Swiss Re

# Sustainability Report

2022

# 2022 sustainability highlights

## Sustainability in underwriting

USD 4.8bn
Natural catastrophe premiums across Swiss Re Group

212m
Life & Health policies (in force) reinsured

11 970
Solar and wind farms for which re/insurance cover was written

>100 000
Number of potential transactions screened for ESG risk exposure

## Responsible investing

USD 3.8bn
Green, social and sustainability bonds

USD +751m
Capital deployed in social and renewable energy infrastructure debt, relative to base year 2019

–42%
Reduction of the weighted average carbon intensity (Scope 1 and 2 emissions) of the corporate bond and listed equity portfolio, relative to base year 2018

80%
Share of the top 20 emitters in the actively managed listed equity portfolio engaged on "Alignment of business model with 1.5°C target"

## Operations and people

USD 112/tonne $CO_2e$
Internal Carbon Steering Levy

73%
Absolute reduction in GHG emissions from business air travel relative to base year 2018

24%
Share of carbon removal certificates in the GHG emissions compensation mix

100%
Proportion of Segment I and Segment II suppliers that have completed their ESG assessment

83%
Employee engagement score

## Key sustainability ratings

AAA
MSCI ESG rating as of May 2022[1]

B
CDP Climate Change Score 2022

87/100
S&P Global ESG Score 2022 as of October 2022

[1] For more information on MSCI ESG ratings, including their methodology and disclaimer statement, please refer to this page.

# Contents



# Swiss Re's Annual Report 2022

Swiss Re's Annual Report includes the Business Report 2022 and the Financial Report 2022. In addition, Swiss Re publishes this comprehensive Sustainability Report.

All three reports can be found at reports.swissre.com/2022/



Executive statement

# Partnering for sustainable progress

Sergio P. Ermotti
Chairman of the Board of Directors

Christian Mumenthaler
Group Chief Executive Officer

## Dear stakeholders,

Over the past year, the twin challenges of climate change and energy security have dominated the headlines as the COVID-19 pandemic has faded away. For the second year in a row, insured losses caused by extreme weather events such as Hurricane Ian, winter storms in Europe and flooding in Australia and South Africa have exceeded USD 100 billion. At the same time, the energy crisis triggered by the war in Ukraine reinforced the importance of transitioning to a low-carbon economy to reduce society's reliance on fossil fuel-based energy sources.

The renewed sense of urgency to tackle climate change is in line with our decision to sharpen the focus of our 2023–2025 Group Sustainability Strategy on two broad ambitions: "advancing the net-zero transition" and "building societal resilience."

### Advancing the net-zero transition

According to a recent report from the International Panel on Climate Change, global $CO_2$ emissions must be almost halved by 2030, and net-zero emissions achieved by 2050 to limit global warming to 1.5°C above pre-industrial levels. At Swiss Re, we commit to reaching net-zero greenhouse gas (GHG) emissions across our entire business by 2050. To have a real impact, however, such an undertaking requires collaboration across different economic sectors and value chains, private-public partnerships, decisive action from governments and the establishment of broadly accepted targets in line with the Paris Agreement.

In 2022, Swiss Re played an important role in addressing the challenge of quantifying emissions associated with underwriting portfolios. As a founding member of the UN-convened Net-Zero Insurance Alliance (NZIA), Swiss Re chaired the Partnership for Carbon Accounting Financials (PCAF) Working Group that developed a widely-accepted methodology for measuring insurance-associated emissions. This methodology will be instrumental in helping re/insurers measure the emissions of their underwriting business and report on progress toward reducing the carbon footprint of their portfolios.

Building on this work, we also chaired NZIA's efforts to develop a Target-Setting Protocol, which was launched at the World Economic Forum in January 2023. This paves the way for re/insurers to individually set interim decarbonisation targets for their underwriting portfolios in line with a transition pathway to limit global warming to 1.5°C. All NZIA members, including Swiss Re, have committed to publishing baseline metrics for insurance-associated emissions according to the PCAF standard as well as a first interim target based on the NZIA Target-Setting Protocol in July 2023.

Within our underwriting business, we have continued to "advance the net-zero transition" by providing risk transfer solutions to mitigate risks associated with renewable energy infrastructure projects and helping to unlock the funds necessary to advance the energy transition. For example, Swiss Re's re/insurance solutions are supporting the expansion of offshore wind farms in South Korea, while a credit-risk insurance solution developed for a German bank facilitates the financing of various renewable energy projects across Europe, the Americas and Asia-Pacific.

We have also continued our efforts to decarbonise our underwriting portfolio. During the year, we tightened our Oil and Gas Policy for direct and facultative re/insurance portfolios and continued to implement the phase-out of thermal coal-related re/insurance in OECD countries by 2030, and in the rest of the world by 2040.

In line with our commitment to transition the investment portfolio to net-zero GHG emissions, we continued to invest in social and renewable energy infrastructure debt in 2022. We also reached 95% of our year-end 2024 target to hold at least USD 4 billion in green, social and sustainability bonds. Additionally, we reduced the carbon intensity of our combined corporate bond and listed equity portfolio by 42% relative to our base year of 2018, putting us on track to meet our target of a 35% reduction by the end of 2024.

Although our operational GHG emissions are relatively low compared to other industries, we aim to reduce them as much as possible. In 2022, we reduced GHG emissions from business air travel by more than 70% compared with 2018. Supported by prevailing travel restrictions during the first quarter of 2022, our internal Carbon Steering Levy and stringent $CO_2$e-budgets for business flights were key drivers of the reduction. Flight-related emissions are expected to rise again, but we expect to continue meeting our target of reducing business air travel GHG emissions by at least 50% relative to the 2018 base year.

To reach net-zero emissions as a society, for every tonne of GHG emissions that cannot be avoided, an equivalent amount of $CO_2$ must be removed from the atmosphere and stored permanently. The carbon removal industry is still in its early stages, and financial institutions can play an important role in financing carbon removal solutions. In 2022, we joined the NextGen Carbon Dioxide Removal Facility as one of the five founding buyers to scale up carbon removal technologies and catalyse the market for high-quality carbon removals, compensating for our remaining operational emissions in scope. Carbon removals accounted for 24% of our compensation mix in 2022, and we plan to increase this share to 100% by 2030.

### Building societal resilience

As a re/insurer, we are both impacted by climate change and play a role in tackling it. Consistent with our sustainability ambition of "building societal resilience", we provide natural catastrophe re/insurance, helping governments, corporates and individuals with reconstruction efforts in the wake of a natural disaster.

Moreover, our efforts to build societal resilience extend to other aspects beyond climate, including promoting awareness and providing insurance protection through our life and health businesses.

After almost two years of working remotely, it has been rewarding to see many employees return to our offices. We have enjoyed the in-person exchange of ideas that sparks innovation and draws on the diversity of perspectives and experiences of our people. Diversity on the Board of Directors is also an important priority for Swiss Re. In 2022, we committed to reaching 30% female representation on the Board of Directors by the 2023 Annual General Meeting. Having nominated two women for election to the Board at the AGM 2023, we have made significant strides towards meeting this target. Following the recently announced Group reorganisation, female representation in the Group Executive Committee will also further increase.

We have witnessed growing interest in sustainability among clients, investors, employees and civil society. Sustainability reporting frameworks as well as legal and regulatory requirements are evolving quickly, putting pressure on companies to enhance disclosure. While our long history of voluntary sustainability reporting has prepared us to meet evolving disclosure requirements, it is important that regulatory bodies align their efforts to establish a minimum global reporting baseline that is well coordinated and focuses on relevant information.

At Swiss Re, we remain committed to maintaining a dialogue with our clients on sustainability, building effective stakeholder engagements and communicating about progress towards our targets.

Zurich, 16 March 2023

**Sergio P. Ermotti**
Chairman of the Board of Directors

**Christian Mumenthaler**
Group Chief Executive Officer

# Swiss Re at a glance

## Swiss Re vision: we make the world more resilient

Swiss Re is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer. Through its work with clients, the Group fulfils its vision of helping to make the world more resilient.

Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of offices in 29 countries.

Swiss Re Ltd, the Group's holding company, is a joint stock company, listed in accordance with the International Reporting Standard on SIX Swiss Exchange.

As of 31 December 2022, Swiss Re has two Business Units, each providing products and services to distinct client segments. The Reinsurance Business Unit covers both Property & Casualty and Life & Health. Corporate Solutions is the commercial insurance arm of the Group.

**Reinsurance**
Reinsurance is the foundation of the Group's strength, providing about 85% of gross premiums and fee income through two segments: Property & Casualty and Life & Health.

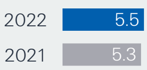
**Net premiums earned and fee income (USD billions)**

Property & Casualty


Life & Health


**Corporate Solutions**
Corporate Solutions provides risk transfer solutions to large and medium-sized corporations around the world. Highly customised products and standard insurance covers help to make businesses more resilient.

**Net premiums earned (USD billions)**




### Countries in which Swiss Re has offices

29

(as of 31 December 2022)
29 in 2021

### Number of employees (regular staff)

14 408

(as of 31 December 2022)
13 985 in 2021

**Business Report**

Business Report 2022

**Financial Report**
Including Climate-related financial disclosures (TCFD)

Financial Report 2022

# Selected index memberships and ratings

## 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 2022

external website

### Dow Jones Sustainability Indices

DJSI World, DJSI Europe

As of 9 December 2022

external website

### FTSE4Good Index Series[1]

As of June 2022

external website

### MSCI Indexes

MSCI World ESG Leaders Index,
MSCI World SRI Index

As of 26 December 2022

external website

### Solactive Europe Corporate Social Responsibility Index

As of 19 September 2022

external website

[1] For additional information about the FTSE4Good Index Series, Moody's ESG Solutions and Sustainalytics, please refer to page 92.

**Selected index memberships and ratings (continued)**

## 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.

### Member of the CDP Climate Change B list

As of reporting year 2022

external website

### ISS Quality Score

As of 14 February 2023

external website

### ISS ESG Prime

As of 23 December 2022

external website

### Moody's ESG Solutions[1]

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 13 May 2022

external website

### S&P Corporate Sustainability Assessment

As of 7 February 2023

external website

### Sustainalytics[1]

Swiss Re has a Sustainalytics rating of 16.6 (low risk) as of 1 November 2022

external website

[1] For additional information about the FTSE4Good Index Series, Moody's ESG Solutions, and Sustainalytics, please refer to page 92.
[2] For additional information on MSCI ESG ratings, including their methodology and disclaimer statement, please refer to this webpage.

# Key sustainability milestones

2003

**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

**2012**
- Signed the Principles for Sustainable Insurance (PSI)

**2014**
- Co-founded the Climate Group's RE100, pledging to be 100% powered by renewable electricity (achieved in 2020)

**2015**
- Signed the Paris Pledge for Action
- Joined, as an inaugural member, the working group developing the Task Force on Climate-related Financial Disclosures (TCFD) to increase transparency on climate-related financial risks

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

**2018**
- Introduced a Thermal Coal Policy

**2019**
- Committed to net-zero GHG emissions in operations by 2030[1]
- Committed to individually transition the investment portfolio to net-zero GHG emissions by 2050 and co-founded the UN-convened Net-Zero Asset Owner Alliance
- Signed the UN Global Compact Business Ambition for 1.5°C, committing to net-zero GHG emissions across the entire business by 2050

**2021**
- Committed to individually transition the underwriting portfolio to net-zero GHG emissions by 2050[1] and co-founded the UN-convened Net-Zero Insurance Alliance (NZIA)
- Started the phase-out of 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 to inspire climate action
- Joined, as an inaugural member, the Taskforce on Nature-related Financial Disclosures (TNFD) to develop a framework on the management and disclosure of nature-related risks and opportunities
- 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 and led the development of the NZIA Target-Setting Protocol

2022

[1] The commitment was based on the following definition of net zero, applied to Scope 1, 2 and selected categories in Scope 3: for every tonne of GHG that cannot be avoided, an equivalent amount of $CO_2$ needs to be removed from the atmosphere and stored permanently.
[2] The achievement of targets is measured at year-end 2024, and must be reported in 2025.

# Reporting profile and reporting frameworks

The Sustainability Report demonstrates Swiss Re's commitment to sustainability. It is the Group's primary means of reporting progress on the implementation of the Group Sustainability Strategy. To gain a comprehensive view of how the Group provides accountability to all stakeholders, the Sustainability Report should be read in conjunction with the Financial Report – in particular the chapter on Climate-related financial disclosures (following the TCFD recommendations), the report published by the Swiss Re Foundation and additional information available on the Swiss Re website.

The Sustainability Report 2022 covers the entire Swiss Re Group as it was organised on 31 December 2022, ie the publicly listed holding company Swiss Re Ltd, its two Business Units Reinsurance and Corporate Solutions, and all directly or indirectly held subsidiaries. The report covers the calendar year 2022 (as of 31/12/2022) and follows the 2021 edition. Swiss Re plans to maintain its yearly disclosure and will next report on its sustainability performance for the financial year 2023 in the first quarter of 2024, when it publishes its next Sustainability Report.

## Assurance

The "Responsible investing" chapter, the materiality assessment described on page 13 and all 2022 data disclosed on pages 66–80 of the Appendix of this Sustainability Report as well as selected disclosures in the chapter on Climate-related financial disclosures of the Annual Report have received independent limited assurance from KPMG AG. The Independent Assurance Report is included on pages 93–96 of the Sustainability Report, and specifies which information and data points in the Sustainability Report and TCFD report have received limited assurance.

## Reporting frameworks

Swiss Re remains committed to advancing the Ten Principles of the UN Global Compact. The Group's 2022 Communication on Progress (CoP), including the CEO Statement of Continued Support, will be published on the new UN Global Compact reporting platform by 30 June 2023.

Swiss Re continues to report against the Principles for Sustainable Insurance (PSI). Swiss Re's Disclosure of Progress is available in the Appendix of this report.

The Appendix of the Sustainability Report also contains reference tables showing where to find content in line with relevant sustainability reporting standards as defined by the Global Reporting Initiative (GRI), as well as the Sustainability Accounting Standard for the insurance industry as defined by the Sustainability Accounting Standards Board (SASB).

As a member of the CDP, Swiss Re discloses key carbon emissions via the CDP reporting platform.

With respect to the EU Taxonomy Regulation on the establishment of a framework to facilitate sustainable investment (Regulation (EU) 2020/852), Swiss Re will publish respective disclosures for 2022 in separate documents on the Group's website by 30 June 2023.

**Climate-related financial disclosures (TCFD)**
Swiss Re's Climate-related financial disclosures aim to improve investors' and other stakeholders' ability to appropriately assess climate-related risk and opportunities in Swiss Re's re/insurance business, investment activities and operations.

Swiss Re has played an active role in the Task Force on Climate-related Financial Disclosures (TCFD) since its creation and began to reflect the TCFD recommendations in its 2016 Financial Report.

Swiss Re's Climate-related financial disclosures are fully integrated in the Financial Report 2022, on pages 148–187. They comprise the following elements, as recommended by the TCFD:

- Climate-related governance
- Climate strategy
- Climate-related risks and opportunities
- Climate-related metrics and targets, including carbon footprint of investment portfolio

**Climate-related financial disclosures**

Financial Report 2022

# Swiss Re's approach to sustainability

Through its Group Sustainability Strategy Swiss Re aims to reinforce its efforts to make the world more resilient.

