16.2	17.2	26.9

ESG Risk Framework – training			2021	2022	2023
Employees trained via mandatory online course	**number**		**2 113**	**4 050**	**4 185**

Natural catastrophe premiums	Unit	Notes	2021	2022	2023
Natural catastrophe premiums across Swiss Re Group	**USD bn**	3	**3.9**	**4.8**	**5.7**

Renewable energy insurance	Unit	4	2021	2022	2023
Wind and solar farms	number		8 871	11 970	14 772
Other renewable energy generation facilities	number		292	280	301
Total renewable energy generation facilities	**number**		**9 163**	**12 250**	**15 073**

Life & Health Reinsurance	Unit	5	2021	2022	2023
Life & Health policies (in force) reinsured	**policies in millions**		**186**	**212**	**212**
Family members who were supported by L&H policies reinsured	**persons in millions**		**237**	**284**	**278**

[1] The backbone of the ESG risk assessment tool is a proprietary ESG risk database, which comprises a country/sector risk matrix and an ESG watch list of companies and projects. The data is derived from a regular screening and a review of publicly available information, as well as external and proprietary sources on environmental, social and governance risks.
[2] The designation "Other sectors" tracks issues such as human rights concerns and environmental issues that are not linked to Swiss Re's sector-specific policies.
[3] Estimated gross written premiums for losses exceeding USD 20 million by Property & Casualty Reinsurance and Corporate Solutions.
[4] Total number for which direct insurance (all lines of business) and facultative reinsurance (property and engineering) cover was written during the year. Includes wind, solar, hydro, biomass, geothermal and marine/tidal.
[5] Numbers for family members, number of policies based on technical accounting claims data. Numbers for family members is an estimate. Figures cover Asia, Australia and New Zealand, North America and EMEA. Since 2022, EMEA covers the entire region and not only the UK, Germany, Austria and Switzerland.

Responsible investing

Enhancement	Unit	Notes	2021	2022	2023
Assets managed externally					
Assets managed externally	%		40	43	47
Share of PRI signatories	%		97	98	98
ESG rating distribution across corporate bond portfolio					
AAA	%		n/a	8.1	8.7
AA	%		n/a	35.6	38.1
A	%		n/a	29.1	30.5
BBB	%		n/a	16.6	13.8
BB	%		n/a	4.9	4.0
B	%		n/a	1.6	1.1
CCC	%		n/a	0.1	0.4
NR	%		n/a	4.0	3.4
ESG rating distribution across listed equity portfolio		1			
Voting activities and behaviour		2			
Voting activity					
Votes cast	%		97	97	98
No votes cast	%		3	3	2
Voting behaviour					
Voted with management	%		88	85	89
Voted against management	%		10	12	8
Abstained	%		2	3	1
Votes withheld	%		0	0	2
Engagement activity for corporate bonds		3			
Portfolio holdings engaged on "1.5°C Alignment"	%		n/a	n/a	22
Top 20 emitters engaged on "1.5°C Alignment"	%		n/a	n/a	75
Portfolio holdings engaged on "Disclose ESG key metrics"	%		n/a	n/a	41
Engagement activity for listed equity		4			
GRESB scoring US real estate portfolio		5			
GRESB	score 0–100		85	85	85
Performance	score 0–70		56	55	55
Management	score 0–30		29	30	30

Inclusion	Unit	2021	2022	2023
Impact private equity	**USD m**	**85**	**75**	**95**

[1] Due to the material reduction of the listed equity exposure in Q2 2023, the remaining listed equity positions' percentage share relative to the investments in scope is very small and thus not shown.
[2] Figures for 2023 cover the first half of 2023, as the remaining equity positions after the reduction are in the scope.
[3] While the scope in past years covered the active listed equity mandates, the 2023 scope covers the corporate bond mandates.
[4] The remaining listed equity positions are not in scope of the Engagement Framework.
[5] Average GRESB score was: 2021: 73/100; 2022: 74/100; 2023: 75/100.

Climate-related financial disclosures

Underwriting

Climate-related physical risk: Gross annual expected losses for weather-related disasters by region and for peak exposures, Swiss Re Group	Unit	Notes	2021	2022	2023
Total	**USD m**	1	**2010**	**2470**	**2430**
North America	USD m		1000	1300	1200
Latin America	USD m		185	200	200
EMEA	USD m		295	420	510
Asia	USD m		360	350	330
Oceania	USD m		175	190	160
Tropical cyclone	**USD m**	1	**1055**	**1160**	**1050**
North America	USD m		580	700	610
Latin America	USD m		160	170	170
EMEA	USD m		0	0	0
Asia	USD m		280	250	230
Oceania	USD m		35	40	30
Convective storms	**USD m**	1	**360**	**530**	**520**
North America	USD m		255	390	390
Latin America	USD m		0	0	0
EMEA	USD m		40	70	90
Asia	USD m		0	0	0
Oceania	USD m		65	70	40
Flood	**USD m**	1	**320**	**470**	**520**
North America	USD m		85	140	130
Latin America	USD m		25	30	30
EMEA	USD m		105	140	180
Asia	USD m		75	90	90
Oceania	USD m		30	60	70
Windstorm	**USD m**	1	**190**	**240**	**270**
North America	USD m		50	30	30
Latin America	USD m		0	0	0
EMEA	USD m		140	200	240
Asia	USD m		0	10	10
Oceania	USD m		0	0	0
Wildfire	**USD m**	1,2	**n/a**	**n/a**	**60**
North America	USD m		n/a	n/a	40
Latin America	USD m		n/a	n/a	0
EMEA	USD m		n/a	n/a	0
Asia	USD m		n/a	n/a	0
Oceania	USD m		n/a	n/a	10
All other perils	**USD m**	1	**90**	**80**	**10**
North America	USD m		30	40	0
Latin America	USD m		0	0	0
EMEA	USD m		10	10	0
Asia	USD m		5	0	0
Oceania	USD m		45	20	10
Peak exposures					
Tropical cyclone North Atlantic	USD m		720	840	760
US convective storm	USD m		260	380	380
European windstorm	USD m		140	190	220
European flood	USD m		100	130	180
Japanese tropical cyclone	USD m		180	160	120

[1] Regional figures may not add up to the world total due to rounding to 10 million.
AEL from the following lines of business are covered: property, engineering, marine, liability, aviation, motor and multilines. Property and engineering combined account for approximately 95% of total AEL.
[2] Wildfire was included in "All other perils" prior to 2023.

Climate-related financial disclosures | Underwriting (continued)

Climate-related transition risk: Insurance-associated emissions (IAE) – single risk business	Unit	Notes	2021	2022	2023
Property & casualty commercial lines		1			
Total gross written premium (USD million)	USD m	2	n/a	4607	5039
Scope 1 + Scope 2 GHG emissions	tonnes CO_2e	3	n/a	1300000	1600000
Scope 3	tonnes CO_2e	4	n/a	n/a	n/a
GHG emission intensity	tonnes CO_2e/USD million revenue of re/insured	5	n/a	274	320
Weighted data quality score		6	n/a	3.9	3.9

Climate-related transition risk:	Unit	Notes	2021	2022	2023
Exposure to insured carbon-related assets					
Property & casualty commercial lines	% of total portfolio	7	n/a	n/a	55.5

Metrics related to targets supporting the net-zero transition in underwriting	Unit	Notes	2021	2022	2023
Single-risk re/insurance to oil and gas producers					
Share of Swiss Re's gross written premiums from oil and gas producers in its single-risk property and general liability portfolios from companies committed to align to net zero by 2050	%	8	n/a	n/a	49.5
Single-risk re/insurance to listed companies in other industries					
Share of gross written premiums from listed companies with headquarters in OECD countries in Swiss Re´s single-risk property, general liability and commercial motor portfolios (excl. fossil fuels) from corporates with science-based targets (SBTs) validated by a third party	%	9	n/a	28.9	37.8

[1] All commercial lines of business in scope of the Global GHG Accounting & Reporting Standard Part C by the Partnership for Carbon Accounting Financials (PCAF Part C), except for portfolios in run-off. Four external data sources are used for the GHG emissions of companies in our portfolio, with priority given to reported over estimated data: 1) Company data disclosed to CDP is the first choice. When calculating the IAE for 2022, the CDP database was readjusted after July with a re-baselining of the CDP data and an inflation adjustment on the PCAF/EXIOBASE data. Currently in use is the 2023 CDP data that reflects the emissions in 2022. 2) Reported data on company level from the MSCI dataset is chosen second.
3) If no reported data are available in the CDP and MSCI datasets, the modelled CDP and MSCI emissions on company level or the estimated Global Energy Monitor (GEM) intensities on coal plant level are used. 4) For companies that cannot be found in any of the above-mentioned datasets, the data is estimated based on modelled country/industry averages from the PCAF/EXIOBASE database, extracted based on the PCAF Database Terms of Use.
Swiss Re chose CDP, MSCI and PCAF/EXIOBASE because they are among the sources recommended by the PCAF Part C Standard. Nevertheless, the data is subject to change in the future, as there are revisions of the data sources and/or other sources are used. The premium of the portfolios covered corresponds to 88% of all commercial lines in Swiss Re's reporting scope for 2023, and 87% for 2022. Swiss Re does not publish GHG emissions for the sub-portfolios underlying its net-zero underwriting target, because reported data availability is insufficient and modelled data credibility is low. To provide a meaningfully accurate picture of how emissions have developed, reported company-level data must be available to reflect progress. However, this is currently only the case for ~22% of this portfolio for 2022, and ~23% for 2023. In addition, the available data is only available with a time lag of one year.
[2] Excluding external acquisition costs.
[3] Due to the considerable uncertainty in the underlying estimates, values are rounded to 100000 tonnes CO_2e.
[4] Due to data quality and availability issues, Scope 3 GHG emissions are not published.
[5] Weighted average carbon intensity (WACI) according to the CRO Forum Carbon Footprinting Methodology
[6] High quality = 1, low quality = 5. The data quality score has been adjusted according to PCAF's recommendations, and it is therefore lower than the one in the July publication of IAEs, which can be found on Swiss Re's website. The difference is that the data quality score of the EXIOBASE modelled GHG intensities on industry and country level has changed from 4 to 5, according to PCAF's recommendations.
[7] Carbon-related industries in scope, in accordance with the TCFD, are energy, transportation, materials and buildings and agriculture, food and forest products. All commercial lines of business in scope of PCAF Part C Standard, except for portfolios in run-off.
[8] "Producers" refers to companies with an annual oil and gas production of more than 10 million barrels of oil equivalent as per Rystad data. Transactions that cover activities unrelated to oil and gas, for example, renewable energy, are out of scope. Definition of "committed to align to net zero by 2050": have 2050 net-zero targets (including Scope 3) and near/medium-term reduction targets (including Scope 1, 2 and/or 3), with the adoption of both near- and long-term commitments viewed as demonstrating credibility. Swiss Re expects to continue assessing this standard in light of anticipated developments in available data and science-based guidance.
[9] Listed companies (underlying risks in the case of reinsurance) with headquarters in OECD countries. Science-based targets (SBTs) define a clear emission reduction pathway, in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.

Climate-related financial disclosures

Investments

Climate-related risks and opportunities	Unit	Notes	2021	2022	2023
Green, social and sustainability bonds fulfilling the ICMA GBP and SBP					
Share of green, social and sustainability bonds fulfilling the ICMA GBP and SBP					
Fulfilling	%		>95.0	93.4	94.1
Not fulfilling	%		<5.0	6.6	5.9
Green, social and sustainability bonds	USD bn		3.9	3.8	4.4
Green, social and sustainability government bonds	USD bn		2.0	1.9	2.2
Green, social and sustainability corporate bonds	USD bn		1.9	1.9	2.2
Green bonds	USD bn		3.0	2.7	3.1
Sectoral allocation of green bonds					
Sovereigns	%		22	20	19
Agencies	%		12	9	9
Supranationals	%		11	12	13
Regional governments	%		7	7	6
Financials	%		26	28	24
Utilities	%		10	9	12
Information technology	%		3	4	4
Other	%		9	11	13
Renewable energy and social infrastructure debt portfolio					
Total social and renewable energy infrastructure debt portfolio	USD bn		1.0	1.1	1.2
Total infrastructure debt portfolio	USD bn		n/a	2.4	3.3
Of which social infrastructure debt	% of total		21	23	18
Of which renewable energy infrastructure debt	% of total		21	20	16
Of which energy efficiency debt	% of total		2	2	2
Real estate portfolio		1			
Total real estate portfolio	USD bn		5.6	5.5	5.2
Of which certified buildings	USD bn		1.4	1.4	1.1
Of which certified buildings	% of total		25	25	21
Switzerland					
MINERGIE® certified	USD bn		0.6	0.7	0.5
MINERGIE® certified	% of total		27	27	20
Not certified	% of total		73	73	80
Swiss real estate portfolio by energy source					
Gas	% of total		40	40	43
Renewable energy	% of total		28	27	30
Oil	% of total		14	12	14
District heating	% of total		16	16	8
Other	% of total		2	5	5
Externally managed real estate portfolio					
Certified buildings, based on local energy labels	% externally managed		37	38	36
UK-certified buildings					
BREEAM "Excellent"	% of UK buildings		19	20	21
BREEAM "Very good"	% of UK buildings		21	25	27
Not certified	% of UK buildings		60	55	52
US-certified buildings					
LEED "Gold"	% of US buildings		12	26	22
LEED "Silver"	% of US buildings		28	11	12
Not certified	% of US buildings		60	63	66
CEE and WE-certified buildings					
BREEAM "Excellent"	% of CEE and WE buildings		n/a	n/a	9
BREEAM "Very good"	% of CEE and WE buildings		n/a	21	10
DGNB "Gold"	% of CEE and WE buildings		n/a	17	15
Not certified	% of CEE and WE buildings		n/a	62	66

[1] Based on market values.

Climate-related financial disclosures | Investments (continued)

Climate-related risks	Unit	Notes	2021	2022	2023
Corporate bonds (Scope 1 and 2 emissions)		1			
Swiss Re carbon intensity	tonnes CO_2e/USD million revenue		164	139	129
Benchmark corporates IG Bloomberg MSCI ESG BB+	tonnes CO_2e/USD million revenue		244	194	181
Swiss Re US corporate bond portfolio	tonnes CO_2e/USD million revenue		169	143	132
Benchmark US (US Corp IG Bloomberg ESG BB+ index)	tonnes CO_2e/USD million revenue		323	204	202
Swiss Re UK corporate bond portfolio	tonnes CO_2e/USD million revenue		161	112	110
Benchmark UK (UK IG Corp IG Bloomberg ESG BB+ index)	tonnes CO_2e/USD million revenue		165	92	72
Swiss Re absolute financed emissions	tonnes CO_2e	2	n/a	1 100 000	1 300 000
Listed equities (Scope 1 and 2 emissions)		1			
Swiss Re carbon intensity (including ETFs)	tonnes CO_2e/USD million revenue		59	96	106
Benchmark (MSCI ACWI ESG Leaders index)	tonnes CO_2e/USD million revenue		90	97	82
Combined corporate bonds and listed equity (Scope 1 and 2 emissions)		1			
Swiss Re carbon intensity (including ETFs)	tonnes CO_2e/USD million revenue		156	137	129
Swiss Re absolute financed emissions (excluding ETFs)	tonnes CO_2e	2	n/a	1 100 000	1 300 000
Government bonds (Scope 1 emissions)					
Swiss Re carbon intensity	kg CO_2e/USD GDP PPP-adjusted		0.28	0.28	0.28
Benchmark (G20)	kg CO_2e/USD GDP PPP-adjusted		0.39	0.37	0.37
Real estate (Scope 1, 2 and 3 operational emissions)					
Swiss Re (Swiss and German portfolio) (old methodology)	kg CO_2e/m^2		21.9	n/a	n/a
Benchmark (old methodology)	kg CO_2e/m^2	3	38.1	n/a	n/a
Swiss Re (Swiss and German portfolio) (new methodology)	kg CO_2e/m^2	4	18.3	17.1	n/a
Benchmark (new methodology)	kg CO_2e/m^2	3	28.3	25.6	n/a
Swiss Re (Swiss and German portfolio) absolute financed emissions	tonnes CO_2e		15 000	11 500	n/a

[1] Based on MSCI ESG data as at February 2024, based on holdings as at December 2023.
[2] Due to the considerable uncertainty in the underlying estimates, values are rounded to 100 000 tonnes CO_2e.
[3] Combined CRREM pathways for Switzerland and Germany.
[4] The decarbonisation pathways and the methodology used to calculate carbon emissions were updated by CRREM in 2023 (version 2). Further details: CRREM, From Global Emission Budgets To Decarbonization Pathways At Property Level, Version 1.0 - 11.01.2023.