## 2022 highlights:

**Group Sustainability Strategy 2023–2025 defined**
Focus on two ambitions: advancing the net-zero transition and building societal resilience

**Materiality assessment**
conducted using the double materiality approach

**Swiss Re Foundation activities fully aligned** with sustainability ambitions

# Group Sustainability Strategy

Derived from Swiss Re's vision "to make the world more resilient", the Sustainability mission "We invest, operate and share 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 roles and responsibilities, and adjusting the underwriting and investment portfolios to make them more resilient.

From 2019 to 2022, Swiss Re's Group Sustainability Strategy (GSS) focused on three ambitions: mitigating climate change, building societal resilience and leveraging digitalisation to make insurance more readily available and affordable. This strategy served as the basis for the decisions in the 2022 reporting year that are covered in this report. The implementation of the strategy was underpinned by a KPI framework linked to compensation.

In 2022, Swiss Re conducted a materiality assessment (see box on page 13) and adjusted the strategy for the period from 2023 until 2025. The GSS now focuses on two sustainability ambitions: advancing the net-zero transition and building societal resilience. The first ambition centres on climate mitigation and decarbonisation, while the second focuses on climate adaptation and disaster resilience complemented by financial inclusion and healthcare protection. Digitalisation, which was previously covered in a third ambition, has been integrated into the two new ambitions, as digital solutions are deemed an important element of their implementation.

Key to delivering on these ambitions is a resilient organisation, which highlights the importance of the sustainability enablers: people and operations, ESG risk management, and governance and compliance.

The GSS 2023–2025 was endorsed by the Group Sustainability Council and the Group Executive Committee and approved by the Board of Directors.

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**

# 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 dialogue. The assessment covered double materiality, ie. the financial effects of sustainability matters on the firm (financial materiality), and the firm's effects on sustainability matters (impact materiality).

In accordance with a range of sustainability reporting standards, frameworks and questionnaires, Swiss Re compiled a list of 27 topics with the potential to be considered material for Swiss Re. Survey respondents were then asked to identify the topics they deemed material, first regarding financial materiality and second regarding impact materiality.

More than 1 000 respondents participated in the survey, of which close to 120 were external stakeholders such as clients, investors and members of civil society. In addition, Swiss Re conducted 45 interviews, of which 27 were with senior management and 18 with external stakeholders.

The topics were grouped into macro (related to external challenges) and micro topics (related to Swiss Re decisions and business practices). The figure below provides an overview of the most relevant topics.

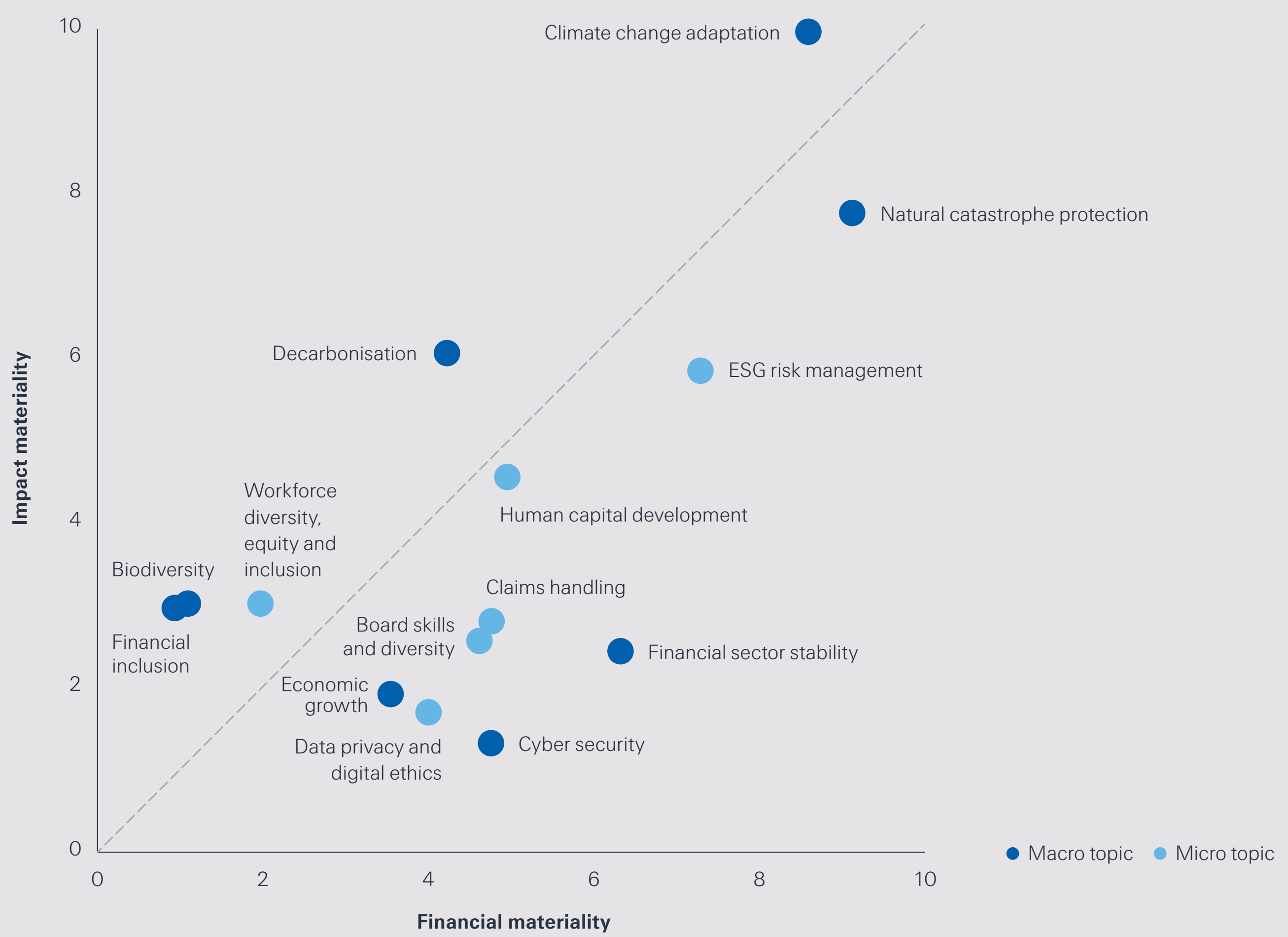
The topics that received the most votes (in dark blue) – prioritised by all stakeholder groups – were *climate change adaptation* and *natural catastrophe protection. Decarbonisation* also featured prominently as a macro topic for most stakeholder groups. *Financial inclusion, biodiversity, financial sector stability, economic growth* and *cyber security* were also often selected.

Among the micro topics (in light blue), the topics that received the most votes were *ESG risk management* and *human capital development*. They were followed by the topics *workforce diversity, equity and inclusion; claims handling; Board skills and diversity. Data privacy and digital ethics* were also prioritised by respondents.

**Materiality assessment**
Read a detailed description of the process Swiss Re uses to identify material sustainability topics.

swissre.com

Materiality assessment 2022



## Sustainability ambitions

Climate change, natural catastrophe protection, decarbonisation and financial inclusion were the highest-rated macro topics for impact materiality, with the first two also rated highest for financial materiality. The outcome of the materiality assessment (see box on page 13) provided important input for the Group Sustainability Strategy 2023–2025 and helped define the two ambitions.

### Advancing the net-zero transition

Swiss Re strives to minimise the environmental impacts of its business and has committed to net-zero GHG emissions by 2050. 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 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

**Net-zero emissions: what it means**
To limit global warming to well below 2°C, and preferably to 1.5°C, as stated in the Paris Agreement, the world needs to: 1) halve global emissions by 2030; 2) reach net-zero GHG emissions by mid-century and 3) stay at net-negative emissions throughout the second half of the century.

Reaching net-zero GHG emissions means that the residual sum of emissions entering the atmosphere must be zero. In other words, for every tonne of greenhouse gases that cannot be avoided, an equivalent amount of $CO_2$ needs to be removed from the atmosphere and stored permanently (IPCC 2018 – SR15).

### Building societal resilience

Swiss Re builds societal resilience by enhancing disaster resilience and fostering financial inclusion in both advanced and emerging economies. Urbanisation, economic development, growing asset concentrations in exposed areas and climate change are leading to increased natural catastrophe losses. Combining risk prevention, risk mitigation and risk transfer measures forms part of a comprehensive disaster resilience and adaptation strategy. 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 climate risk solutions
- 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

## Sustainability enablers

Any effective strategy depends on sound foundations, consisting of resilient operations, exemplary governance, diligent risk management as well as dedicated people driving it.

### 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.

Resilient operations including sound processes and controls, data privacy and digital ethics, and a safe cyber environment plus readily available and high-quality sustainability data are fundamental to the successful implementation of the strategy.

### ESG risk management

Swiss Re identifies, assesses, and addresses environmental, social, human rights and governance factors in its underwriting, investments and operations with the aim of achieving better risk-adjusted returns over the long term while limiting reputational risks. Swiss Re´s dedicated ESG Risk Framework is anchored in its commitment to sustainability and guides, together with other frameworks, how the company manages sustainability risks.

### Governance and compliance

Swiss Re's corporate governance framework describes the roles and responsibilities as they relate to implementing, enhancing and monitoring the Group Sustainability Strategy. The Board of Directors, the Board committees and the Group Executive Committee as well as individual members thereof have explicit responsibilities related to sustainability and climate-related risks and opportunities. Swiss Re's Code of Conduct measures to drive appropriate behaviours help ensure that employees across the Group act with integrity. The Group Sustainability Council is responsible for coordinating across sustainability initiatives and messaging, as well as for monitoring implementation at the Group level, whereas the Business Units and the Group functions drive the implementation of the sustainability strategy in their respective areas.

# 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 continuously sought to map its activities to the SDGs.

The figure on the right shows which SDGs the two ambitions of the Group Sustainability Strategy 2023–2025 contribute most to.

In addition, Swiss Re´s investments financially support further SDGs (see page 37).

Group Sustainability Strategy and related SDGs

| | | | |
|---|---|---|---|
| **Advancing the net-zero transition** | 7 AFFORDABLE AND CLEAN ENERGY | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS |
| **Building societal resilience** | 3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES |

# Fostering resilient societies: Swiss Re Foundation

The Swiss Re Foundation's activities are fully aligned with Swiss Re's sustainability ambitions.

The Swiss Re Foundation (the Foundation) reflects Swiss Re's social and humanitarian values. 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.

In cooperation with external partners and Swiss Re's employees, 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.

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.

In 2022, the Swiss Re Foundation published a special edition of its annual report, commemorating its ten-year anniversary and highlighting the Foundation's impact over that period.

## Focus areas

To concentrate its efforts and increase impact, two priority themes were defined for the Foundation's activities both at Swiss Re locations and in selected developing regions in 2022:

- Natural Hazard and Climate Risk Management
- Access to Health

Clear targets were defined and are tracked for each focus area.

The Foundation is proud of several initiatives in 2022, in line with the above-mentioned priority themes. These include the newly established Start Network, which helps scale up early humanitarian action and disaster risk financing in the Philippines. The volunteering programme focused primarily on two topics: healthy nutrition and the transition to net zero. These two topics also form the core of the Foundation's flagship program SHINE, a program which brings together innovative social start-ups and a team of Swiss Re employees who help take the participating companies to the next impact level.

The Foundation's website provides more details about these and other initiatives, including the efforts of its partners to provide relief in Ukraine, support for a community-based seaweed farming in Indonesia and efforts to attract investments in resilient coasts through the Ocean Risk and Resilience Action Alliance (ORRAA). The website also contains information about the winners and runners up of this year's Entrepreneurs for Resilience Award. The award theme for 2022 was improving financial access to healthcare.

~850 000

People expected to benefit from improved resilience through projects approved in 2022

2 487

Number of Swiss Re volunteers who supported partners and projects in 2022

**Swiss Re Foundation**

swissrefoundation.org

# Sustainability targets and progress in 2022

Swiss Re's targets support its Group Sustainability Strategy and as part of this, the targets support Swiss Re's Group-wide aim to reach net-zero greenhouse gas (GHG) emissions by 2050.

| Targets | Target year | Metric | Progress in 2022 |
|---|---|---|---|
| **Sustainability risk management** | | | |
| Achieve total phase-out of thermal coal-related re/insurance in OECD countries by 2030, and in rest of the world by 2040 | 2030<br>2040 | n/a | • Continued to engage with clients on current thermal coal thresholds for direct and facultative business[1], and the introduction of new thresholds for treaty business in 2023 (page 21) |
| Phase out most carbon-intensive oil and gas companies for direct and facultative re/insurance[1] | July 2021: 5%<br>July 2023: 10% | n/a | • Did not write direct and facultative re/insurance business[1] with the 5% most carbon-intensive oil and gas companies (page 21) |
| **Sustainability in underwriting** | | | |
| Publication of select facultative[1] portfolio or sub-portfolio carbon baselines and target for Swiss Re | 2023 | n/a | • Swiss Re's strong involvement in the Partnership for Carbon Accounting Financials (PCAF) has led to a methodology through which the associated emissions of facultative re/insurance[1] can be calculated. This has enabled the publication of carbon baselines and target setting (page 31). Swiss Re plans to publish baseline metrics for insurance-associated emissions as well as its first interim target in July 2023, to be available on this webpage |
| **Responsible investing** | | | |
| Reduce the weighted average carbon intensity[2] of Swiss Re's corporate bond and listed equity portfolio by 35% (base year 2018) | 2025[3] | tonnes $CO_2e$/ USDm revenue | • 42% reduction as of 2022, relative to base year 2018 (TCFD, page 175) |
| Reduce the weigthed average carbon intensity[4] of Swiss Re's Swiss and German real estate portfolio by 5% (base year 2018) | 2025[3] | $kgCO_2e/m^2$ | • 2% reduction as of 2021, relative to base year 2018 (TCFD, page 178) |
| Hold at least USD 4 billion of green, social and sustainability bonds | 2025[3] | USD billion | • USD 3.8 billion invested as of 2022 (pages 36–38) |
| Deploy additional capital of USD 750 million[5] in social and renewable energy infrastructure debt, including energy efficiency (base year 2019) | 2025[3] | USD million | • Additional USD 751 million deployed as of 2022, relative to base year 2019 (pages 36–38) |
| **Governance and compliance** | | | |
| 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 | • Two female candidates nominated for election as new Board members at the Annual General Meeting 2023 |

[1] Under a facultative contract, each risk or policy is negotiated and agreed on individually.
[2] Covering Scope 1 and 2 emissions.
[3] The achievement of targets is measured at year-end 2024, and must be reported in 2025.
[4] Covering Scope 1, 2 and 3 operational emissions.
[5] Based on original face values.

| Targets | Target year | Metric | Progress in 2022 |
|---|---|---|---|
| **Sustainable operations** | | | |
| Linearly increase the internal Carbon Steering Levy from USD 100/$tCO_2e$ in 2021 to USD 200/$tCO_2e$ in 2030 | 2022: USD 112/$tCO_2e$ 2025: USD 145/$tCO_2e$ 2030: USD 200/$tCO_2e$ | USD/$tCO_2e$ internal carbon price | • Increased the internal Carbon Steering Levy to USD 112/$tCO_2e$ |
| Reduce absolute Scope 1 GHG emissions by 53% compared with 2018 base year | 2030 | % reduction of absolute Scope 1 GHG emissions | • Reduced absolute Scope 1 GHG emissions by 31% compared with 2018 base year (page 55)[1] |
| Reduce absolute GHG emissions from business air travel by at least 50% compared with 2018 base year | 2022 2023 2024 | % reduction of absolute GHG emissions from business air travel | • Reduced absolute GHG emissions from business air travel by 73% compared with 2018 base year (page 54)[1] |
| Maintain 100% renewable electricity | Every year, since 2020 | % renewable electricity out of total electricity usage | • Maintained 100% renewable electricity (page 55) |
| Reduce energy consumption per employee ("energy intensity") by 2% per year since 2018 | Every year, since 2018 | kWh/FTE | • Reduced energy intensity by 41% compared with 2018 base year (page 54)[1] |
| Compensate remaining GHG emissions in scope[2] with carbon removal certificates, linearly increasing their share from 0% in 2020 to 100% in 2030 | 2022: 20% 2025: 50% 2030: 100% | % of total GHG emissions in scope compensated with carbon removal certificates | • 24% of total GHG emissions in scope compensated with carbon removal certificates and the remaining 76% with carbon avoidance certificates (page 56)[2] |
| **Our people** | | | |
| Gender promotion ratio above 100%[3] | 2022 | % of female promotions to upper band in relation to the % of women in the donor pool | • 107% gender promotion ratio in 2022 (page 76) |

[1] 2022 figures were still impacted by COVID-19 in the first quarter and are not indicative of Swiss Re's future environmental performance.
[2] Current emissions in scope for compensation include Scope 1, Scope 2 and part of upstream Scope 3 (business travel, fuel- and energy-related activities, paper, water and waste). Commuting is not included.
[3] The proportion of women promoted into management bands D—B. Calculated in relation to the proportion of women in the "donor pool" (full calendar year measure). The "donor pool" is the band below, starting at the E band. To derive the average, corporate bands included in the calculation have equal weighting.