Climate-related financial disclosures

Disclosure of Scope 1, 2 and 3 GHG emissions

This table summarises Swiss Re's GHG emissions in its current reporting scope that are associated with underwriting, investments, own operations and sourcing. It shall be read in conjunction with the detailed information provided for each area of activity (see Climate targets and metrics, pages 81, 83, 85 and 87, as well as Sustainability data, pages 108, 110 and 112).

GHG emissions	Unit	Notes	Base year	Base year value	2021	2022	2023
Scope 1	**tonnes CO_2e**	1	**2018**	**3 356**	**2 267**	**2 520**	**1 726**
Scope 2 (market-based)	**tonnes CO_2e**	1	**2018**	**1 359**	**61**	**64**	**57**
Scope 2 (location-based)	tonnes CO_2e	1	2018	11 805	7 249	7 932	6 960
Scope 3 – Indirect	**tonnes CO_2e**	2			**n/a**	**n/a**	**n/a**
Operational emissions (Categories 1, 2, 3, 5, 6, 7, 13)	tonnes CO_2e	3			n/a	188 000	195 000
Financed emissions (Category 15)	tonnes CO_2e	4			n/a	1 100 000	1 300 000
Insurance-associated emissions (Category 15 Supplementary Note)	tonnes CO_2e	5			n/a	1 300 000	1 600 000
Total GHG emissions (market-based)	tonnes CO_2e	2			n/a	n/a	n/a
Total GHG emissions (location-based)	tonnes CO_2e	2			n/a	n/a	n/a

[1] For further details, see Appendix, Sustainability data, page 112.
[2] As per the Global GHG Accounting & Reporting Standard Part C for IAE by the PCAF, financed and insurance-associated emissions must not be aggregated, due the different nature and to avoid double counting.
[3] For further details, see Appendix, Sustainability data, page 112. This mean value is derived from the total range. Values are rounded to 1 000 tonnes CO_2e to reflect the underlying uncertainty in the data.
[4] For further details, see Appendix, Sustainability data, page 110. Due to the considerable uncertainty in the underlying estimates, values are rounded to 100 000 tonnes CO_2e.
[5] For further details, see Appendix, Sustainability data, page 108. Due to the considerable uncertainty in the underlying estimates, values are rounded to 100 000 tonnes CO_2e..

Sustainable operations

Starting from 2023, all figures are reported on a financial year basis (ie 12 months from 1 January to 31 December). For previous years, only business travel figures are reported on financial year basis, whereas all other figures are reported on hydrological year basis (from 1 October to 30 September). 2018 is the base year used to measure progress against targets.

GHG emissions (absolute)	Unit	Notes	2018 (base)	2021	2022	2023
Scope 1	**tonnes CO_2e**	1	**3356**	**2267**	**2520**	**1726**
Fossil fuels used for energy generation (heating and electricity)	tonnes CO_2e		2849	2104	2058	1437
Technical gases	tonnes CO_2e	1	92	96	296	83
Operational road travel	tonnes CO_2e	2	415	67	165	206
Scope 2 (market-based)	**tonnes CO_2e**		**1359**	**61**	**64**	**57**
Purchased electricity (location-based)	tonnes CO_2e		11687	7188	7868	6903
Purchased electricity (market-based)	tonnes CO_2e		1241	0	0	0
Purchased district heating	tonnes CO_2e		118	61	64	57
Scope 3	**tonnes CO_2e**	3				
Purchased goods and services (Scope 3 cat. 1, only paper and water)	tonnes CO_2e		351	125	80	89
Purchased goods and services (Scope 3 cat. 1) – estimate	tonnes CO_2e	4	n/a	n/a	100000 - 200000	100000 - 200000
Capital goods (Scope 3 cat. 2) – estimate	tonnes CO_2e	5	n/a	n/a	2500	2500
Fuel- and energy-related activities (Scope 3 cat. 3)	tonnes CO_2e	6	2031	865	954	726
Waste generated in operations (Scope 3 cat. 5)	tonnes CO_2e		311	133	289	201
Business travel (Scope 3 cat. 6)	tonnes CO_2e		69653	4594	19599	25492
Employee commuting (Scope 3 cat. 7) – estimate	tonnes CO_2e	7	14726	2173	5180	8000
Employee homeworking (Scope 3 cat. 7) – estimate	tonnes CO_2e	8	n/a	n/a	9000	7000
Downstream leased assets (Scope 3 cat. 13)	tonnes CO_2e	9	n/a	n/a	n/a	703
Operational emissions in scope for compensation with carbon certificates	**tonnes CO_2e**	1, 10	**77061**	**8044**	**23506**	**28290**

Carbon certificates	Unit	Notes	2018 (base)	2021	2022	2023
Internal carbon price (Carbon Steering Levy)	**USD/tonne CO_2e**		**8**	**100**	**112**	**123**
Certificates retired for operational emissions in scope	**tonnes CO_2e**	11	**69343**	**8387**	**23889**	**28290**
Share of carbon avoidance certificates	**%**		**100**	**65**	**76**	**66**
Share of carbon removal certificates	**%**		**0**	**35**	**24**	**34**

GHG emissions (intensity)	Unit	Notes	2018 (base)	2021	2022	2023
Scope 1	**kg CO_2e/FTE**	1	**242**	**153**	**165**	**110**
Scope 2 (market-based)	**kg CO_2e/FTE**		**98**	**4**	**4**	**4**
Scope 2 (location-based)	**kg CO_2e/FTE**		**850**	**489**	**516**	**443**

[1] GHG emissions from technical gases have been restated for the years 2018, 2021 and 2022 to keep a consistent approach after a change in the calculation methodology in 2023. Technical gas losses are now calculated as 5% of the corresponding stocks only when there is no evidence of the measured loss. In the past, this calculation was performed also when the measured loss was null.
[2] These figures include emissions from Swiss Re's own or third party-operated road fleet (eg shuttle buses, pool cars and logistic vehicles).
[3] Swiss Re acknowledges the existence of a large portion of operational Scope 3 emissions with considerable measurement uncertainty that is currently only estimated. These Scope 3 categories are marked as "estimate" in this table. For this reason, operational Scope 3 emissions are no longer disclosed as overall absolute or intensity figures in the table. For an indication on the total amount of operational Scope 3 emissions, calculated using the mean value of the estimated range for Scope 3 category 1, see Appendix, Sustainability data, page 111.
[4] Estimated range based on the ESCHER assessment conducted by PwC in 2021 and using a spend-based calculation methodology for the period 2018-2020, including estimate for upstream transportation and distribution (Scope 3 category 4). The estimation for 2023 is based on the notion that the spend in 2023 is similar to the spend in the period used for the assessment. Due to both the used methodology and data quality, this estimated range presents a high measurement uncertainty.
[5] Estimate currently only includes real estate fixed assets used in operations, based on an average emission factor for the upfront embodied carbon (source: Arup Group, WBCSD) and amortised over a 60-year average life span for commercial buildings. The applied methodology differs from the GHG Protocol guidance, which does not amortise or depreciate the emissions from purchased capital goods, instead accounting for their total cradle-to-gate emissions only in the year of purchase.
[6] These figures include upstream emissions from purchased fuels and electricity, and from energy transmission and distribution losses, not included in Scope 1 or Scope 2.
[7] Until 2019, commuting figures were obtained by means of a biannual global employee survey. Estimates for the following years have been obtained by adjusting the 2019 survey results, normalising them by the total number of full-time equivalents (FTEs) accessing the company's premises.
[8] Estimate based on UK DESNZ (formerly UK BEIS) average emission factors, calculated using methodology from *Homeworking Emission Whitepaper*, EcoAct, 2020, and applied to activity data derived from building occupancy measurements.
[9] Emissions from leased office spaces (where Swiss Re is the lessor) have become relevant in 2023 after the lease of a significant portion (more than 40% of total space) of Armonk office, with corresponding emissions no longer accounted in Scope 1 and Scope 2. This figure now includes Scope 1 and Scope 2 (location-based) GHG emissions of the lessees occupying part of Swiss Re's wholly-owned buildings in Armonk and Folkestone. The same figure with market-based Scope 2 electricity of the lessee (assuming no EACs are retired) is 677 tonnes CO_2e.
[10] GHG emissions in scope for compensation with carbon certificates include Scope 1, Scope 2 and selected Scope 3 categories (category 3 – fuel- and energy-related activities; category 5 – waste generated in operations; category 6 – business travel; in category 1 – purchased goods and services: paper and water).
[11] Carbon certificates retired in years prior to the reporting year might not match the corresponding "operational emissions in scope for carbon certificates purchase" due to annual restatements of GHG emissions figures.

Sustainable operations (continued)

Building facilities – energy consumption	Unit	Notes	2018 (base)	2021	2022	2023
Energy consumption	**MWh**		**63 140**	**40 030**	**40 892**	**32 582**
of which electricity	MWh	1	47 133	28 278	29 431	24 490
Conventional electricity	MWh		2 936	0	0	0
Renewable electricity	MWh	2	44 196	28 278	29 431	24 490
of which heating	MWh		16 007	11 753	11 461	8 093
Renewable electricity	**%**	2	**94**	**100**	**100**	**100**
Energy consumption per FTE	**kWh/FTE**		**4 547**	**2 699**	**2 665**	**2 076**
of which electricity	kWh/FTE	1	3 394	1 907	1 916	1 560
of which heating	kWh/FTE		1 153	793	748	516

Building facilities – Paper, water, waste	Unit	2018 (base)	2021	2022	2023
Paper usage	**tonnes**	**151**	**46**	**44**	**47**
Paper usage per FTE	**kg/FTE**	**11**	**3**	**3**	**3**
Water usage	**m³**	**210 523**	**80 943**	**110 598**	**128 211**
Water usage per FTE	**m³/FTE**	**15**	**5**	**7**	**8**
Waste production	**tonnes**	**1 854**	**718**	**1 158**	**987**
Waste production per FTE	**kg/FTE**	**133**	**48**	**75**	**63**
Recycled waste out of total waste	**%**	**49**	**49**	**42**	**44**

Business travel	Unit	Notes	2018 (base)	2021	2022	2023
Distance travelled	**1 000 km**		**215 809**	**16 099**	**74 376**	**97 490**
of which air travel	1 000 km		207 659	15 213	64 192	87 826
of which ground travel	1 000 km		8 151	887	10 184	9 664
Distance travelled per FTE	**km/FTE**		**15 541**	**1 086**	**4 843**	**6 209**
of which air travel	km/FTE		14 954	1 026	4 180	5 594
of which ground travel	km/FTE		587	60	663	616
GHG emissions (absolute)	**tonnes $CO_{2}e$**		**69 653**	**4 594**	**19 599**	**25 492**
of which air travel	tonnes $CO_{2}e$	3	68 089	4 416	18 626	24 315
of which ground travel	tonnes $CO_{2}e$		1 564	178	973	1 177

Workforce	Unit	Notes	2018 (base)	2021	2022	2023
Total workforce (permanent, temporary and contractors personnel)	**FTE**	4	**13 886**	**14 830**	**15 358**	**15 701**
Carbon certificates retired by employees (permanent and temporary personnel)	**tonnes $CO_{2}e$**	5	**n/a**	**1 022**	**1 145**	**1 067**

[1] Total electricity consumption has been constantly decreasing since 2018 due to the progressive shift from on premise to cloud-based solutions for data management. The shift was completed in 2023 after the decomissioning of the last own or co-located data centres.
[2] "Renewable electricity" figures include renewable electricity generated on-site as well as electricity sourced locally with bundled or unbundled renewable energy attributes.
[3] Including CO_2 and all the non-CO_2 components (other non-CO_2 greenhouse gases, radiative forcing of water vapour, contrails and NOx,) as well as the indirect emissions of the aviation fuel lifecycle as per UK DESNZ (formerly UK BEIS) methodology.
[4] Total workforce is expressed as total number of full-time equivalents (FTEs – including permanent, temporary and contractors personnel).
[5] The NetZeroYou2 Programme started in 2021, therefore no certificates were retired in the previous years. The share of carbon avoidance and removal certificates corresponds to that disclosed in the above table "carbon certificates", page 93.

Sustainability in the supply chain

Vendor ESG assessment	Unit	Notes	2021	2022	2023
Segments I and II vendors ESG-assessed by year end (cumulative)	**%**	1	**100**	**100**	**98**
Segments I and II vendors ESG-assessed by year end	**number of vendors**	2	262	261	239
Segment I	number of vendors	2	88	43	53
Segment II	number of vendors		174	218	**186**
Spend on Segments I and II vendors	**%**	3	**75**	**84**	**86**
Segment I	%		50	53	56
Segment II	%		25	31	30

[1] There is a lag in timing for ESG segmentation analyses (eg 2022 utilises 2021 vendor segmentation). Segment I vendors are those for which spending exceeds USD 5 million. Segment II vendors are those for which spending exceeds USD 0.5 million. This figure is cumulative as vendors assessed in prior periods are included.
[2] Assessed either through IntegrityNext or EcoVadis.
[3] Annual spend data does not include unassigned amounts or CIM vendors which are below Segment II spend.

Our people

Employee data by gender	Unit	Notes	2021	2022	2023
Headcount	**number of persons**	1, 2	**14344**	**14744**	**15032**
Male	number of persons		7554	7687	7842
Female	number of persons		6790	7056	7188
Full-time employees	**number of persons**		**12804**	**13199**	**13535**
Male	number of persons		7127	7248	7412
Female	number of persons		5677	5950	6121
Part-time employees	**number of persons**		**1540**	**1545**	**1497**
Male	number of persons		427	439	430
Female	number of persons		1113	1106	1067
Permanent employees	**number of persons**		**13985**	**14408**	**14719**
Male	number of persons		7379	7525	7686
Female	number of persons		6606	6882	7031
Temporary employees	**number of persons**		**359**	**336**	**313**
Male	number of persons		175	162	156
Female	number of persons		184	174	157
Executive and senior management positions (A, B and C bands)		3			
Male	%		70.0	69.1	68.5
Female	%		30.0	30.9	31.5
All management positions (A, B, C and D bands)		4			
Male	%		63.5	62.3	62.3
Female	%		36.5	37.7	37.7
All employees					
Male	%		52.7	52.1	52.2
Female	%		47.3	47.9	47.8
Adjusted gender pay gap	**%**	5	1.7	1.7	1.4
Global relative gender pay gap	**%**	6	31.4	29.6	28.3

[1] Gender breakdown for "Male" and "Female" may not add up to total employee figures, as employees disclose their gender themselves and may not identify with either category.
[2] All active and inactive employees are included in the figures. ElipsLife employees are included in 2021 only as the company was sold in 2022.
[3] Swiss Re's Corporate Band structure has six levels: A–F, with A being the highest. A, B, C bands are the three highest levels of corporate bands. This is currently roughly equivalent to the top 10% of employees. Figures on the diversity of Swiss Re's Board of Directors are provided in the table on page 103.
[4] "All management positions" refers to A, B, C, D bands, including the title of Vice President and above. This is currently roughly equivalent to the top 50% of employees.
[5] Swiss Re defines the global adjusted gender pay gap as the weighted average target compensation gap between male and female employees, considering the employee's country, job level, and category of work. The weighted average is calculated based on the number of employees per grouping relative to the total number of employees at Swiss Re. The calculation excludes individuals if there is no opposite gender in the same grouping. A positive pay gap number represents that males are on average being paid more than their female counterparts. Target compensation includes base salary at 100%, the target bonus and the Leadership Share Plan grant amounts, converted to USD. The calculation is made using mid-year data.
[6] Swiss Re defines the global relative gender pay gap as the difference between the average target compensation of all male and female employees. The global relative gender pay gap does not account for differences in country (purchasing power), job level, and category of work or any other characteristics. A positive pay gap number represents that males are on average being paid more than their female counterparts. The calculation is made using mid-year data.