# Sustainability risk management

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

## 2022 highlights:

More than **100 000 potential transactions** screened by underwriters for ESG risks

**250 ESG risk referrals** assessed by the ESG risk team

**4 050 employees** completed the online ESG Risk Framework training

# 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 these risks, in particular through the company's ESG Risk Framework. This framework applies across Swiss Re's business activities, including re/insurance transactions and investments, where information granularity is available and a meaningful ESG risk assessment is possible.

The ESG Risk Framework consists of three umbrella guidelines on the environment, social aspects/human rights and governance, as well as seven sector-specific policies. The framework is regularly reviewed to ensure it is aligned with new risk developments and changing stakeholder expectations.

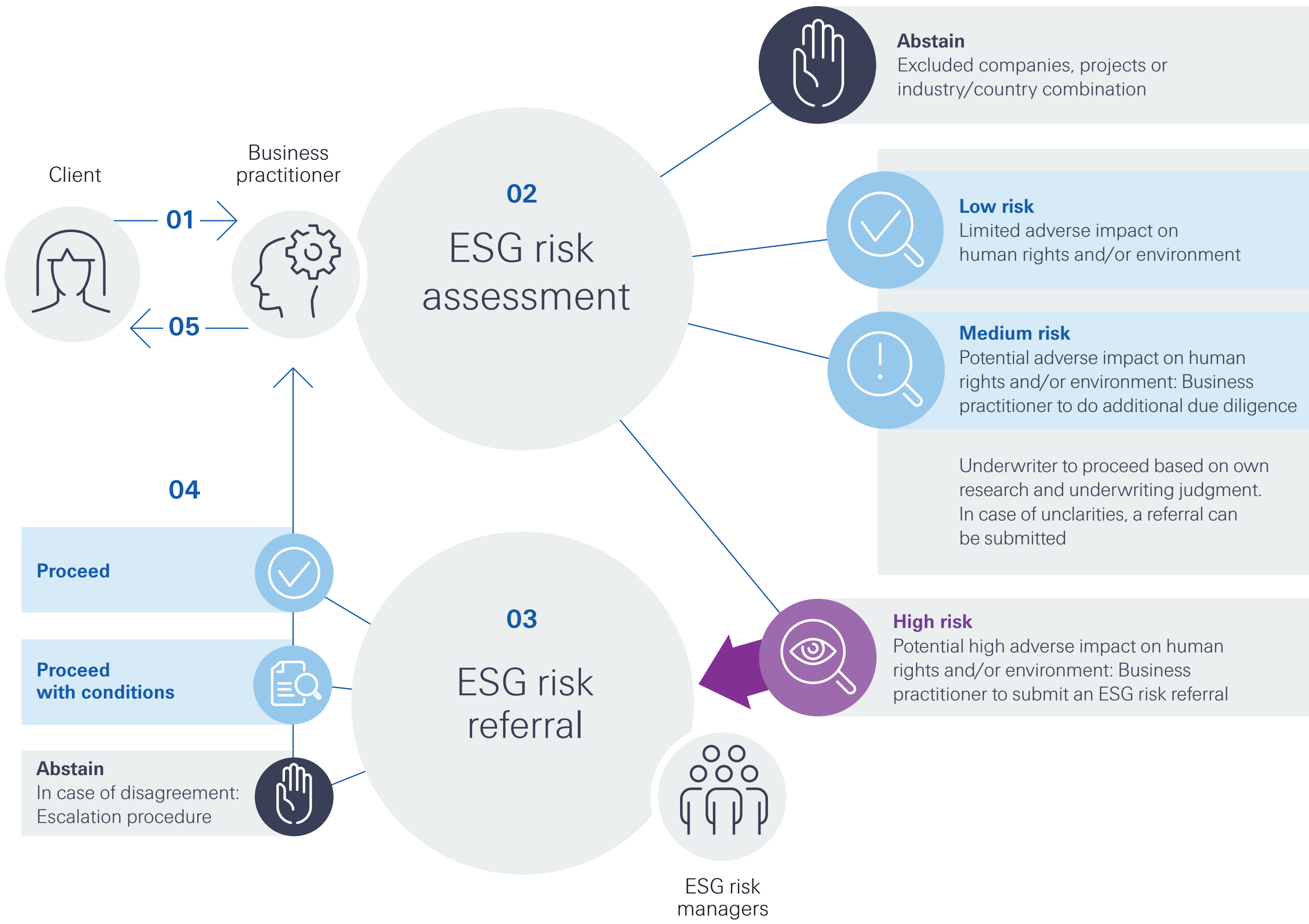
While the ESG Risk Framework applies to all areas of business including asset management and operations, Swiss Re has a specific process in place for underwriting: the ESG Risk Process. This process is used to assess re/insurance transactions and is outlined in the graph below.

### Umbrella guidelines and sector-specific policies

The ESG Risk Framework is based on the overarching principles of protecting the environment, respecting human rights and promoting good corporate governance, encapsulated in three umbrella guidelines.

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

### The ESG Risk Process



## ESG Risk Process

Swiss Re has a specific process in place to assess potential ESG risk exposures in the context of underwriting transactions, where information granularity is available and allows for a meaningful ESG risk assessment. The ESG Risk Process is fully embedded in the underwriting processes for facultative and direct transactions. The framework's policies are implemented through a risk management process consisting of two elements: ESG risk assessments and ESG risk referrals.

### ESG risk assessment

An automated ESG risk assessment is created during the underwriting process, based on a proprietary ESG database. The backbone of this database is a country/industry matrix as well as a sensitive company and project watchlist. In addition, high-risk industries in countries where human rights are violated in a severe and systematic way and no reasonable prospect of imminent improvement can be foreseen, are excluded. The watchlist is updated on a regular basis and currently spans 2 050 sensitive companies and 641 projects.

The outcome of the ESG risk assessment is an indication of the potential ESG risk (low, medium or high) exposure of the transaction. It provides the underwriter with clear guidance on what to assess in further detail. In 2022, underwriters screened 106 754 potential transactions for ESG risks.

### ESG risk referral

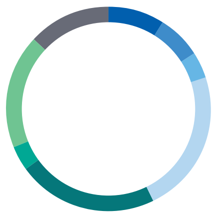
Any high-ESG-risk underwriting transaction must be referred to the ESG Risk team for a manual in-depth analysis (ESG risk referral). Experts in the ESG Risk team analyse the referrals in detail and issue binding recommendations: to proceed, to proceed only with certain conditions or to abstain. In the event of disagreement between the underwriters and the ESG risk experts, these recommendations can be escalated to the next management level, ultimately to the Group Chief Risk Officer and the Group Executive Committee. In 2022, underwriters submitted 250 ESG risk referrals to the ESG Risk team (2021: 185). In total, 158 referrals were given the recommendation to proceed, 71 to proceed with conditions and in 21 cases, the recommendation was that they be abstained from (see graph on the bottom right).

## Training and engagements

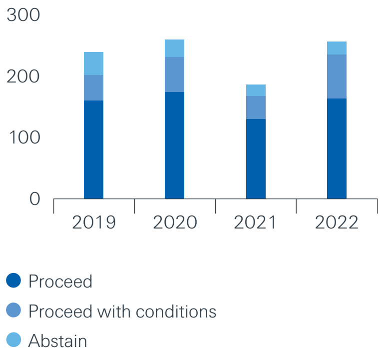
To ensure that the ESG Risk Framework is applied consistently, all new Swiss Re employees must complete online training on the ESG Risk Framework, with client-facing roles subject to regular refresher training. In 2022, 4 050 employees completed the mandatory training.

Swiss Re also benefits from industry-wide engagements as well as interactions with clients regarding sustainability risks. Over the year, the ESG Risk team had over 550 external engagements on sustainability risks with clients, brokers, investors, industry peers and civil society groups such as environmental and humanitarian NGOs. Additionally, the ESG Risk team held meetings with clients operating in sensitive sectors such as hydropower and mining to discuss potential measures they could take to address their respective ESG risks.

250 ESG risk referrals submitted to Swiss Re's expert team in 2022, split by sector/issue[1]




Number of ESG risk referrals and recommendations issued




[1] Following ESG risk referral categories were renamed: Dams is now called Hydro Dams, and Forestry, pulp & paper and oil palm is now called Agriculture, Forestry and Food.

# Decarbonising Swiss Re's business model

As outlined in the first ambition of the Group Sustainability Strategy, the carbon risks embedded in the company's core re/insurance business have become a key internal focus area. To achieve Swiss Re's 2050 net-zero GHG emissions target, a carbon steering mechanism for underwriting is being developed, for which relevant sector-specific policies of the ESG Risk Framework have been and continue to be sharpened.

Swiss Re supports the worldwide reduction of GHG emissions and contributes to the goal of limiting global warming to 1.5°C above pre-industrial levels as per the Paris Agreement. Swiss Re's ESG Risk Framework is continuously reviewed to assist the transition to a low-carbon economy. In addition to risk management actions on the underwriting side, the company's efforts to fulfil the Paris Pledge for Action include the company's Responsible Investing strategy (pages 33–41), reducing emissions in the company's own operations (pages 51–59) as well as the development of suitable re/insurance solutions for clients (pages 22–32).

Furthermore, Swiss Re is a founding member of two major industry initiatives, namely the Net-Zero Asset Owner Alliance and the Net-Zero Insurance Alliance. More information on these initiatives can be found on page 41 and page 31.

### Thermal Coal Policy

The introduction of the Thermal Coal Policy in 2018 marked the first step towards the development of a carbon risk steering mechanism. This includes measuring Swiss Re's carbon intensity and associated risks embedded in the company's re/insurance business.

Since 2018, Swiss Re no longer provides direct or facultative re/insurance[1] to businesses with more than 30% exposure to thermal coal utilities or mining. 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.

In 2022, Swiss Re also prepared the implementation of the Thermal Coal Policy to limit coal exposure in treaties. The extension of the policy, which sets specific coal exposure thresholds for treaties across the property, engineering, casualty, credit and surety and marine cargo lines of business, became effective at the beginning of 2023. Swiss Re aims to completely phase out thermal coal-related re/insurance in OECD countries by 2030, and in the rest of the world by 2040. Swiss Re also aims to fully exit from coal-based assets for its listed equity and corporate bond portfolios by 2030, and limit maturities for fossil fuel-related investments for its infrastructure debt and corporate private placement portfolios.

### Oil and Gas Policy

Oil and gas are two other major man-made sources of emissions.

Through its Oil and Gas Policy, Swiss Re has committed to shift away from the most carbon-intense oil and gas companies, production in the Arctic AMAP[2] region (excluding Norway), as well as new oil and gas field projects:

- Since July 2021, Swiss Re no longer provides direct or facultative re/insurance covers for those oil and gas companies that produce the world's 5% most carbon-intense oil and gas. As of July 2023, this threshold will be extended to 10%.
- Since July 2022, Swiss Re no longer provides direct or facultative re/insurance covers for companies and projects with more than 10% of their production located in the Arctic AMAP[2] region (Norwegian production is exempt).
- From January 2023, Swiss Re no longer provides direct or facultative re/insurance for or directly invests in new oil and gas field projects.

Exceptions will apply such as for companies that are aligned with net zero by 2050 as per Science Based Targets initiative (SBTi) validation or a comparable credible third-party assessment. Swiss Re continues to partner with energy clients on the net-zero transition and will align the company's re/insurance support to oil and gas companies according to the following ambitions:

- By 2025, half of Swiss Re's overall direct and facultative oil and gas premium income is to come from companies that are aligned with net zero by 2050 as per SBTi validation or a comparable credible third-party assessment.
- By 2030, Swiss Re's oil and gas re/insurance portfolios will only contain companies that are aligned with net zero by 2050 as per SBTi validation or a comparable credible third-party assessment.

Swiss Re is currently developing an approach for oil and gas in treaty reinsurance and will communicate on progress later in 2023.

[1] Under a facultative contract, each risk or policy is negotiated and agreed on individually.
[2] Arctic Monitoring and Assessment Programme.

# Sustainability in underwriting

Swiss Re's re/insurance solutions help address key environmental and social challenges. The Group embeds sustainability considerations into its risk transfer solutions while engaging with clients and other external stakeholders on the topic.

## 2022 highlights:

**USD 4.8 billion**
Natural catastrophe premiums across Swiss Re Group

**11 970**
Wind and solar farms for which re/insurance cover was written in 2022

**212 million**
Life & Health policies (in force) reinsured

**PCAF/NZIA**
Chaired the development of the first version of the Net-Zero Insurance Alliance (NZIA) Target-Setting Protocol and the Partnership for Carbon Accounting Financials (PCAF) Working Group that developed the Global Accounting and Reporting Standard for Insurance-Associated Emissions

## Risk transfer solutions

By managing risks and covering losses, re/insurance fosters stability and economic growth. Environmental and social risks, however, require special attention to ensure sustainable progress. 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.

Swiss Re develops and provides risk transfer solutions as part of its established risk modelling and underwriting activities, and by creating innovative new products in close cooperation with its clients and partners.

Examples include:

- Index-based insurance products: Swiss Re is a pioneer in creating innovative insurance solutions that use an index to determine payments.
- Public Sector Solutions: In addition to serving direct insurers and corporate clients, Swiss Re also develops risk transfer solutions for, and in cooperation with, governments and various public-sector organisations.
- 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.