Our people (continued)

Employee data by region	Unit	Notes	2021	2022	2023
Headcount	**number of persons**		**14344**	**14744**	**15032**
Americas	number of persons		3538	3643	3609
APAC	number of persons		3134	3416	3572
EMEA total	number of persons	1	4058	4218	4493
Switzerland	number of persons		3614	3467	3358
Full-time employees	**number of persons**		**12804**	**13199**	**13535**
Americas	number of persons		3466	3569	3547
APAC	number of persons		3101	3377	3542
EMEA total	number of persons	1	3413	3548	3823
Switzerland	number of persons		2824	2705	2623
Part-time employees	**number of persons**		**1540**	**1545**	**1497**
Americas	number of persons		72	74	62
APAC	number of persons		33	39	30
EMEA total	number of persons	1	645	670	670
Switzerland	number of persons		790	762	735

Employee turnover and tenure	Unit	2021	2022	2023
Turnover rate (total)	**%**	**10.8**	**12.7**	**12.3**
Male	%	11.2	13.3	12.4
Female	%	10.4	11.9	12.3
Voluntary leavers	**%**	**7.7**	**10.0**	**7.4**
Male	%	7.9	10.8	7.3
Female	%	7.5	9.2	7.5
Non-voluntary leavers	**%**	**2.5**	**2.3**	**4.5**
Male	%	2.7	2.2	4.7
Female	%	2.3	2.5	4.3
Tenure of regular staff	**years**	**7.3**	**7.3**	**7.5**

Classroom and in-house e-learning data	Unit	Notes	2021	2022	2023
Training	**number of persons**	2	**13160**	**14005**	**15828**
Training	**learning hours average per employee**	3	**11.7**	**6.8**	**7.3**
Training	Male	4	n/a	6.8	7.1
Training	Female	5	n/a	6.9	7.6
Training	**cost per employee, in USD**		**250**	**88**	**104**
Leadership training to managers	**number of managers**		**2646**	**2804**	**3393**
Leadership training to managers	**learning hours average per employee**	6	**15.6**	**8.5**	**8.5**

Employee experience surveys	Unit	7	2021	2022	2023
Net Promoter Score	**score**	8	**23**	**9**	**–1**
Leavers who rate employment experience favourably	**%**	9	**81**	**74**	**71**
Employee Engagement Index	**score**	10	**n/a**	**83**	**81**
Inclusive Culture Index	**% agreement**	11	**n/a**	**83**	**82**

[1] EMEA: Europe, Middle East and Africa (excluding Switzerland).
[2] Distinct number of employees with at least one training. The number of employees having done training can exceed year-end headcount as employees who left Swiss Re during the reporting year and had done training are also captured in the total.
[3] The total time spent by all employees divided by number of employees who completed trainings.
[4] The total time spent by all male employees divided by number of male employees who completed trainings.
[5] The total time spent by all female employees divided by number of female employees who completed trainings.
[6] Average time spent: the total time spent by all managers divided by number of managers who attended trainings.
[7] No global employee experience survey conducted in 2021.
[8] Based on a question asked in external exit interviews run by Gartner (response count: 667). The question is "How likely is it that you would recommend Swiss Re to a friend or colleague as a great place to work?".
[9] Based on a question asked in external exit interviews run by Gartner (response count: 667). The question is "Overall, how satisfied were you with your employment experience?".
[10] The employee engagement index is composed of four questions from the employee experience survey: whether or not respondents are proud to work for Swiss Re, whether they would recommend Swiss Re as a great place to work, their intent to stay with the company in the next 12 months; and whether their work gives them a sense of accomplishment.
[11] 82% of our employees experience the work environment at Swiss Re as inclusive.

Our people (continued)

Other	Unit	Notes	2021	2022	2023
Candidates applied	**number of persons**	1	**114 896**	**127 074**	**150 872**
Candidates hired internally	**%**		**31.9**	**30.7**	**34.6**
Candidates hired externally	**%**		**67.1**	**69.3**	**65.4**

Absences	Unit	Notes	2021	2022	2023
Absences due to sick leave		2			
January	%		11	21	12
February	%		13	19	12
March	%		15	23	15
April	%		15	17	10
May	%		17	18	11
June	%		21	19	11
July	%		19	18	9
August	%		15	17	11
September	%		16	18	12
October	%		17	21	15
November	%		20	19	16
December	%		22	26	17

[1] Calculated using the number of unique applicants to the Swiss Re Group throughout the year, in bands A–F. These numbers have been restated for 2021 and 2022 due to a change of methodology in 2023. The reason for the change was to avoid counting candidates multiple times if they applied to different positions or in different months during the same year. The previous methodology considered the number of applications received per application, meaning a candidate applying for more than one position was counted more than once. Furthermore, all the applications were counted in the sum of applications per month divided by month – further enlarging the number (especially for candidates who applied multiple times during the year).
[2] Excluding countries and entities where data is not available as well as subsidiaries. Calculated by taking the number of persons absent due to sick leave for at least one day that month as a share of the total employee population.

Policies and statements

To enable readers to find additional information on Swiss Re policies and statements related to sustainability topics, links to additional documents ordered by chapter are provided below.[1]

Sustainability governance

Bylaws of Swiss Re Ltd
swissre.com

Corporate Governance Report 2023
swissre.com

Compensation framework
swissre.com

Business conduct & overarching policies

Code of Conduct
swissre.com

Preventing Financial Crimes and Sanctions Violations at Swiss Re
swissre.com

Reporting Misconduct (Whistleblowing) at Swiss Re
swissre.com

Data Protection and Privacy Compliance at Swiss Re
swissre.com

Policy Engagement
swissre.com

ESG Risk Framework[2]
swissre.com

Responsible investing

Responsible investing governance
swissre.com

Responsible Investing policy
swissre.com

Stewardship policy
swissre.com

Our people

Inclusive culture
swissre.com

Own the Way You Work™
swissre.com

Global Human Rights Statement
swissre.com

Occupational Health, Well-being, and Safety at Swiss Re
swissre.com

Other relevant documents

Swiss Re Modern Slavery Act Transparency Statement
swissre.com

Tax Policy
swissre.com

[1] The listed documents pertain to the Swiss Re Group. For further information on the scope of the Sustainability Report, see Appendix, About this report, page 120.
[2] Including policies on human rights and environmental protection, applicable to underwriting and investments.

Memberships

The following is a selection of Swiss Re's sustainability-related memberships in global organisations, partnerships and initiatives in 2023.

Climate Group's RE100

The Climate Group is an international non-profit organisation that aims to drive climate action, focusing on energy, transport, built environment and industry. RE100 is a global initiative, led by the Climate Group and established in partnership with CDP, bringing together influential businesses committed to 100% renewable electricity. Swiss Re is a founding member and achieved the 100% renewable electricity target in 2020, which it has maintained every year since then.
www.theclimategroup.org

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. In 2015, it created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. Swiss Re played a role in the TCFD from the time of its creation and began incorporating the TCFD recommendations in its 2016 Financial Report. The organisation was active until November 2023, and handed over activities to the International Sustainability Standards Board (ISSB).
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 vulnerable to disasters and their associated economic shocks. Swiss Re is a member of the IDF Steering Committee and co-leads the Sovereign and Humanitarian Solutions working group.
www.insdevforum.org

Net-Zero Asset Owner Alliance (AOA)

The Net-Zero Asset Owner Alliance is an international group of institutional asset owners delivering on the commitment to transition their investment portfolios to net-zero greenhouse gas emissions by 2050, showing investor action to align portfolios with a 1.5°C scenario. In 2020, Swiss Re set climate targets for investments for the five-year period to 2025, in alignment with the commitment. As a co-founder of the Alliance, Swiss Re contributed to the development of the AOA's three existing Target Setting Protocols. Swiss Re has also co-led the development of the Alliance's annual progress reports since 2021. In 2023, the Group CIO was elected to the AOA's Steering Group for a two-year term starting in 2024.
www.unepfi.org/net-zero-alliance/

Partnership for Carbon Accounting Financials (PCAF)

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the greenhouse gas emissions associated with their loans and investments, (re)insurance underwriting, and other financial products and services through GHG accounting. It provides financial institutions with the starting point required to set science-based targets and align their portfolio with the Paris Climate Agreement. In 2022, Swiss Re chaired the PCAF Working Group that developed the Global GHG Reporting Standard for Insurance-Associated Emissions (Part C). In 2023, Swiss Re published the carbon footprint of selected single-risk underwriting portfolios according to the PCAF Standard.
https://carbonaccountingfinancials.com

UN 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. The PRI's assessment of Swiss Re's responsible investment activities is available on the Swiss Re website.
www.unpri.org

UNEP FI Principles for Sustainable Insurance (PSI)