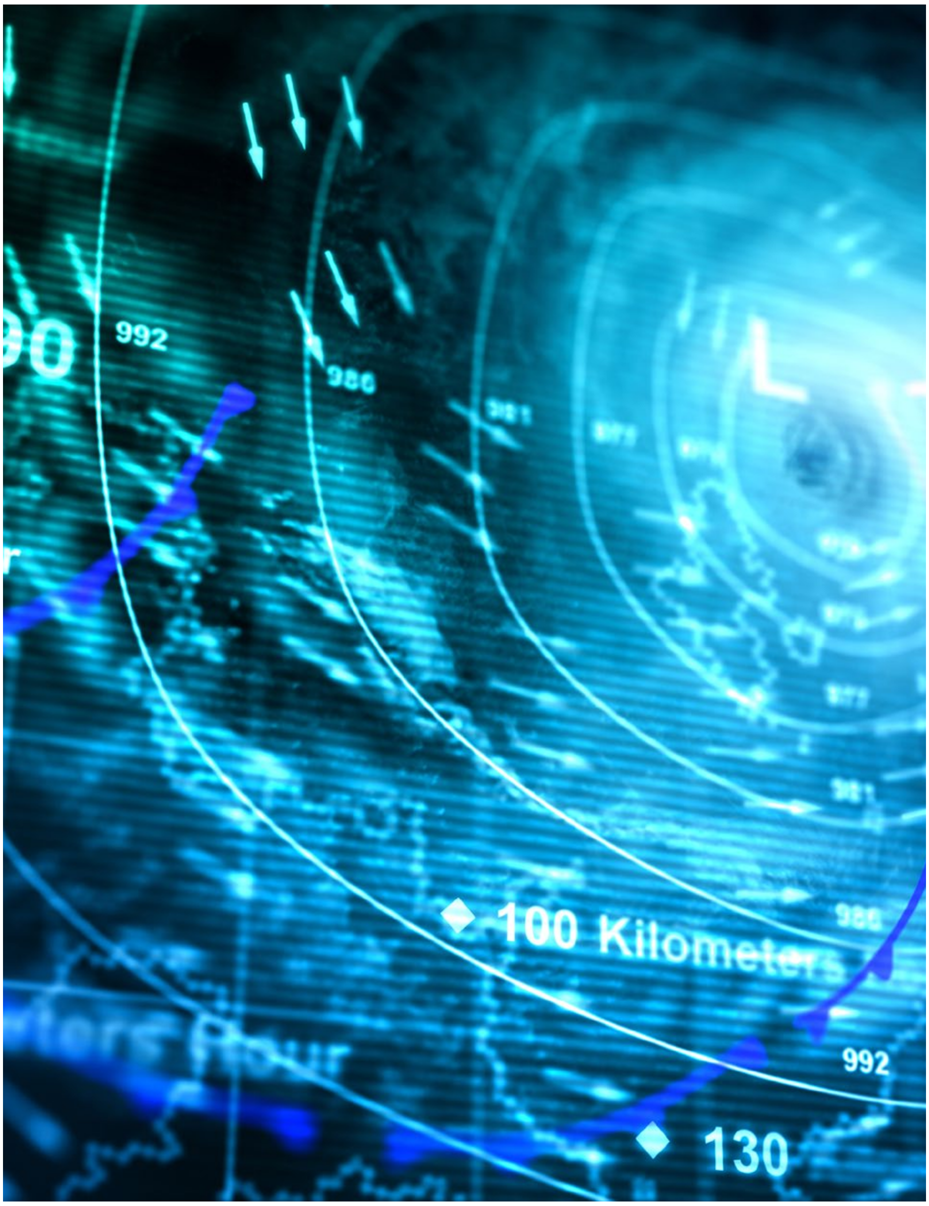
## Transactions and initiatives

The following pages feature a selection of transactions and initiatives in which Swiss Re was involved during 2022 and which helped strengthen risk resilience.

Transactions are grouped according to the two Sustainability Ambitions of the Group Sustainability Strategy 2023–2025: "advancing the net-zero transition" and "building societal resilience" (page 14).

Transactions that assist clients in accelerating the transition to a low-carbon economy by de-risking transition projects and infrastructure support the first ambition. Transactions that contribute to disaster resilience (by closing the natural catastrophe protection gap including climate adaptation) and financial inclusion support the second ambition.

Due to the innovative nature of some of these solutions, they do not necessarily represent the majority of Swiss Re's transactions or business lines. However, they relate to Swiss Re's sustainability ambitions and will continue to do so as they are scaled up. These transactions help Swiss Re's clients and their communities become more resilient to the risks they face by ensuring that adequate funding is in place when it is needed.



## Advancing the net-zero transition

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

In 2022, Swiss Re wrote property and engineering cover for 11 970 wind and solar energy generation facilities, which have the potential to avoid over 39 million tonnes of $CO_2$ emissions annually.[1]

Additionally, Swiss Re wrote property and engineering cover for 280 other renewable energy facilities, including hydropower, geothermal, marine/tidal and biomass plants.

**>12 000**

Renewable energy generation facilities for which cover was written in 2022

[1] This assumes the electricity produced by the renewable energy facility replaces currently produced electricity, where "currently produced electricity" is the average $CO_2$ per kWh for advanced markets.

### Expanding South Korea's offshore wind capacity

South Korea has historically been dependent on cheap fossil fuel imports to meet its energy needs, with solar energy making up only 6.5% of its energy mix. In an effort to reduce greenhouse gas emissions and enhance energy security, the South Korean government set a target to generate 20% of its energy from renewable sources by 2030. A key element of this plan is the construction of offshore wind farms (OWFs).

As the lead reinsurer for the construction of three of these OWF projects, Swiss Re has been supporting the development of renewable energy in Korea. Once the final construction phase is completed in 2025, these projects will have a capacity of approximately 190MW. Swiss Re has also provided technical advice and risk management expertise for several additional OWF projects whose construction is set to begin in 2025. With a total planned capacity of 5GW, these projects represent approximately one third of Korea's target to reach 12GW of offshore wind capacity by 2030.

The construction of OWFs in Korea poses several challenges. In addition to its exposure to natural hazards such as typhoons, the country lacks local engineers with offshore wind experience as well as specialised marine vessels and equipment to install and maintain OWFs. Swiss Re has therefore also been providing technical capacity to ensure that safety guidelines and goals are observed and that every vessel and piece of equipment is inspected in accordance with the Offshore Code of Practice co-developed by Swiss Re and other insurers.

### Helping to unlock financing for the transition to renewable energy

In 2022, Swiss Re Corporate Solutions partnered with the German bank NORD/LB to establish a co-investment programme to facilitate the financing of renewable energy projects. This partnership combines NORD/LB's track record in structuring renewable energy investments with Swiss Re Corporate Solutions' expertise in credit risk management solutions for banks.

NORD/LB has extensive experience in financing renewable projects across markets in Europe, the Americas and Asia-Pacific. As part of the co-investment programme, NORD/LB originates and arranges eligible loans, following which Swiss Re Corporate Solutions insures a portion of NORD/LB's credit risk, covering the bank in the event of non-payment by the borrower. By using pre-agreed eligibility criteria, the programme allows for more efficient deployment of financing to renewable energy projects by enabling the bank to reduce credit risk, optimise its portfolio and extend larger loans for such projects. At the end of 2022, Swiss Re had supported six renewable energy projects, which will contribute 1 300MW of additional power generation capacity once the assets are operational.

### Using climate analytics to assess alignment with the Paris Agreement

In 2022, the Swiss export credit agency, SERV, commissioned Swiss Re to conduct a detailed analysis of some of its financed energy projects. The bespoke study leveraged Swiss Re's analytics capabilities and data sources to assess the net contribution of these energy projects to the carbon pathways required by Switzerland's national and international commitments. It also assessed the long-term economic viability of the projects under different carbon price scenarios.

Export credit agencies are an important client segment for Swiss Re. By facilitating exports and foreign investments of domestic companies and by deploying capital to finance selected projects, these government-backed institutions can play a role in advancing their countries' net-zero ambitions.

## Harnessing Nepal's hydropower potential

Nepal has enormous potential to develop hydropower. But the country still suffers from chronic energy shortages and imports electricity and fossil fuels from its neighbours.

Swiss Re Corporate Solutions and the Public Sector Solutions team worked closely with the International Finance Corporation (IFC) to structure a five-year parametric earthquake cover for the construction of the 216MW Upper Trishuli-1 hydropower project (UT-1), closing a gap in its traditional construction policy. To secure the deal, the IFC led a consortium of nine Multilateral Development Bank lenders to put together a USD 453 million debt financing package.

To mitigate environmental and social risks, the lenders carried out impact assessments addressing biodiversity conservation, pollution prevention, labour and working conditions, land resettlement, health and safety of local communities, and indigenous people's rights.

The lenders had to overcome a major hurdle before approving the financing. An earthquake in 2015 severely hindered the progress of the project and made traditional insurers reluctant to provide coverage for earthquakes in the remote location of the dam. This lack of coverage would have negatively affected the project's investment potential. Swiss Re proposed a parametric earthquake cover that met lenders' insurance requirements and was endorsed by the local regulator in 2022.

Once completed, the project is expected to boost Nepal's renewable energy production, providing improved supply of energy to several million people. By substituting fossil fuels, UT-1 is also expected to reduce energy-related greenhouse gas emissions by at least 26 000 tonnes per year.

**Discover more**

**Article**
Parametric enables Nepal's renewable energy project financing

swissre.com

## Advancing the energy transition in developing markets

In November 2022 at COP 27, Swiss Re signed a co-operation agreement with the International Renewable Energy Agency (IRENA) to join the Energy Transition Accelerator Financing Platform (ETAF), IRENA's global climate finance platform aimed at mobilising capital to scale renewable project funding in developing countries by 2030.

IRENA is the lead intergovernmental agency for the global energy transformation, supporting countries in their transition to a sustainable energy future and serving as the principal platform for international co-operation, a centre of excellence and a repository of policy, technology, resource and financial knowledge on renewable energy. With 168 members, IRENA promotes the widespread adoption and sustainable use of all forms of renewable energy in the pursuit of sustainable development, energy access, energy security and low-carbon economic growth and prosperity.

This partnership with IRENA is consistent with Swiss Re's vision of helping to make the world more resilient, as Swiss Re can help de-risk these critical investments with insurance solutions and risk insights.

## Building societal resilience

### Natural catastrophes

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 against natural catastrophes creates significant benefits for Swiss Re's clients and for society at large. In 2022, premiums for natural catastrophe covers amounted to USD 4.8 billion[1], or 18% of corresponding Property & Casualty Reinsurance and Corporate Solutions premiums.

**4.8bn**

Natural catastrophe premiums across Swiss Re Group[1]

[1] Estimated written premiums for losses exceeding USD 20 million. Net of external expenses such as brokerage and commissions. Property & Casualty Reinsurance and Corporate Solutions gross premiums written excluding external cost for brokerage and commissions.

### Providing natural catastrophe cover to protect public sector exposure in Mexico, India and Uganda

Swiss Re has an extensive track record of providing natural catastrophe cover to governments. Recent renewals of long-standing schemes ensure continuity and allow Swiss Re to build on previous experience.

In 2022, Swiss Re Corporate Solutions renewed its contract with the Mexican government, assuming the role of lead reinsurer for its Natural Disasters Fund programme. Over 40% of Mexico's territory and up to one-third of its population are exposed to hurricanes, storms, floods, earthquakes and volcanic eruptions. In response, the Mexican government established the Natural Disasters Fund programme in the late 1990s to protect public infrastructure and housing of low-income populations, and to ensure that rapid funding is available for relief efforts in the wake of a natural disaster. The current administration in Mexico has strengthened these schemes. Swiss Re has provided reinsurance cover for this programme since 2012, enhancing Mexico's resilience to natural catastrophe events.

Similarly, Swiss Re has been providing India's Nagaland State Disaster Management Authority (NSDMA) with parametric reinsurance protection for excess rainfall since 2020 through Tata AIG, a local insurance company. In 2022, following a constructive dialogue with NSDMA to better understand the needs of local communities, Swiss Re successfully renewed the reinsurance contract to protect the state of Nagaland during monsoon season for the third year in a row. The mountainous state of Nagaland is located in northeastern India and is highly dependent on agriculture. High levels of humidity and heavy rains make the region particularly vulnerable to damage from floods, landslides, windstorms and hail during the monsoon season.

A third example of natural catastrophe cover provided to public authorities hails from Uganda. Following a successful five-year pilot in which Swiss Re was the lead reinsurer for the Uganda Agriculture Insurance Scheme (UAIS), Uganda's government decided to extend the scheme for another four years. Today, this public-private partnership protects more than 350 000 smallholder farmers in Uganda with a range of products including

parametric crop weather index insurance, multi-peril crop insurance, livestock insurance and poultry insurance. Additionally, farmers receive training to help them adapt their techniques to climate change. Thanks to the success of the insurance scheme, the government aims to expand the programme to more farmers, while Swiss Re is exploring the possibility of supporting the replication of the scheme in neighbouring countries.

**Discover more**

**Article**
Building climate resilience in Africa

swissre.com

**Video**
COP27 journey: how insurance is helping farmers in Uganda build climate resilience

swissre.com

**Article**
Protecting the state of Nagaland during Monsoon season

swissre.com

**Enhancing underserved populations' resilience against natural disasters**

Since 2017, Swiss Re has been the sole reinsurer for the Microinsurance Catastrophe Risk Organisation (MiCRO), a reinsurance company that specialises in providing disaster risk protection to traditionally underserved populations in Latin America.

In 2022, MiCRO further expanded its presence in Guatemala by working with the country's Ministry of Agriculture to develop catastrophic insurance for up to 40 000 smallholder farmers, nearly doubling the number of individuals benefitting from MiCRO's insurance products to over 100 000. In addition to reinsuring the business, Swiss Re also provides technical expertise to MiCRO through frequent exchanges with experts and workshops as well as client training programmes for MiCRO's distribution partners.

Many countries in the region are exposed to natural disasters such as earthquakes, as well as droughts or tropical cyclones. Yet, the natural catastrophe protection gap in Latin America is estimated at 85%, and low-income populations who have difficulty accessing insurance are most vulnerable to the financial impacts of natural disasters.

MiCRO provides affordable index-based natural disaster insurance products to microentrepreneurs and smallholder farmers across Guatemala, El Salvador, Colombia and Mexico. Distributed through a network of local insurers and distribution channels such as banks, microinsurance institutions, NGOs and governments with access to the target population, these parametric solutions trigger automatic payouts to policyholders when covered natural disasters reach a pre-determined level. The benefits of such parametric solutions were evidenced in the wake of tropical storm Amanda in 2020, when almost 2 000 beneficiaries in El Salvador received emergency cash payouts within a few days after the event.

### Partnering with the Insurance Development Forum

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

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.

In 2022, Swiss Re continued to support this initiative by playing a key role in three Tripartite projects: a sovereign parametric insurance solution for climate-vulnerable smallholder farmers in Mexico, and the development of two parametric flood insurance products for urban floods in Ghana and Nigeria.

### Protecting smallholder farmers in Mexico

In Mexico, over 80% of total economic losses from weather-related disasters in the last two decades occurred in the agricultural sector. Around 76% of the country's total cultivated land (22 million hectares) is rainfed, and 50% of farmers who sow basic crops own less than five hectares of land, which is not irrigated, in the country's poorest regions. As a result, smallholder farmers, who have less access to technology, formal credit and commercial agricultural insurance, are also disproportionately affected by rainfall and temperature changes.

To address the protection gap for weather-related risks in Mexico, Swiss Re, together with other IDF members, worked with Mexico's Ministry of Finance, the Ministry of Agriculture and its state-owned re/insurer Agroasemex to develop a parametric excess of rain and drought insurance cover that provides social protection in order to continue the harvesting of white maize as a basic crop for family consumption. The solution offers a fast and direct payout to farmers, ensuring transparency throughout the entire process. During the initial pilot phase in 2022, the programme proved its effectiveness when two rain triggering events in June and September 2022 resulted in a payout to 1 430 affected farmers. The project is expected to become fully operational in 2023, after the respective government analysis is concluded.