The PSI serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. Swiss Re is a signatory of the PSI and a member of the UN Environment Programme Finance Initiative (UNEP FI), a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development. Swiss Re also provides one of PSI's Board members. Swiss Re's PSI disclosure of progress is available on the Swiss Re website.
www.unepfi.org/insurance/insurance/the-principles/

Taskforce on Nature-related Financial Disclosures (TNFD)

The aim of TNFD is to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. A total of 40 Taskforce members, including Swiss Re, were selected for their subject-matter expertise, representing 24 business sectors across 180 countries. Since the launch of the taskforce in 2021, Swiss Re has contributed through several forums, including plenary meetings and various working groups on the financial industry, data and scenarios. The final recommendations were published by TNFD in September 2023.
https://tnfd.global

United Nations Global Compact

The UN Global Compact helps companies do business responsibly by aligning their strategies and operations with its Ten Principles on human rights, labour, environment and anti-corruption. It also helps them take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals. In 2023, Swiss Re submitted its Communication on Progress as part of the new reporting initiative of the UN Global Compact.
www.unglobalcompact.org

WEF Alliance of CEO Climate Leaders

The WEF Alliance of CEO Climate Leaders is a global network of CEOs 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 co-chaired the Alliance since 2020.
Alliance of CEO Climate Leaders
https://initiatives.weforum.org/

World Business Council for Sustainable Development (WBCSD)

The WBCSD is the premier global, CEO-led community of over 200 leading businesses working collectively to accelerate the system transformations needed for a net-zero, nature-positive, and more equitable future. As a member, Swiss Re notably participates in the WBCSD's Climate Action program, which is focused on supporting companies to address the most pressing decarbonisation opportunities and challenges and guiding business in integrating climate action into strategy, operations and disclosure. Swiss Re also contributes to the WBCSD Redefining Value program, which aims to help companies embed ESG and sustainability performance into business decision-making and valuation.
www.wbcsd.org

About this report

As of reporting year 2023, the Sustainability Report provides transparency on non-financial matters as required under Article 964a et seqq. of the Swiss Code of Obligations (CO), commonly referred to as the indirect counterproposal to the Responsible Business Initiative (RBI CP). In accordance with Article 964b CO, Swiss Re discloses information on relevant environmental matters, in particular the CO_2 goals, social issues, employee-related issues, respect for human rights and combating corruption (see reference table on pages 122–123). KPMG AG provides a limited assurance conclusion over the compliance of the Sustainability Report with Article 964b CO on pages 129–131.

Swiss Re does not import or process minerals and metals from conflict-affected areas. Consequently, the due diligence obligation regarding minerals and metals from conflict-affected areas contained in Art. 964 et seqq. of the Swiss Code of Obligations do not apply to Swiss Re.

Swiss Re strives to minimise and regularly assesses the risk of child labour in its operations and sourcing activities. During this reporting cycle, Swiss Re has not identified reasonable grounds to suspect child labour and consequently is exempt from related due diligence and reporting obligations under Article 964j et seqq. of the Swiss Code of Obligations. More information about Swiss Re's efforts related to minimising child labour in accordance with Swiss law can be found in Sustainable operations, page 94.

Swiss Re's Board of Directors approved the Sustainability Report 2023 on 12 March 2024. The Sustainability Report was published on 13 March 2024, together with Swiss Re's Financial Report and Business Report. Swiss Re shareholders will vote on the Sustainability Report at the Annual General Meeting on 12 April 2024.

The Sustainability Report covers the calendar year 2023 (ending on 31 December 2023).

For a comprehensive overview of Swiss Re's performance in 2023, the Sustainability Report should be read in conjunction with the Financial Report.

Reporting frameworks

Swiss Re takes several sustainability reporting frameworks into consideration.

As of reporting year 2023, Swiss Re publishes its Climate-related Financial Disclosures (TCFD) in the Sustainability Report instead of in the Financial Report (see Climate-related financial disclosures, pages 56–87). See pages 124–125 for further information on Swiss Re's TCFD reporting as well as an overview of where to find specific TCFD disclosures.

Other reporting frameworks considered by Swiss Re are the Sustainability Accounting Standard for the insurance industry as defined by the Sustainability Accounting Standards Board (SASB) and the standards issued by the Global Reporting Initiative (GRI). Swiss Re has prepared qualitative disclosures based on selected elements of the GRI Standards. Reference tables providing an overview of Swiss Re's GRI and SASB disclosures as well as further information can be found on the Swiss Re website.

Swiss Re remains committed to advancing the Ten Principles of the UN Global Compact. The Group's annual Communication on Progress, including the CEO Statement of Continued Support, is published on the UN Global Compact reporting platform.

The Group also continues to report against the UNEP FI Principles for Sustainable Insurance (PSI). Swiss Re's Disclosure of Progress is available on the Swiss Re website.

For legal entities required to disclose information according to the EU Regulation on the establishment of a framework to facilitate sustainable investment (Regulation (EU) 2020/852, commonly referred to as EU Taxonomy Regulation), Swiss Re will publish their respective 2023 disclosures in separate documents on the Swiss Re website by 30 June 2024.

In addition to these reporting frameworks, Swiss Re considers internally developed criteria as described in this report.

GRI and SASB reference tables and further information

swissre.com

Reporting scope

The Sustainability Report 2023 covers the Swiss Re Group, which is headquartered in Zurich, Switzerland, comprising of Swiss Re Ltd (the parent company) and its subsidiaries.

The Group has three core operating business segments: Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions. In addition, Group Functions Asset Management, Human Resources & Corporate Services and Digital & Technology are particularly relevant from a sustainability perspective. Given their own particularities, these business segments and Group Functions are materially exposed to different sustainability-related matters. The Group takes a bespoke approach from a sustainability perspective to each of its business segments and Group Functions leading to different degrees of maturity in their sustainability-related policies and procedures as well as in the extended Group-level sustainability-related policies and procedures applying to them. In case applicable laws, rules and regulations conflict with relevant sustainability-related policies and procedures, Swiss Re seeks to honour these policies and procedures in a consistent way with applicable laws, rules and regulations.

Companies over which the Group directly or indirectly exercises significant influence but which are not operationally controlled by the Group, or companies which have been acquired only during the reporting period and are not yet fully integrated into the Group's structure, have not been included in the scope of the Sustainability Report 2023 given legal, regulatory and practical limitations faced by the Group when it comes to implementing its sustainability-related policies and procedures at the level of such companies.

Swiss Re aims to progressively develop its capabilities and refine engagement efforts towards such entities seeking to improve the level of transparency related to their sustainability-related practices and integrate such findings, to the extent permissible, into its upcoming non-financial reports.

Assurance

This Sustainability Report has received independent limited assurance from KPMG AG. The independent assurance report can be found on pages 129–131.

Swiss CO: additional information

This section provides additional information required for compliance with Article 964a et seqq. of the Swiss Code of Obligations (CO). In addition, the reference table on pages 122–123 describes where Swiss Re discloses information according to Article 964b of the Swiss CO.

Materiality assessment: additional information

The following section provides further explanations for Swiss Re's relevant sustainability topics as displayed in the table in Swiss Re's approach to sustainability, page 16. Explanations are provided for topics that are not considered material for selected areas of activity. For the full list of relevant sustainability topics, see page 16.

Climate change adaptation, natural catastrophe protection, financial inclusion

Climate change adaptation, natural catastrophe protection and financial inclusion are not considered relevant for investments, operations and sourcing activities, as these topics mostly relate to underwriting and re/insurance activities.

Biodiversity

Biodiversity is not considered relevant for operations, considering that as a re/insurance company Swiss Re has a small office footprint and does not strongly depend on nature-related resources (mainly on water supply for drinking and sanitation purposes). Therefore, Swiss Re does not prioritise biodiversity in its policies addressing its own operations.

Biodiversity is also not considered to be a material topic for Swiss Re's supply chain, as the majority of Swiss Re's vendors are service providers that have a limited direct impact on biodiversity.

Based on the financial and impact materiality analysis performed for investments in 2023 (see below), *biodiversity* is not considered a material topic for investments.

Board skills and diversity

Board skills and diversity is about having a qualified, diverse Board for the Swiss Re Group. The topic thus applies only to Swiss Re's own operations and is not considered relevant in the context of underwriting, investment and sourcing activities.