### Enhancing Africa's resilience to urban flooding

Urban flooding disproportionately impacts poor and urban communities in cities such as Accra in Ghana, and Lagos State in Nigeria. To enhance both countries' resilience to urban flooding, Swiss Re will work with several of its IDF peers and local authorities to develop sub-sovereign risk transfer solutions that provide flood risk cover.

In Ghana, Swiss Re and fellow IDF member Allianz will co-develop a parametric solution that relies on a pre-defined trigger to determine payouts, while in Nigeria, Swiss Re and Axa Climate will co-lead the development of a similar solution to protect up to 1.7 million households (8.5 million people) in Lagos State.

Rather than relying on time-consuming loss assessments, both solutions aim to use data provided by microsatellite operator ICEYE to determine the magnitude of the flood and ensure quick payouts. The insurance products are expected to be integrated into an existing flood risk management framework and payouts will contribute to emergency disaster relief and rapid reconstruction of critical network infrastructures. Once implemented, these solutions help support local authorities in quickly re-establishing economic activity among the most vulnerable low-income communities in the Greater Accra Metropolitan Area and in Lagos State.


**Discover more**

**Article**
Swiss Re plays key role in IDF programme to protect climate vulnerable farmers in Mexico

swissre.com

**Article**
Swiss Re helps develop flood insurance and build financial resilience in Ghana

swissre.com

**Article**
Public-Private Partnership to Develop Flood Insurance and Build Financial Resilience in Ghana

external website

**Article**
Public-Private Partnership Launched to Develop Urban Flood Risk Cover for Lagos State in Nigeria

external website

## Helping corporate clients evaluate their risk exposure

Leveraging Swiss Re's longstanding natural catastrophe expertise, Swiss Re Corporate Solutions offers corporate clients risk assessment services that can help manage and mitigate operational risks arising from exposures to climate-related events including floods. Examples include the Climate Risk Scores and FLOAT described below.

**Climate Risk Scores: quantifying climate risk**

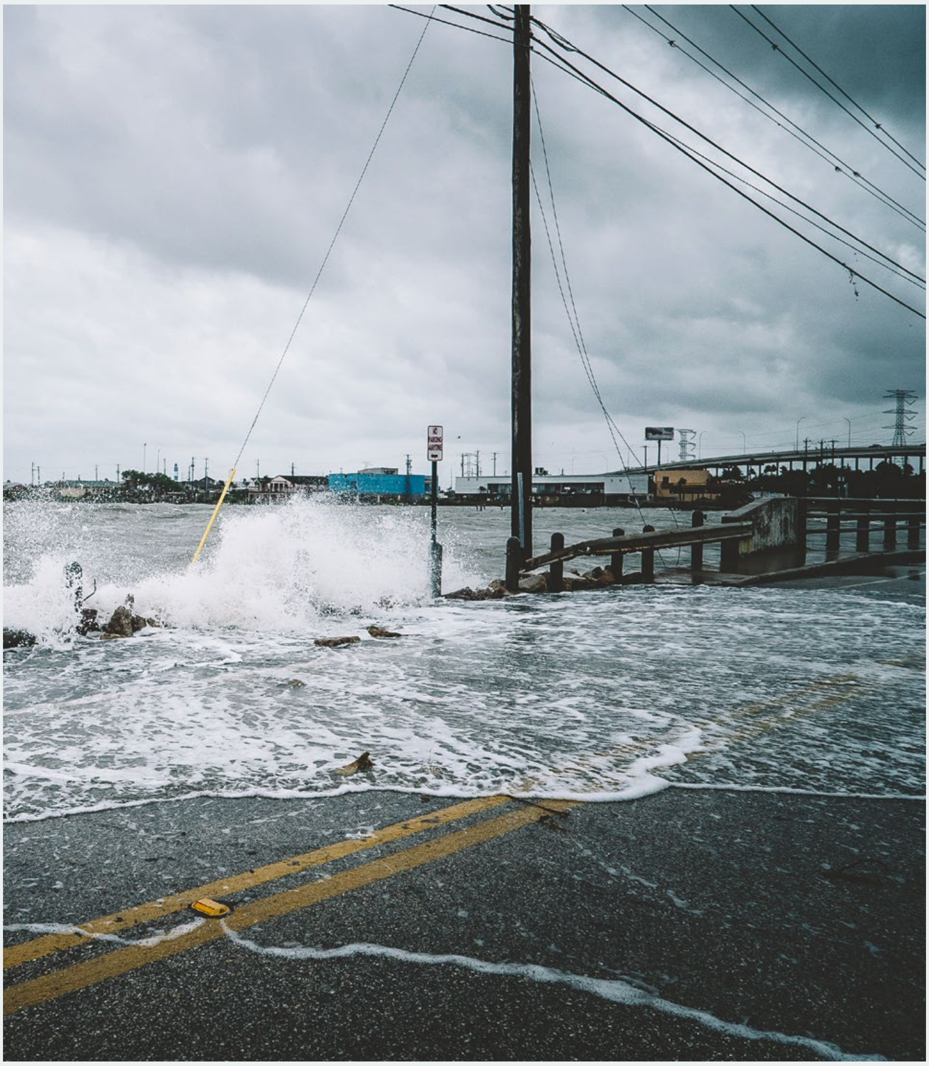
Swiss Re Corporate Solutions has developed a holistic service offering for clients to address their future climate risks through data, a platform and an advisory service. Swiss Re's proprietary Climate Risk Scores, which help companies assess future risks resulting from weather-related hazards exacerbated by climate change, form the basis of this assessment. The scores indicate the effects of future climate risks by combining robust science-based data used by the Intergovernmental Panel on Climate Change (IPCC) with Swiss Re's in-house hazard layers, such as flood and storm surge zones. The Climate Risk Scores comprise ten perils such as drought, flooding or extreme precipitation and can be assessed for three future climate scenarios in five-year intervals from 2025 until the end of the century.

Corporate clients can explore their Climate Risk Scores using an interactive online tool called Sustainability Compass. The tool makes a digital twin of the customer's assets and runs it through the models to assess current natural catastrophes, nature risk as well as future climate risk across all of the customer's locations.

To make the insights of the Climate Risk Scores and the Sustainability Compass actionable, clients can add a Climate Risk Advisory service in which Swiss Re's climate risk experts and risk engineers can create bespoke assessments. Risk mitigation recommendations and strategies are then developed to support the customer in becoming resilient for different climate change scenarios.

**FLOAT: providing flood risk assessments to prepare for natural catastrophes**

Events like Hurricane Harvey in Texas and Louisiana in 2017, where a large portion of flooded locations were outside marked flood zones, revealed a gap between current flood zoning and actual loss experience. Companies with solid flood protection strategies can minimise interruption to their operations after a flood and can recover from disaster more quickly.



To help companies prepare for potential flood events, Swiss Re Corporate Solutions developed a flood risk assessment tool called FLOAT, which allows firms to assess and manage a location's flood risk. FLOAT uses drones to capture location-specific data. The collected dataset is transformed into a realistic visualisation of the location, including a precise interactive simulation that shows potential vulnerabilities. In addition, this tool helps as an input for prioritising risk mitigation activities and also creating a robust flood emergency response plan (FERP). Risk recommendations from SMEs may also be included as a part of the overall assessment.

In 2022, Swiss Re helped a corporate client identify which low-lying road sections of its site would flood first. This allowed the client to reconsider its planned evacuation routes during oncoming hurricanes. For another client, Swiss Re's flood assessment helped determine which equipment should be elevated and temporarily removed as part of its emergency response plan for approaching hurricanes.

**Discover more**

**Website**
Climate Risk Solutions
swissre.com

**Website**
FLOAT
swissre.com

### Supporting the reforestation of Brazil's Atlantic Rainforest

The Atlantic Rainforest, or Mata Atlântica, stretches across 17 states along Brazil's coastline. Not only is this extensive biome an important source of freshwater, it also supports agricultural production, enables the generation of hydroelectric energy and plays a critical role in regulating the country's climate. But after centuries of deforestation and environmental degradation, only about 12% of untouched Atlantic Rainforest remains standing today.

Swiss Re Corporate Solutions and Swiss Re Reinsurance joined forces to develop an insurance solution for reforestation activities carried out by Fundação SOS Mata Atlântica, a Brazilian NGO whose mission is to protect and restore the Atlantic rainforest. In 2021, SOS Mata Atlântica's reforestation efforts suffered setbacks when frost and wildfires damaged planted saplings, prompting the organisation to look for a risk transfer solution to protect against the risk of lost investments in its reforestation projects.

Unlike commercial planted forests used for cellulose production, native forests are difficult to price and manage for insurance purposes due to their less predictable natural conditions. Rather than insuring the potential market value of the mature forest, this contract – the first of its kind in Brazil – provides SOS Mata Atlântica with frost and fire insurance cover for the amount used to finance its reforestation activities, with Swiss Re Reinsurance acting as one of the reinsurers. In addition to contributing to the mitigation of climate change associated with deforestation, this risk transfer solution can serve as a model for other NGOs and corporate partners who wish to support similar reforestation projects in the future.

## Building societal resilience

**Life and Health**

Life and health reinsurance plays a key role in Swiss Re's vision of making the world more resilient. In 2022, Swiss Re reinsured 212 million Life & Health policies (in force). This means that an estimated 284 million family members were supported by Life & Health policies reinsured.

To help narrow the global health protection gap, Swiss Re's Life & Health Sustainability Initiative launched in 2021 aims to make life and health insurance more affordable, available and accessible to underserved populations. This initiative focuses on groups that have generally been left out or left behind by the insurance industry, including immigrants, women, LGBTQ+, ethnic and racial minorities, gig workers and the informal economy, people with chronic health issues and rural communities.

### Leveraging a digital platform to provide access to critical illness insurance in China

Digital platforms are increasingly helping insurers reach individuals who previously did not have readily available access to life and health insurance products.

In 2022, Swiss Re worked with a key local partner in China to develop a critical illness product sold through Alipay, one of the country's most popular app-based digital payment platforms. The product provides a lump sum payment if the insured becomes critically ill, with 120 major, 20 moderate and 30 minor conditions covered. Via Alipay, the product extends accessibility from major cities – where critical illness coverage is higher – to smaller cities and rural areas, where traditional distribution channels have limited access. The one-year coverage design offers a significant price advantage compared to prevailing critical illness covers, which typically last 20 to 30 years, making the product more affordable for the less affluent. Customer service is provided through an online channel, and is thus also highly digitalised. Customers can, for example, make claims and receive payments via the mobile app, which enables faster payouts than traditional critical illness products.

### Partnering to provide access to affordable health insurance

Since 2018, Swiss Re has partnered with Women's World Banking to provide affordable microinsurance to women entrepreneurs in Egypt. With Swiss Re taking on the role of reinsurer, the microinsurance scheme makes women more resilient against the loss of income in the case of hospitalisation. Coverage extends to immediate family members, and beneficiaries receive a lump sum payment to cover hospital stays and other associated costs not covered by the public health system. The product is distributed through Lead Foundation, a local financial institution, and is typically bundled with loans women have taken out to support their businesses.

During the COVID-19 pandemic, the microinsurance product played an important role in providing women and their families with financial protection when they needed it most. Despite certain logistical challenges that arose while trying to expand the reach of the microinsurance scheme during the pandemic, the programme has grown to reach over 490 600 beneficiaries in Egypt, including microinsurance customers and their family members. In 2022, Swiss Re helped replicate a similar microinsurance scheme in sub-Saharan Africa.

**Discover more**

**Video**

The Hemayet Lead Project: how health insurance supports women entrepreneurs in Egypt

swissre.com

**Expanding access to life, disability and critical illness insurance for individuals living with HIV**

Over 38 million people around the world are living with HIV. In addition to the stigma associated with the disease, HIV-positive individuals have historically experienced difficulty in accessing insurance – either because they were automatically denied insurance cover, or because they were priced out due to unaffordable premiums attributed to their condition.

Improvements in retroviral treatments over the last twenty years, better access to treatments and testing have resulted in close to normal life expectancy for individuals living with HIV. This prompted Swiss Re to expand coverage for critical illness and disability in 2022, offering affordable access to life insurance for HIV-positive individuals who were previously declined cover.

This is reflected in an update to Swiss Re´s Life Guide rating guidelines, which integrate medical, regulatory and technical developments to help insurers make underwriting decisions quickly and efficiently. Previously, Swiss Re already offered life insurance cover to selected HIV-positive applicants since 2004 based on more stringent Life Guide rules. The new HIV guidelines are being rolled out globally, with certain adaptations made to accommodate local market conditions.

**Discover more**

**Article**
New hope for curing (and insuring) individuals with HIV

swissre.com

**Website**
Life Guide has you covered

external website

# Engaging with stakeholders and clients

## Defining greenhouse gas metrics and targets

The UN-convened Net-Zero Insurance Alliance (NZIA) brings together 30 of the world's leading re/insurers who are each individually committed to transitioning their underwriting portfolios to net-zero greenhouse gas (GHG) emissions by 2050. This is consistent with the target set by the Paris Agreement to limit global warming to well below 2°C, preferably to 1.5°C.

Swiss Re was one of the eight founding members of NZIA in 2021. Throughout 2022, Swiss Re chaired the NZIA Metrics and Targets Workstream, which lays the foundation for the Alliance members' individual ambitions. The NZIA collaborated with the Partnership for Carbon Accounting Financials (PCAF) to develop a Reporting Standard for Insurance-Associated Emissions. Swiss Re chaired the PCAF Working Group and also chaired the development of the first version of the NZIA Target-Setting Protocol.

The PCAF Working Group started its work in October 2021. Following a targeted consultation with key stakeholders on a first "Scoping Document" in March 2022, and a public consultation on a "Progress Report" in July 2022, the first version of the Global GHG Accounting and Reporting Standard for Insurance-Associated Emissions was successfully launched in November 2022. This methodology provides guidance on measuring and disclosing emissions associated with commercial lines and personal motor lines re/insurance portfolios. The first version of the Standard can be applied to more than 70% of the global property and casualty primary insurance market. The global, standardised methodology is intended to provide re/insurers with deeper insights into the risk profile of their respective underwriting portfolios, stimulate innovative approaches to decarbonisation and create comparability for stakeholders.

In parallel, the NZIA has started working on a Target-Setting Protocol. This protocol sets out NZIA's recommended approach to individual target setting and reporting. The goal was to support re/insurers in beginning to set science-based, interim decarbonisation targets for their respective insurance and reinsurance underwriting portfolios in line with a net-zero transition pathway that would limit global warming this century to 1.5°C. In November 2022, a public consultation on the draft protocol provided an opportunity for the wider insurance industry (eg other re/insurers, brokers, insurance associations and initiatives) and key stakeholders (eg insurance regulators and supervisors, rating agencies, policymakers, civil society organisations/NGOs) to provide feedback.

Version 1.0 of the Target-Setting Protocol was published in January 2023. NZIA members – including Swiss Re – have committed to publish their respective first individual targets by July 2023.[1] Work in the NZIA Metrics and Targets Workstream will remain crucial to expanding the scope of guidance on measuring and disclosing insurance-associated emissions, and setting science-based interim and long-term targets.

**Discover more**

**Publication**
Global GHG Accounting and Reporting Standard for Insurance-Associated Emissions

external website

**Publication**
Version 1.0 of the Target-Setting Protocol

external website

[1] The metrics and interim target for insurance-associated emissions will be available at https://www.swissre.com/nz-insurance-metrics-targets.

## Principles for Sustainable Insurance (PSI): a decade of progress

Launched in 2012, the Principles for Sustainable Insurance (PSI) were created to raise awareness of ESG among insurers' clients, policymakers and other stakeholders, and calls on members to regularly report on their progress in implementing the principles. Swiss Re was among the 28 founding companies of the PSI. Meanwhile, the organisation has grown to over 200 members, including insurers representing about one-third of world premiums and USD 15 trillion in assets under management.

In 2022, Swiss Re's Centre for Global Dialogue hosted "The PSI after 10 years" conference to celebrate its 10th anniversary. The event convened about 100 senior representatives from the insurance industry (eg CEOs, Chief Underwriting Officers, Chief Risk Officers), insurance supervisory and regulatory authorities, UN officials, civil society organisations and other key stakeholders. Livestreamed for participants worldwide, the conference explored how the PSI might amplify sustainable insurance to cut greenhouse gas emissions in half, reverse nature loss and achieve the UN Sustainable Development Goals based on the principle of "leaving no one behind" — all by 2030.

Furthermore, the conference covered PSI initiatives such as the Net-Zero Insurance Alliance, the Sustainable Insurance Facility of the Vulnerable Twenty Group of Finance Ministers (V20), championing nature-positive insurance and setting the global sustainability agenda for life & health insurers in a post-COVID world. The event also featured PSI initiatives supporting the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and emerging frameworks such as the Task Force on Nature-related Financial Disclosures (TNFD).

**Discover more**

**Event**
A decade of progress in sustainable insurance underwriting

swissre.com

**Event**
Summary and recordings from "The PSI after 10 years" event

swissre.com

## Exploring social sustainability in re/insurance through The Geneva Association

The Geneva Association is the only global association of insurance companies. It investigates key trends and risk areas that are likely to impact the insurance industry, develops recommendations and provides a discussion platform for stakeholders. In 2022, Swiss Re's Chief Executive Officer, Christian Mumenthaler, was The Geneva Association's Chairman and co-sponsored its socio-economic resilience workstream.

The workstream produced "The Role of Insurance in Promoting Social Sustainability", a report which highlights insurance's inherent social benefit in providing financial stability and peace of mind to people and businesses. To further advance social sustainability, the publication suggests that insurers hone their impact underwriting and investing activities, as well as due diligence on risks linked to their clients, investees and operations, from human rights violations to algorithmic bias. Inspired by the Greenhouse Gas Protocol's approach to carbon emissions disclosure, the paper puts forward a framework for insurers to assess their "social footprint". Scope 1 is an insurer's social impact on its employees; Scope 2 is the insurer's impact on communities; and Scope 3 is the insurer's social impact across the value chain, from risk-taking and servicing to investing. It captures effects on both upstream value chain partners and downstream customers and investees. Swiss Re employees constituted part of the working group and were among the contributing experts.

To raise awareness for the research, The Geneva Association hosted its first-ever international stakeholder event on socio-economic resilience at Swiss Re's Centre for Global Dialogue. The conference explored how insurers can maximise their inherent social utility through their core business activities, avoid and address potentially negative impacts ("do no harm"), and identify potential, additional contributions to socio-economic resilience that are commercially viable.

**Discover more**

**Event**
The Geneva Association's Socio-Economic Resilience conference

swissre.com

**The Geneva Association publication**
The Role of Insurance in Promoting Social Sustainability

external website

## Client training on sustainability

Since 2021, Swiss Re has been offering a virtual client training programme: "Business Case for Sustainability". In 2022, the programme was attended by 20 clients from Europe, the Middle East, East Asia, Eastern Africa and Southern Africa. Designed to encourage people to think about how sustainable business practices can be implemented in re/insurance, the programme was designed for re/insurance professionals in the fields of enterprise and sustainability risk management, underwriting and product development.

More than 18 Swiss Re experts who work in sustainability-related fields hosted sessions and workshops in their area of expertise, sharing sustainability insights across underwriting, investments, operations and product development. The sessions were also hosted by representatives from academia and intergovernmental organisations. A representative from the Principles for Sustainable Insurance (PSI) led a session on the PSI. Other sessions explored opportunities for insuring renewable energy technologies, the role of climate change in natural catastrophes, the link between climate change and life & health re/insurance losses and biodiversity through the lens of business risk.

To complete the client programme, attendees were required to attend at least 21 sessions over the course of six weeks and to develop and present their group business case for sustainability. The business case was an opportunity for participants to find actionable applications of sustainability at their firms and to share best practice with their peers.


# 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.

## 2022 highlights:

**USD 3.8bn**
Amount of green, social and sustainability bonds held at the end of 2022, corresponding to 95% of the USD 4bn target set for 2024

**80%**
Share of top 20 emitters in the actively managed listed equity portfolio engaged on "Alignment of Business Model with 1.5°C Target"

**–42%**
Reduction of the carbon intensity[1] of the corporate bond and listed equity portfolio since 2018

**5 stars**
Rating achieved for Swiss Re's Investment & Stewardship Policy and Direct Real Estate as part of the Principles for Responsible Investment assessment for the reporting year 2020[2]

For a full overview of progress per asset class, see page 36.

[1] Greenhouse gas (GHG) emissions relative to revenues, expressed in tonnes $CO_2e$/USDm revenue, covering Scope 1 and 2 emissions.
[2] Assessment results were published by PRI in 2022.

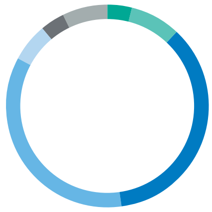
"We make the world more resilient" is Swiss Re's vision. More than ten years ago, its Asset Management unit embarked on a journey to not only generate stable risk-adjusted long-term returns, but also to consider environmental, social and governance (ESG) aspects in its investment decisions. With this approach, 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. To meet future claims and benefits, Asset Management invests the premiums generated through underwriting in assets whose cash flows match the durations and currencies of its re/insurance liabilities. Therefore, the majority of the portfolio is generally invested in higher-quality fixed income securities with stable long-term returns. At the end of 2022, such investments accounted for 75% of total assets under management[1] (see graph to the right).

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 its strategy, and involves setting targets, taking action, measuring and reporting as outlined in the Climate-related financial disclosures (TCFD) of the Financial Report 2022 pages 148–181.

Overall investment portfolio
USD 105.7bn, as of 31 December 2022



- **4%** Cash and cash equivalents
- **8%** Short-term investments
- **36%** Government bonds
- **35%** Credit bonds
- **6%** Equities[2]
- **4%** Mortgages and other loans
- **7%** Other investments (incl. policy loans)

Swiss Re's Responsible Investing strategy

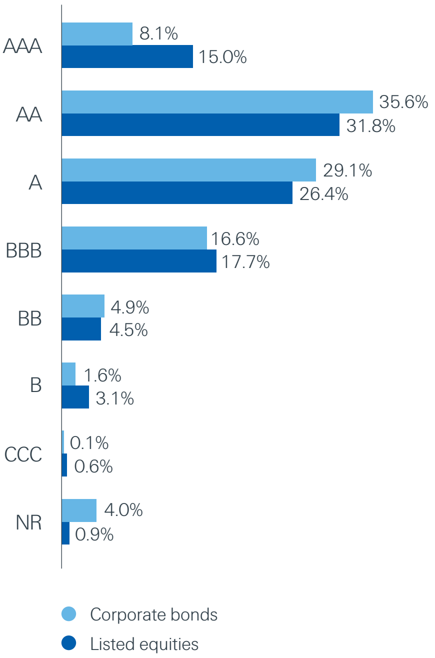
| Enhancement | Inclusion | Exclusion |
|---|---|---|
| **ESG benchmark & criteria**<br>ESG integration focused on ESG risks and opportunities | **SDG-related investments**<br>Positive and direct real-world impact supporting a specific purpose | **ESG risk assessments**<br>Risk avoidance based on internal ESG Risk Framework |

Climate action

Benchmark | Manager selection | Mandate | Stewardship | Monitoring/reporting

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

ESG rating distribution across Swiss Re's corporate bond and listed equity portfolio, as of 31 December 2022[1]




**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. Based on the risk-adjusted return profiles recorded by Swiss Re, including ESG criteria into investment portfolios can make economic sense, especially over the long term.

Swiss Re Asset Management invests in issuers that are addressing ESG challenges and opportunities by taking into account their exposure to and ability to manage such risks.

For its sovereign, supranational and agency bonds, Swiss Re has been applying a minimum ESG rating threshold for several years, whenever available. Any possible exception would be driven by ALM considerations as outlined on page 34.

In 2017, ESG benchmarks were implemented for actively managed listed equity and corporate bond portfolios, with limited leeway given for deviations.

If benchmarks are not applicable, a minimum ESG rating threshold is applied to the mandates, such as the buy-and-maintain corporate bond mandates (see overview on page 36).

The consistent application of these prerequisites is reflected in the ESG rating profile of Swiss Re's corporate bond and listed equity portfolio, as shown in the graph on the left.

For its real estate portfolio, Swiss Re evaluates new property investments from an environmental and social perspective, and strives to improve the sustainability characteristics of properties already in the portfolio, as economically and financially sensible. Connected to that, Asset Management'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.

2022 is the fifth year that the US portfolio achieved four out of five stars in GRESB. Swiss Re was able to maintain the same score as last year, thus outperforming the GRESB average.

GRESB scoring US real estate portfolio

85/100

(versus GRESB average score of 74)

**Performance: 55**
(GRESB possible points: 70)

**Management: 30**
(GRESB possible points: 30)

[1] Active and buy-and-maintain mandates: All ESG ratings from MSCI ESG and holdings as of December 2022. ETFs: All ESG ratings from MSCI ESG as of January 2023, based on constituents as of December 2022.

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

| | RI Strategy application: Three cornerstones | | RI Strategy application: Climate action[2] | Progress in 2022 |
|---|---|---|---|---|
| **Government bonds** | | • Investment universe: ESG ratings BB and better, taking ALM considerations into account<br>• Green, social and sustainability bonds: investment target, and need to meet ICMA[3] Principles<br>• Country-exclusions: Group-wide ESG Risk Framework (ERF) | | • **USD 1.9bn** of government bonds invested in green, social & sustainability bonds[2] |
| **Credit** | | **Corporate bonds**<br>• Actively managed mandates: Benchmarked against ESG BB and better index, limited leeway for deviations<br>• Buy-and-maintain mandates: Reinvestment universe restricted to ESG rating BB and better<br>• Green, social and sustainability bonds: investment target, and need to meet ICMA[3] Principles<br>• Corporate exclusions: ERF, UN Global Compact (UN GC) screening and fossil fuel-related thresholds<br>**Infrastructure debt**<br>• Proprietary ESG assessment framework<br>• Social and renewable energy (including energy efficiency) infrastructure debt: Investment target, and SDG contribution measurement and reporting<br>• Infrastructure debt and corporate private placements exclusions: Coal excluded, oil- and gas-related maturities limited to 2030 and 2035 | | • **USD 1.9bn** of corporate bonds invested in green, social & sustainability bonds[2]<br>• **USD 1.1bn** of infrastructure debt invested in social and renewable energy (including energy efficiency) infrastructure[2]<br>• **USD 751m** of capital deployed in social and renewable energy (including energy efficiency) infrastructure debt since year-end 2019[2] |
| **Listed equity** | | **Actively managed mandates**<br>• Benchmarked against MSCI ESG Leaders Indexes, restricted to ESG rating BB and better, limited leeway for deviations<br>• Engagement and voting approach<br>• Corporate exclusions: ERF, UN GC screening and fossil fuel-related thresholds | | • Engaged with **80%** of the top 20 emitters in the actively managed listed equity portfolio on "Alignment of Business Model with 1.5°C Target" |
| **Private equity[4]** | | **Direct investments**<br>• ESG performance and compliance reviewed for each potential investment<br>• Corporate exclusions: ERF and fossil fuel-related thresholds<br>**Fund investments**<br>• Tracking of customized ESG rating<br>• Dedicated impact funds: SDG contribution measurement and reporting<br>• Fund exclusions: New investments to adhere to ERF and fossil fuel-related thresholds | | • **USD 75m** invested in dedicated private equity impact funds<br>• Strengthened fossil fuel-related exclusion provisions for new private equity funds and co-investments |
| **Real estate** | | • Operating model: Environmental and social considerations incorporated<br>• US portfolio benchmarked against ESG standard (GRESB)<br>• Location dependent sustainability certification: MINERGIE® standard, LEED certification, BREEAM certification<br>• Counterparty exclusion: ERF and UN GC screening | | • **85/100 GRESB** score achieved with US real estate portfolio<br>• **5 stars** rating achieved for Direct Real Estate as part of the PRI assessment for the reporting year 2020 (assessment results were published in 2022) |

**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] For further information, please refer to the TCFD section of Swiss Re's Financial Report 2022, page 165.
[3] ICMA: International Capital Market Association (for further details, see "Inclusion" section on pages 37–38).
[4] Includes strategic holdings.

At the end of 2022, approximately 43% of the investment portfolio was managed externally, and 98% of those assets were managed by signatories to the Principles for Responsible Investment (PRI). In the reporting year, Swiss Re revised its approach to selecting and monitoring external investment managers for compliance with its responsible investing expectations. The strengthened due diligence framework is used to evaluate the managers' ESG integration into their investment decisions and monitoring, as well as their commitment to responsible investing. This includes the assessment of the following elements of their responsible investing approach: governance and policies, resources, philosophy and integration, stewardship, portfolio monitoring and reporting as well as memberships and disclosure. For the revision, current market standards as well as best-in-class approaches were taken into account.

Another important part of the Enhancement cornerstone is Swiss Re's approach as a shareholder, which is described in the "Stewardship" section on pages 39–40.

### Inclusion

Investments positively contributing to the UN Sustainable Development Goals (SDGs) are ideally suited to address specific sustainability topics, 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 in the graph below.

#### Overview of project 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; Life-saving medical deliveries; On-farm solar energy generation; 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; Students education | |
| **USD 1.1bn** | **USD 1.4bn** | **USD 75m** | **USD 3.8bn** |

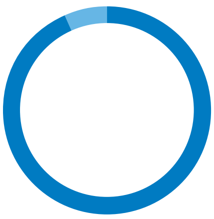
Supported SDGs


[1] SDI Asset Owner Platform's "Sustainable Development Investments (SDIs) Taxonomy & Guidance" and the "SDG Impact Indicators Guide for Investors and Companies" 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 target reporting. In total, Swiss Re held USD 3.8 billion in green, social and sustainability bonds issued in accordance with ICMA's GBP and SBP at the end of 2022, corresponding to 95% of the target of USD 4 billion set for achievement by the end of 2024. In 2022, less than 7% of the bonds reviewed did not meet the criteria of ICMA's two sets of principles.

For Swiss Re's real estate portfolio, the focus is on certified buildings, such as those adhering to the MINERGIE® standard in Switzerland. By the end of 2022, the market value of MINERGIE®-certified buildings reached USD 0.7 billion, or 27% of the portfolio's Swiss direct investments.

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



- 93.4% Fulfilling
- 6.6% Not fulfilling

The externally managed real estate portfolio is mainly invested in the US, Central and Eastern European (CEE) and UK real estate markets, and amounted to a total market value of USD 1.8 billion at the end of 2022. In all of these countries, striving for leading local sustainability certifications is part of the selected investment managers' approach. For more information, please refer to the TCFD section of Swiss Re's Financial Report 2022, page 166.

For its infrastructure debt portfolio, Swiss Re set a 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 year-end 2019. As of 31 December 2022, it deployed a total of USD 751 million to such debt compared with the base year, thus reaching the target ahead of time. Overall, Swiss Re held USD 1.1 billion[2] of social and renewable energy infrastructure debt as of year-end 2022. For more information, please refer to the TCFD section of Swiss Re's Financial Report 2022, page 165.