Employee-related issues

Human capital development, workforce diversity, equity, and inclusion including *gender equality, working conditions of employees*, including *protection of the health and safety of employees at work, right of employees to be informed and consulted*, and *right of trade unions* relate to how Swiss Re treats its own employees.

They therefore do not apply to underwriting, investments and sourcing activities.

Aspects of the above-listed employee-related issues that are relevant in a human rights context, also for Swiss Re's underwriting, investment and sourcing activities, are addressed as part of the topic *Human rights* (eg non-discrimination).

Materiality assessment for investments

Swiss Re specifically identifies the financial materiality of sustainability topics for investments in the short, medium, and long term. In 2023, a framework was developed to evaluate policy and legal, technology, market as well as reputational risks, and where relevant, acute and chronic physical risks. It assesses the sustainability topics pre-selected on Group level as outlined in Swiss Re's approach to sustainability, pages 15–16.

For environmental matters, *decarbonisation* is deemed material. Also, *human rights protection* and *anti-corruption* are considered material factors.

With regards to identifying the potential magnitude of financial effects, asset classes as listed in the Overview of responsible investing considerations in Swiss Re's investment portfolio, page 54, were assessed based on their specific internal financial market stress test-based limit. This analysis led to the conclusion that corporate bonds on an aggregate level can be considered a material asset class for Swiss Re.

To identify the potential for material impacts of Swiss Re's investments on sustainability topics, the average level of ownership per asset class was analysed. Given the diversified nature of Swiss Re's investment portfolio, only exposures for certain Principal Investments were considered material. For these investments, the identified material topics are *decarbonisation*, *human rights protection* and *anti-corruption*.

Swiss CO: reference table

The table below seeks to facilitate the identification of information provided throughout the report according to Article 964b of the Swiss Code of Obligations. Where necessary, the references are made separately for the following areas of activities: underwriting (UW), investments (INV), operations (OPS) and sourcing (SOR).

The scope of the Sustainability Report is described in Appendix, About this report, page 120.

Topics and disclosure requirements	Swiss Re disclosure
Business model description	About Swiss Re
Materiality assessment	Swiss Re's approach to sustainability; Appendix, Swiss CO: additional information
Main performance indicators	Appendix, Sustainability data
Coverage of subsidiaries	Appendix, About this report
References to national, European or international regulations	Appendix, About this report
Environmental matters (incl. CO_2 goals)	
Climate change adaptation	**UW:** Swiss Re's approach to sustainability; Sustainability governance; Sustainability in underwriting; Climate-related financial disclosures; Financial Report (Risk and capital management; Insurance risk)
Decarbonisation	**UW**: Swiss Re's approach to sustainability; Sustainability governance; Business conduct & overarching policies; Sustainability in underwriting; Climate-related financial disclosures **INV**: Climate-related financial disclosures **OPS**: Sustainability governance; Climate-related financial disclosures; Sustainable operations **SOR**: Swiss Re's approach to sustainability; Sustainability governance; Sustainable operations
Biodiversity	**UW**: Business conduct & overarching policies; Sustainability in underwriting
Social issues	
Natural catastrophe protection	**UW**: Swiss Re's approach to sustainability; Sustainability in underwriting; Climate-related financial disclosures; Financial Report (Risk and capital management; Insurance risk)
Financial inclusion	**UW**: Swiss Re's approach to sustainability; Sustainability governance; Sustainability in underwriting; Financial Report (Risk and capital management; Insurance risk)

Topics and disclosure requirements	Swiss Re disclosure
Employee-related issues	
Board skills and diversity	**OPS**: Sustainability governance
Human capital development	**OPS**: Our people
Workforce diversity, equity and inclusion (including gender equality)	**OPS**: Sustainability governance; Our people
Working conditions (including Protection of the health and safety of employees at work)	**OPS**: Our people
Right of employees to be informed and consulted	**OPS**: Our people
Right of trade unions[1]	**OPS**: Our people
Respect for human rights	
Human rights	**UW**: Business conduct & overarching policies; Sustainability in underwriting **INV**: Business conduct & overarching policies; Responsible investing **OPS**: Our people **SOR**: Sustainability governance; Sustainable operations
Combating corruption	
Anti-corruption	**UW**: Business conduct & overarching policies; Sustainability in underwriting **INV**: Business conduct & overarching policies; Responsible investing **OPS**: Business conduct & overarching policies **SOR**: Sustainability governance; Business conduct & overarching policies; Sustainable operations

[1] *Right of trade unions* is addressed as part of Swiss Re's activities to respect human rights.

Climate-related financial disclosures (TCFD): reference table

This reference table matches the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with indications of where relevant information can be found in the Sustainability Report.

Swiss Re's disclosures are based on the Report Recommendations of the Task Force on Climate-related Financial Disclosures from June 2017 and the Annex Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures from October 2021.

Where necessary, the references are made separately for the following areas of activity: underwriting (UW), investments (INV) and operations (OPS).

Pillar	Recommended disclosure	Swiss Re Disclosure
1. Governance **Disclose the organisation's governance around climate-related risks and opportunities.**	A. Describe the board's oversight of climate-related risks and opportunities.	Sustainability governance, Sustainability-related involvement of the Board of Directors
	B. Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability governance, Sustainability-related involvement of the Group EC
2. Strategy **Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.**	A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	**UW**: Climate strategy, Underwriting and own operations, Physical risks; Climate strategy, Underwriting and own operations, Transition risks; Climate strategy, Underwriting and own operations, Opportunities **INV**: Climate strategy, Investments **OPS**: Climate Strategy, Underwriting and own operations
	B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**UW**: Climate Strategy, Underwriting and own operations **INV**: Climate Strategy, Investments
	C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**UW**: Climate Strategy, Underwriting and own operations **INV**: Climate risk management, Investments

Pillar	Recommended disclosure	Swiss Re Disclosure
3. Risk Management **Disclose how the organisation identifies, assesses, and manages climate-related risks.**	A. Describe the organisation's processes for identifying and assessing climate-related risks.	**UW**: Climate risk management, Underwriting and own operations **INV**: Climate risk management, Investments
	B. Describe the organisation's processes for managing climate-related risks.	**UW**: Business conduct & overarching policies, The ESG Risk Framework; Sustainability in underwriting, Managing ESG Risks in underwriting; Climate risk management, Underwriting and own operations **INV**: Climate risk management, Investments **OPS**: Climate risk management, Underwriting and own operations
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	**UW**: Climate risk management, Underwriting and own operations **INV**: Climate risk management, Investments
4. Metrics and Targets **Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**	A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	**UW**: Climate metrics and targets, Underwriting and own operations **INV**: Climate metrics and targets, Investments
	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**UW, INV, OPS**: Climate metrics and targets, Disclosure of Scope 1, 2 and 3 GHG emissions
	C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**UW**: Climate metrics and targets, Underwriting and own operations **INV**: Climate metrics and targets, Investments

Disclaimers

FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Swiss Re has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Moody's Analytics

Moody's Analytics provides trusted and transparent data and perspectives across multiple areas of risk – credit; climate; environmental, social and governance (ESG) – to help market participants identify opportunities and manage the continuously evolving risks of doing business.

Moody's Analytics' rigorous and relevant ESG and Climate capabilities provide market participants with a holistic understanding of risk across a variety of complex customer workflows, including insurance underwriting, bank lending and risk monitoring, portfolio and risk management, as well as disclosure and regulatory reporting needs across client segments. For more information, visit: www.moodys.com/esg

MSCI ESG Research LLC

MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. Learn more about MSCI ESG ratings here.

MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide. Our research is designed to provide critical insights that can help institutional investors identify risks and opportunities that traditional investment research may overlook. The MSCI ESG Ratings are also used in the construction of the MSCI ESG Indexes, produced by MSCI, Inc. For more information, click here.