Impact private equity funds 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 2022, these fund investments reached a total of USD 75 million.

### Exclusion

Swiss Re's approach to exclusion is based on the Group-wide ESG Risk Framework, which sets criteria for what Swiss Re considers acceptable business and may lead to exclusions of companies or countries from its investment universe. Further information is available in this report in the "Sustainability risk management" chapter, on pages 18–21. Additionally, Asset Management considers the way companies conduct their business by screening their alignment with the Ten Principles of the UN Global Compact.

Swiss Re's mid-term objective for 2030 is to fully exit coal mining and coal-based power generation for its listed equity and corporate bond portfolio via normal portfolio reallocations. The company has already taken action in recent years by introducing thresholds for coal-related investments and avoiding investments in the 10% most carbon-intensive oil and gas companies.

In Swiss Re's infrastructure debt and corporate private placement portfolios, any coal-related assets are excluded, and oil- and gas-related investments are limited to maturities not longer than 2030 and 2035, respectively. Additionally, Swiss Re strengthened its fossil fuel-related guidelines for new private equity funds and co-investments in 2022.

**Fossil fuel-related thresholds**

swissre.com

[1] Based on original face values.
[2] Based on US GAAP values. The amount of USD 1.1bn reflects the sale of ReAssure in 2020, and debt which has matured or been repaid since the base year 2019.

### 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.

**Climate-related financial disclosures (TCFD)**
Swiss Re has been reporting climate-related information in line with TCFD recommendations and providing insights into these risks and opportunities in its investment portfolio since 2016. The 2022 section, which is integrated into the Financial Report 2022, includes further information on the following investment-related topics:

- Reporting on carbon emissions for the investment portfolio
- Intermediate emission reduction targets for achieving a net-zero investment portfolio by 2050
- Measurement and monitoring of the trajectory to net zero and active management of potential stranded asset risks

**Climate-related financial disclosures (TCFD)**

Financial Report 2022

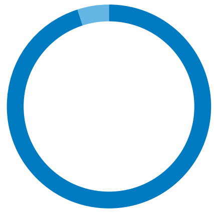
## Stewardship

In 2022, 97% of the voting rights of Swiss Re's actively managed listed equity assets were exercised on its behalf. The selected external investment managers voted in line with the respective management resolution recommendation in 85% of cases and against it in 12% of cases. In 3% of cases, they abstained from voting. The remaining votes were withheld.

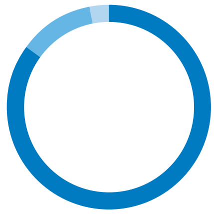
In addition to shares in listed companies, investments in Swiss Re's equity portfolio include equity exchange-traded funds (ETFs). The selected fund managers cast votes on these ETFs in line with their own voting policies and processes.

Swiss Re considers engagement with the real economy as an integral part of its contribution to limiting global warming to 1.5°C. Its internally developed Engagement Framework has been designed to encourage investee companies to strengthen their business performance and achieve shared long-term responsible investing goals. The framework comprises two engagement topics, specified by three focus areas each as outlined below:

Swiss Re's voting activities in 2022




Swiss Re's voting behaviour in 2022




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 |

Furthermore, the Engagement Framework takes into account regulatory requirements such as the EU Shareholder Rights Directive 2017/828 (SRD II).

Since the introduction of the framework three years ago, Asset Management has been working closely with the investment managers to execute it for its actively managed listed equity portfolio. Targets have been set for engagement frequency and desired outcomes, and the investment managers are required to report the level of progress achieved and highlights of their engagement activities to Swiss Re.

In 2022, Swiss Re's selected investment managers engaged with 36% of the Group's actively managed listed equity mandate holdings (around 330[1]) on the first engagement topic, and with 34% on the second topic[2]. On a value-weighted basis[3], 61% of holdings were engaged on the first engagement topic and 57% on the second. For both topics, all holdings of the Energy Sector were engaged. With close to 90%, the second highest engagement penetration for the first topic was in the Materials Sector, and for the second topic in the Financials Sector. Additionally, according to the reporting by the investment managers, on average, 31% of the portfolio companies had implemented measures as defined in at least one of the focus areas under the first engagement topic by the end of the year. For the second topic, on average, 39% had applied measures as defined in at least one of the focus areas.

Engagement activities per topic


Through dedicated climate action, Asset Management is working to achieve a net-zero GHG emissions investment portfolio by 2050, setting intermediate targets every five years and regularly reporting on progress achieved. As part of that, it set the target to reduce carbon intensity by 35%[4] for the corporate bond and listed equity portfolio to be met by the end of 2024, with base year 2018.

Putting emphasis on engaging with companies that have a carbon footprint above the aspired intensity level is one of the measures aimed at achieving this target. In 2022, 80% of the top 20 emitters in Swiss Re's actively managed listed equity portfolio were engaged to this effect.

Having access to financially relevant ESG information is vital in order 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 2022, the selected investment managers engaged with 46% of companies in Swiss Re's actively managed listed equity portfolio that have an MSCI ESG rating of BB and lower. With limited leeway for deviations from the restriction to ESG BB and better granted to its actively managed listed equity mandates, such companies only account for a minor share of Swiss Re's investment portfolio.

**Stewardship**

swissre.com

[1] In 2022, primarily the actively managed listed equity exposure was reduced in light of the cautious investment outlook, which had an impact on the number of holdings as of year-end.
[2] The engagement penetration reflects engagement activities performed on Swiss Re's holdings as of year-end 2022. Several changes in external investment managers throughout the year led to a reduction in the number of holdings engaged.
[3] Each engaged holding's investment amount in the portfolio divided by the total portfolio investment amount.
[4] Covering Scope 1 and 2 GHG emissions.

## Promoting responsible investing

Further shifting the large institutional asset base towards sustainable investments would have an amplifying effect on making the world more resilient. To help advance this process, Swiss Re not only collaborates with its investee companies, but also with other key stakeholders.

As a founding member of the UN-convened Net-Zero Asset Owner Alliance (AOA), Swiss Re also co-led the development of the AOA's second Target Setting Protocol, which was released in 2022. Furthermore, Swiss Re's Asset Management contributed to the AOA's second progress report released in September 2022 and to a number of other publications. The progress report summarises the activities and achievements of the AOA and its members since the publication of the report's first edition.

In this context, Swiss Re continued to promote the transition to net-zero GHG emissions by appearing on several panels in 2022, including, "The Journey to Net Zero: Deep-dive into the Net-Zero Alliances", hosted by the Principles for Responsible Investment and the UN Environment Programme Finance Initiative (UNEP FI) as part of the Building Bridges week in Geneva.

As part of relevant industry organisations such as the Swiss Insurance Association and Swiss Sustainable Finance, Swiss Re Asset Management contributes to discussions about financial market developments in Switzerland related to responsible investing. It is also engaged in an ongoing dialogue with other industry participants to foster greater appreciation of responsible investing as an investment approach.

Swiss Re first formalised its commitment to responsible investing in 2007 by signing the Principles for Responsible Investment (PRI). In September 2022, PRI released the assessment results for the reporting year 2020. Based on PRI's new reporting framework and assessment scale, Swiss Re received the highest possible rating for its Investment & Stewardship Policy as well as for Direct Real Estate, and the second highest for all other reported categories.

To build consistent know-how on responsible investing within Swiss Re, employees are offered various opportunities to receive ESG training. In addition, regular updates on key developments in responsible investing are provided to Swiss Re's senior leadership, for example, in the Asset Management Investment Committee, and to the Board of Directors' Investment Committee.

**Ratings & memberships**

swissre.com

## Responsible investing governance framework

Swiss Re Asset Management's governance framework is key to ensuring that responsible investing is consistently integrated along the entire investment process in both a structured and controlled way. In 2022, the governance and management oversight of responsible investing processes were internally audited and received a satisfactory audit rating.

**Responsible investing governance framework**

swissre.com

# Knowledge sharing

Swiss Re aims to promote effective responses to key risks and challenges. Engaging in regular dialogue with its stakeholders serves to co-create relevant knowledge and share expertise.

## 2022 highlights:

Placed a special focus on **floods, the hydrogen economy and income inequality**

Published the **tenth edition of the SONAR report** on emerging risks

Continued to hold **events in a hybrid format**, offering both onsite and online attendance

Swiss Re's re/insurance solutions help clients and partners manage the risks they face. This in turn supports economic stability and helps create growth potential. However, many of today's risks are complex and may threaten sustainable progress. To find effective, long-term responses to such risks, partners from the public and the private sectors must work together. Swiss Re therefore attaches great importance to engaging in an active dialogue with its principal stakeholders, which include:

- Clients: cedents, brokers, corporates, government entities, multilateral organisations, non-governmental organisations (NGOs)
- Financial community: investors/shareholders, rating agencies, shareholder associations, stock exchanges
- Employees
- Political and legal entities: multilateral organisations, governments, regulators, standard-setting boards
- Civil society: the general public, NGOs, academia

As a risk knowledge company and ultimate 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 key risks and takes an active role in discussions about them.

Swiss Re shares, exchanges and co-creates knowledge through many channels, eg its publications, international dialogue platforms, and client and partner events, as well as cooperation with governments, NGOs and academic institutions. Swiss Re Institute plays a key role in the Group's dialogue with stakeholders.

Focused efforts help generate valuable feedback and new insights for risk management and product development, sharpening the company's understanding of key perils and sustainability issues. The Group Sustainability Strategy (see "Swiss Re's approach to sustainability" chapter, page 12) provides an important focal point for these efforts.

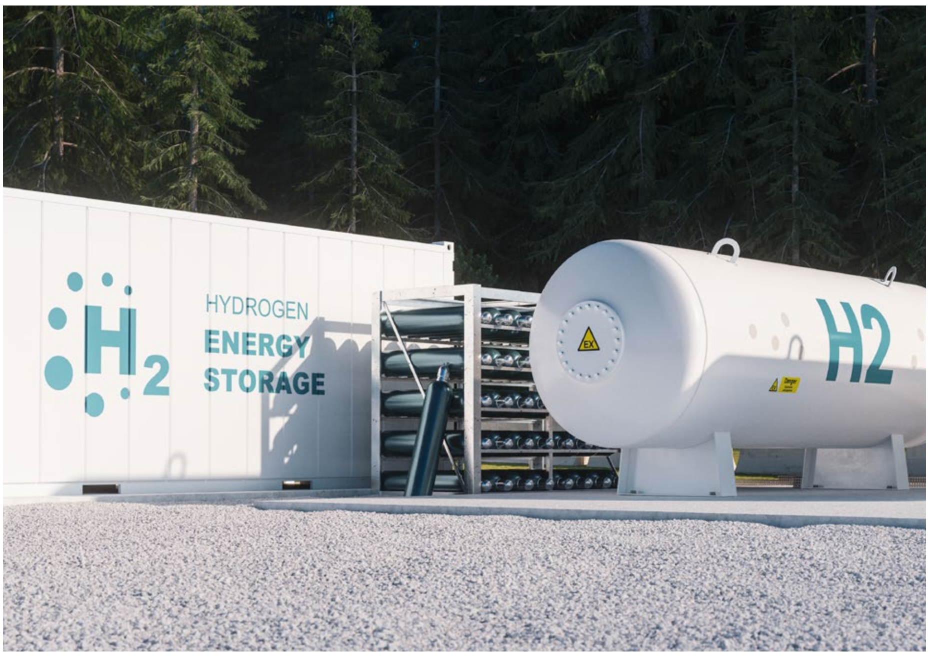
Below are summaries of some key topics addressed during 2022, plus links to further information on swissre.com.

## De-risking the hydrogen economy

In line with its ambition to advance the net-zero transition, Swiss Re supports the development of alternatives to fossil fuels. Hydrogen can act as such an alternative in the transition to net-zero emissions, as it does not emit $CO_2$ and can be produced using renewable energy.

However, hydrogen has not yet been used as a fuel at large scale and possesses unique features that make it complex to de-risk. In an Expertise Publication, Swiss Re Institute recently examined what could be done to accomplish this de-risking.

The publication emphasises the need for key stakeholders to work together for the safe adoption of a large-scale hydrogen economy and the important role the re/insurance industry can play in this by providing risk management knowledge and risk transfer options. In this spirit, Swiss Re also organised two multi-stakeholder events in The Hague and Copenhagen. The presentations given by all the keynote speakers can be found on swissre.com (see links below).




**Discover more**

**Publication**
De-risking the hydrogen economy

swissre.com

**Event** (in Copenhagen)
Hydrogen as a Game Changer in Energy Transition

**Event** (in The Hague)
Hydrogen as a Game Changer in Energy Transition

swissre.com

## Reshaping the social contract: the role of insurance in reducing income inequality

Income inequality within countries is negative for social cohesion, economic growth and financial markets. It is also detrimental to most insurance markets, leading to overall lower insurance penetration and reduced household protection.

*sigma* 3/2022, "Reshaping the social contract: the role of insurance in reducing income inequality" explores the dynamics of inequality across the world and aims to understand how the current macroeconomic and geopolitical environment might further influence these. The research also examines the respective roles of the public and private sectors, including the insurance industry, in tackling this growing societal issue.

Inequality has a significant negative impact on insurance demand. The study suggests that even in advanced economies, which have become more unequal since the 1990s, household insurance protection would have been about USD 250 billion higher in 2019, had equality remained at 1990 levels.

The study also shows that insurance is a powerful tool to promote economic growth and reduce inequality, by supporting the stability of household incomes that suffer shocks. Insurance can raise economic growth by managing risks and saving lives by encouraging risk mitigation. By enhancing households' predictability of outcomes, insurance can enable more complex economic interactions.

Shortly after the publication of *sigma* 3/2022, Swiss Re Institute held an online launch event. Swiss Re's Group Chief Economist was joined by a panel of leading international experts, including from the OECD and the London School of Economics, to discuss key drivers and inherent risks of inequality, and how the insurance industry can help governments reshape the social contract. A replay of the event is available at swissre.com.

**Discover more**

**Publication**
*sigma* 3/2022: Reshaping the social contract: the role of insurance and its role in reducing income inequality

swissre.com

**Event**
Reshaping the social contract: the role of insurance in reducing income inequality

swissre.com

## Urban resilience in Asian megacities

Asia is urbanising at breathtaking speed. Of the 47 cities that are defined as "megacities", meaning they have a population of more than 10 million people, two-thirds are in Asia. This fast rate of urbanisation brings tremendous opportunities, but also creates significant challenges. In autumn 2022, Swiss Re and Asia Society Switzerland jointly organised two events, putting the spotlight on two such challenges.

The first event looked at the enormous pressures caused by so-called slow-moving stresses. Authorities need to expand infrastructure, provide housing, build schools and hospitals, find ways to discard the ever-growing amount of household waste, all while battling increased flooding. The experts discussed how these fast-growing cities can build resilience to deal with these slow-moving stresses.

More people means more potential victims, and so the second event focused on the increased risks these cities face. Experts from Karachi, Manila, Singapore and Zurich discussed how cities in the Asia-Pacific region can build resilience to deal with and bounce back from sudden natural disasters and other large-scale incidents.

Summaries and full video recordings of both events are available on swissre.com.

**Discover more**

**Event**
Urban resilience: How Asian cities face slow-moving threats

swissre.com

**Event**
Urban resilience: How Asian cities bounce back from sudden disasters

swissre.com

## Floods

Floods were a key focus in Swiss Re's efforts to share knowledge on key risk trends in 2022. The annual Natural Catastrophe edition of *sigma*, which always takes a more detailed look at specific perils, centred on floods (*sigma* 1/2022).