Sustainalytics

 This Swiss Re Sustainability Report 2023 contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers

Acronyms & abbreviations

ABC Framework	Anti-Bribery and Corruption Framework
AEL	Annual expected losses
ALM	Asset-liability management
AMAP	Arctic Monitoring and Assessment Programme
AML	Anti-money laundering
AOA	UN-convened Net-Zero Asset Owner Alliance
Board	Board of Directors
BREEAM	Building Research Establishment Environmental Assessment Method
CCL	Climate change litigation
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CEE	Central and Eastern Europe
CO	Code of Obligations
CO_2	Carbon dioxide
CO_2e	CO_2 equivalent
Code	Code of Conduct
CRREM	Carbon Risk Real Estate Monitor
DEI	Diversity, equity & inclusion
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen (German Sustainable Building Council)
EMEA	Europe, Middle East and Africa
ESG	Environmental, social and governance
ETF	Exchange-traded fund
FPIC	Free, prior and informed consent
FTE	Full-time equivalent
GBP	Green Bond Principles
GCS	Global Clients & Solutions
GDP	Gross domestic product
GHG	Greenhouse gas
GRESB	Global Real Estate Sustainability Benchmark
Group EC	Group Executive Committee
GRI	Global Reporting Initiative
GSC	Group Sustainability Council
GSS	Group Sustainability Strategy
GWP	Gross Written Premiums
IAE	Insurance-associated emissions
ICMA	International Capital Market Association
ICP	Investigation Coordination Process
IDF	Insurance Development Forum
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
INV	Investments
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for Conservation of Nature
LEED	Leadership in Energy and Environmental Design
LGBTI+	Lesbian, gay, bisexual, transgender, intersex and other sexual orientations and gender identities
L&H	Life & Health
L&H Re	Life & Health Reinsurance
MINERGIE®	Swiss registered quality label for new and refurbished low-energy consumption buildings
MSCI	Morgan Stanley Capital International
NGFS	Network for Greening the Financial System

NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
OPS	Operations
P&C	Property & Casualty
P&C Re	Property & Casualty Reinsurance
PCA	Portfolio Coverage Approach
PCAF	Partnership for Carbon Accounting Financials
PEPs	Politically exposed persons
PPP	Purchasing power parity
PRI	Principles for Responsible Investment
PSI	UNEP FI Principles for Sustainable Insurance
RBI CP	Responsible Business Initiative Counterproposal
RCP	Representative Concentration Pathway
Re	Reinsurance
SAA	Strategic Asset Allocation
SASB	Sustainability Accounting Standards Board
SBP	Social Bond Principles
SBT	Science-based target
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SOR	Sourcing
TC	Tropical cyclone
TCIP	Turkey Catastrophe Insurance Pool
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TSP	Target-Setting Protocol
UN	United Nations
UNDP	UN Development Programme
UNEP FI	UN Environment Programme Finance Initiative
UW	Underwriting
VDP	Vendor Development Programme
WACI	Weighted-average carbon intensity
WBCSD	World Business Council for Sustainable Development
WE	Western Europe
WEF	World Economic Forum

Independent limited assurance report on Swiss Re Ltd's Sustainability Report 2023

To the Board of Directors of Swiss Re Ltd, Zurich

We have undertaken a limited assurance engagement on Swiss Re Ltd's (hereinafter "Swiss Re") Sustainability Report 2023 for the year ended 31 December 2023 (hereinafter "Sustainability Report 2023").

Our assurance engagement does not extend to information in respect of earlier periods or future looking information included in the Sustainability Report 2023, information included in the Swiss Re Financial Report 2023 (hereinafter "Financial Report 2023"), information included in the Swiss Re Business Report 2023 (hereinafter "Business Report 2023") information linked to from the Sustainability Report 2023, information linked from the Financial Report 2023, or any images, audio files or embedded videos.

Understanding how Swiss Re has Prepared the Sustainability Report 2023

Swiss Re prepared the Sustainability Report 2023 using the following criteria (hereinafter referred to as the "Sustainability Reporting Criteria"):

- For the sections referenced within the Swiss CO: reference table on pages 122-123 - Article 964b of the Swiss Code of Obligations and Swiss Re internally developed criteria as described within the Sustainability Report 2023;
- For greenhouse gas (GHG) emissions reported on pages 111-113 - Greenhouse Gas Protocol;
- For insurance-associated emissions reported on page 108 - Global GHG Accounting & Reporting Standard Part C by the Partnership for Carbon Accounting Financials;
- For Green, social and sustainability bonds reported on page 109 - International Capital Market Association (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP);
- For all remaining sections not mentioned above - Swiss Re internally developed criteria as described within the Sustainability Report 2023.

Consequently, the Sustainability Report 2023 needs to be read and understood together with these criteria. We believe that these criteria are a suitable basis for our limited assurance engagement.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the *'Summary of the work we performed as the basis for our assurance conclusion'* and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Report 2023 is not prepared, in all material respects, in accordance with the Sustainability Reporting Criteria.

We do not express an assurance conclusion on information in respect of earlier periods or future looking information included in the Sustainability Report 2023, information included in the Financial Report 2023, information included in the Business Report 2023 or linked to from the Sustainability Report 2023 or from the Financial Report 2023 or from the Business Report 2023, including any images, audio files or embedded videos. Our conclusion does not extend to the requirements of Swiss Code of Obligation article 964 (d-l).

Inherent Limitations in Preparing the Sustainability Report 2023

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures in the Sustainability Report 2023 and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Report 2023 because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

With respect to the carbon certificates in the Sustainability Report 2023 we have performed procedures as to whether these retired CO_2 certificates relate to the current period, and whether the description of them in the Sustainability Report 2023 is consistent with their related documentation. We have not, however, performed any procedures regarding the assumptions used in the calculation methodology for these certificates, and express no opinion about whether the retired CO_2 certificates have resulted, or will result in, carbon emissions being avoided or removed.

Swiss Re's Responsibilities

The Board of Directors of Swiss Re is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Report 2023, taking into account applicable law and regulations related to reporting the sustainability information;
- The preparation of the Sustainability Report 2023 in accordance with article 964b of the Swiss Code of Obligations and the reporting criteria described under '*Understanding how Swiss Re has prepared the Sustainability Report 2023'*; and
- Designing, implementing and maintaining internal control procedures over information relevant to the preparation of the Sustainability Report 2023 that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Report 2023 is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Swiss Re.

As we are engaged to form an independent conclusion on the Sustainability Report 2023 as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Report 2023 as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 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.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

KPMG

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Report 2023 is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Report 2023 included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures;
- Checking that the Sustainability Report 2023 contains the information required by article 964b(1) and (2) to understand the business performance, the business results, the state of the undertaking and the effects of its activity on environmental matters, social issues, employee-related issues, respect for human rights and combating corruption.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Silvan Jurt	Corina Wipfler
Licensed audit expert	Licensed audit expert

Zurich, 12 March 2024

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", "target", "aim", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend" and similar expressions, or by future or conditional verbs such as "will", "may", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's (the "Group") 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 the Group to not achieve its published targets. Such factors include, among others:

- macro-economic events or developments including inflation rates, increased volatility of, and/or disruption in, global capital, credit, foreign exchange and other markets and their impact on the respective prices, interest and exchange rates and other benchmarks of such markets;
- elevated geopolitical risks or tensions which may consist of conflicts arising in and between, or otherwise impacting, countries that are operationally and/or financially material to the Group or significant elections that may result in domestic and/or regional political tensions as well as contributing to or causing macro-economic events or developments as described above;
- the frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, human-made disasters, pandemics, social inflation litigation, acts of terrorism or acts of war, including the ongoing war in Ukraine as well as conflicts in the Middle East, and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- the Group's adherence to standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and ability to fully achieve goals, targets, ambitions or stakeholder expectations related to such matters;
- the Group's ability to achieve its strategic objectives;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability, the intensity and frequency of which may also increase as a result of social inflation;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- mortality, morbidity and longevity experience;
- the cyclicality of the reinsurance sector;
- 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;
- the Group's inability to realise amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- the Group's inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- matters negatively affecting the reputation of the Group, its board of directors or its management;
- the lowering, loss or giving up of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions, including in Life & Health and in Property & Casualty Reinsurance due to higher costs caused by pandemic-related or inflation and supply chain issues;
- changes in our policy renewal and lapse rates and their impact on the Group's business;

- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise 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 the Group's business model;
- changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities as well as changes in accounting standards, practices or policies, including the Group's decision to transition from US GAAP to IFRS beginning 1 January 2024;
- strengthening or weakening of foreign currencies;
- reforms of, or other potential changes to, benchmark reference rates;
- failure of the Group's hedging arrangements to be effective;
- significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than-expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- changing levels of competition in the markets and geographies in which the Group competes;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions; and
- operational factors, including the efficacy of risk management or the transition to IFRS as well as other internal procedures in anticipating and managing the foregoing risks.

These factors are not exhaustive.
The Group operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. The Group 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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