The publication provided data on how total economic as well as insured losses from floods have been on an upward trend globally and identified the main drivers responsible for these trends. In view of the fact that this secondary peril is rivalling primary perils in terms of damage, it argued that it is incumbent on the insurance industry to help increase the financial resilience of households, businesses and communities.

Swiss Re Institute then organised an event to advance industry dialogue on *sigma*'s findings. Held in a hybrid on-site and online format, it took a deeper dive on flood risk and what the insurance industry can do to help build societal resilience in the face of increasing secondary perils. Participants had direct access to experts and leaders from Swiss Re and the re/insurance industry, benefitting from their views on trends and opportunities, and their insights on how to manage them.

Finally, Swiss Re Institute published "Flood: new risk-based pricing capabilities, new opportunities to close protection gaps" as part of its "Economic Insights" series. Starting with a summary of the increasing loss trend and protection gap, it stressed that new data and modelling now enable risk-based pricing for flood risks. This is helping to expand flood covers to more markets and to public-private partnerships.

**Discover more**

**Publication**
*sigma* 1/2022: Natural catastrophes in 2021: the floodgates are open

**Event**
Floods and other secondary perils: Opportunity or threat for the industry?

**Publication**
Flood: new risk-based pricing capabilities, new opportunities to close protection gaps (Economic Insights)

swissre.com

## SONAR 2022

Swiss Re identifies emerging risks through its proprietary SONAR ("Systematic Observation of Notions Associated with Risk") tool, an internal crowdsourcing platform that collects input and feedback from underwriters, client managers, risk experts and others across the company. The identified risk themes are then categorised according to their estimated impact and potential timeframe to materialise as well as to the line of business where the biggest exposure seems to rest.

The yearly SONAR report, which has been published since 2013, provides a forward-looking perspective of new emerging risks gathered in this way for the re/insurance industry and its stakeholders. The 2022 edition put the spotlight on climate change and the transition to a low-carbon economy, real and hyped technological disruptions, and increased global uncertainty and risk awareness. Marking its tenth anniversary, the report also looked at lessons learned from Swiss Re's emerging risk analyses over the past decade.

To launch the anniversary edition of the SONAR report, a special hybrid event was held in June 2022. Swiss Re's Group Chief Risk Officer Patrick Raaflaub presented the latest risk insights from the previous year and explored lessons learned. Discussions focused on the evolving opportunities and risks of two topics featured in the report: sustainable farming and quantum computing.

The 2022 SONAR report, a replay of the conference and a blog by Patrick Raaflaub are available on swissre.com.

**Discover more**

**Publication**
SONAR report 2022: New emerging risk insights – 10th anniversary edition

**Event**
Swiss Re SONAR 2022: New emerging risk insights

**Blog by the Group CRO**
Ten years on, SONAR's aim remains helping society prepare for (the next) real-world perils

**Article**
10 years of SONAR – lessons from emerging risks

swissre.com

**Further information**
Below is a selection of further sustainability-related publications and events from 2022. Click on the items to find out more.

Endemic Covid: The end of the pandemic?

Golden slumbers: The health benefits of good sleep

Decoding digital trust – An insurance perspective

The green transition: inflation that we cannot afford not to bear (Economic Insights)

Swiss Re global COVID-19 consumer survey 2022

Mental health in Europe: younger generations want digital insurance solutions (Economic Insights)

Energy crisis: Europe-wide fallout from Germany's dependence on Russian gas (Economic Insights)

*sigma* 5/2022: Maintaining resilience as a new world order takes shape

Concrete solutions for sustainable construction

Shaping a sustainable future for India: How insurers can help

swissre.com

# Governance and compliance

Through its company culture as well as sound frameworks and procedures, Swiss Re seeks to ensure accountability, compliant behaviour and integrity across the Group.

## 2022 highlights:

The BoD, its committees and the Group EC have **explicit responsibilities related to sustainability**

Conclusion of **"High Performance with High Integrity dialogues",** with highly positive feedback from both facilitators and attendees

Updated **Global Framework for Anti-Bribery and Corruption** to improve reporting and oversight of gifts and hospitality

Developed a **"Modernised Training"** platform for mandatory global compliance trainings, enabling better tailoring to individual risk exposures

Continued strategic focus on **data-driven assurance activities**

# Corporate governance

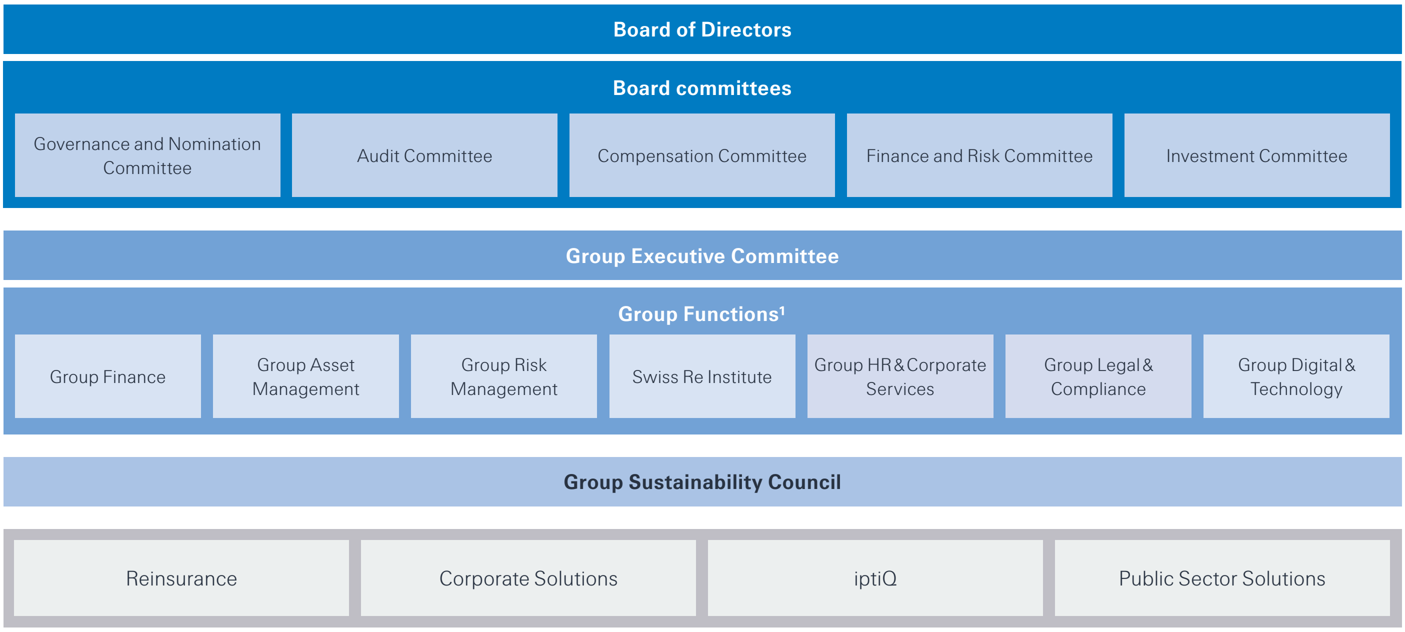
Swiss Re's corporate governance facilitates the assessment of the quality of Swiss Re's organisation (see Financial Report 2022).

**Sustainability governance**
The Board of Directors, the Board committees and the Group Executive Committee (Group EC), as well as individual members thereof, have explicit responsibilities related to sustainability, which includes climate-related topics.

The Group Sustainability Council (GSC) is an advisory body to the Group EC, chaired by the Group CRO. It is composed of Group EC members and additional senior management representatives. The GSC is responsible for the coordination and the alignment of sustainability-related activities at Group level, and for monitoring progress on the implementation of the Group Sustainability Strategy (see pages 12–14).

More information on explicit responsibilities related to sustainability is provided in the Corporate Governance section of the Financial Report 2022.

Swiss Re's sustainability governance




[1] Dedicated sustainability roles, networks and/or committees in all Group Functions and on business level.

## Discover more

**Corporate governance**
Financial Report 2022

**Compensation Report: Group compensation framework**
Financial Report 2022

**Sustainability governance**
Financial Report 2022

**Corporate Bylaws**
swissre.com/bylaws

# Compliance

Swiss Re's Code of Conduct ("Code") and supporting actions to drive appropriate standards help ensure that behaviour across the Group is compliant and demonstrates integrity.

The Code of Conduct is one of the key documents governing the management of risks and driving the culture within the company. It sets the framework and defines the basic compliance and integrity principles that Swiss Re adheres to globally. The Code is founded on five values that provide guidance for making responsible decisions and achieving results based on the highest ethical standards: integrity, team spirit, passion to perform, agility and client centricity.

The Code also offers practical guidance and examples to help decide the appropriate course of action and solve ethical dilemmas. It further sets out how all employees should react when they observe a possible breach of the principles in the Code. All employees are obligated to uphold both the letter and spirit of the Code, its policies and standards, as well as Swiss Re's corporate governance principles in their daily business activities. They must also respect and comply with applicable laws and regulations in all jurisdictions where the Group does business.

The Code is regularly reviewed and updated to reflect changes in regulations and principles. In 2022, minor updates were made to clarify examples and definitions. The Code is supported by detailed policies and standards that document Swiss Re's requirements in line with applicable laws and regulations. It is available to all employees in nine languages: English, Chinese, French, German, Italian, Japanese, Portuguese, Slovak and Spanish.

## Assurance

Swiss Re´s Compliance function performs independent risk-based assurance activities to ensure adherence to, and the efficiency of, processes and controls mitigating key compliance risks across the Group. In 2022, Compliance continued its strategic focus on data-driven assurance activities to enhance efficiency in identifying insights into and mitigation of compliance risks.

## Policies

The Code addresses the following key compliance 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 some key topics in the Code is provided below.

### Bribery and corruption

The Code addresses Swiss Re's position on bribery and corruption; "We conduct business fairly without accepting or offering benefits intended to improperly influence decision-making". Operationally, there is a Global Framework for Anti-Bribery and Corruption ("ABC Framework") in place, including policies, standards, training, assurance activities, enabling advice and tools to help manage these risks. The framework undergoes regular reviews and, in 2022, was updated to improve reporting and oversight of gifts and hospitality.

Additional information on the ABC Framework can be found on the Preventing Financial Crime and Sanctions Violations page at swissre.com (see link below).

### Data protection

The Code highlights that personal data must be handled with the greatest care and used only for legitimate business purposes. Operationally, there is a Global Framework on Data Protection ("DP Framework") in place, including policies, standards, processes (eg reporting security incidents and notifying of data breaches), training, assurance activities, enabling advice and tools to help manage this risk, as well as a comprehensive Digital Governance Framework. These frameworks address Swiss Re's commitment to protecting personal data and respecting privacy rights across its operations, including all digital projects.

Within the DP Framework, internationally recognised data protection and privacy principles are applied to ensure compliance with complex and constantly changing laws and regulations. Swiss Re adopts a "Privacy by Design" approach to the development and implementation of new processing activities. For more information on the Swiss Re Global Privacy Notice see link below.

**Code of Conduct**

swissre.com

**Preventing Financial Crime and Sanctions Violations**

swissre.com

**Data protection: Swiss Re Global Privacy Notice**

swissre.com

**Money laundering, international trade controls and economic sanctions**
The Code draws attention to the risk of becoming involved in money laundering and emphasises the importance of due diligence. Additionally, it commits Swiss Re's employees to adhere to all applicable international trade controls and economic sanctions as well as internal requirements (that may be stricter) to protect the company against entering into prohibited business activities.

Swiss Re operates global and local frameworks on Anti-Money Laundering and on International Trade Controls and Economic Sanctions, both of which are supported by the Global Policy on Financial Crime and Sanctions. These frameworks set out in detail key requirements and guidance to ensure compliance with applicable laws and regulations.

Additional information can be found on the Preventing Financial Crime and Sanctions Violations page at swissre.com (see link below).

**Sustainability and human rights**
The Code includes Swiss Re's formal commitment to sustainability and human rights, providing a guiding principle for the Group's efforts to act as a responsible company.

## Reporting misconduct, whistleblowing and investigations

Swiss Re encourages anyone to report incidents if they suspect someone inside, or connected with, Swiss Re is acting in a manner that could constitute misconduct. It therefore has a comprehensive Whistleblowing Programme in place to facilitate raising and investigating misconduct. For more information, including available reporting channels, see the Reporting Misconduct (Whistleblowing) at Swiss Re page at swissre.com (see link below).

Investigations are handled by the relevant impartial function within Swiss Re. Generally, this function will be the Investigation Coordination Process (ICP) managed by Compliance or Employee Relations experts within Human Resources, in conjunction with delegation to local representatives where applicable.

Misconduct cases are systematically presented to and discussed with the Group Executive Committee, the Group Board of Directors, the Group Audit Committee as well as legal entity boards. In addition, the investigation process is independently reviewed by external auditors each year.

In 2022, 82 ICP cases were investigated. Thereof, 74 were opened in 2022 and eight were ongoing from 2021.

In 2022, 67 cases were closed:
- 39 were closed as substantiated
- 28 were closed as unsubstantiated

At the end of 2022, there were 15 ongoing cases.

Reports were received via the following channels: 54 through internal avenues; five through external sources; 17 through the whistleblowing hotline; and six through process detection.

The categories of cases investigated in 2022 were:

| Category | Closed Substantiated | Closed Unsubstantiated | Ongoing |
|---|---|---|---|
| Discrimination and harassment (including bullying) | 3 | 14 | 7 |
| External fraud | 20 | N/A | N/A |
| Internal fraud | 3 | 4 | 4 |
| Insider trading (including accidental trading within a close period and misuse of confidential business information) | 7 | 2 | 1 |
| Corruption and bribery | 1 | 1 | N/A |
| Conflict of interest | 2 | 5 | N/A |
| Culture of integrity | N/A | 2 | 1 |
| Missed Annual Compliance Attestations | 1 | N/A | N/A |
| Missed compliance eLearning | 2 | N/A | 1 |
| Other | N/A | N/A | 1 |
| Total | 39 | 28 | 15 |

**Preventing Financial Crime and Sanctions Violations**
swissre.com

**Reporting Misconduct (Whistleblowing) at Swiss Re**
swissre.com

Of the 82 cases that were investigated, 20 were due to the actions of external parties and 62 were due to the actions of internal personnel.

The following actions were taken as required for the 67 cases closed in 2022 (note that multiple actions are possible per case):

| Actions | Number |
|---|---|
| Written warning | 10 |
| Verbal warning | 16 |
| Bonus reduction | 2 |
| Termination with notice | 2 |
| Termination without notice | 1 |
| Termination agreement | 1 |
| Non-disciplinary actions (including: training, awareness, process improvements, reports to authorities, etc) | 75 |

In each case, regardless of the outcome, lessons learned from the investigation are communicated within the Compliance function as well as to other relevant stakeholders. In addition, training and communications are updated accordingly (eg in 2022, anonymised real life cases were used as a basis for the global High Performance with High Integrity dialogues – see below), 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 2022.

### Training

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 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 Risk
- Money Laundering and Terrorist Financing

Employees receive compliance training to refresh their knowledge and increase their understanding of key compliance risks and policy requirements. In 2022, Swiss Re developed a new "Modernised Training" platform for delivering mandatory global compliance trainings. This platform allows employees to tailor their training journey according to their learning preferences and the risk exposure of their role.

Global mandatory trainings focused on two key compliance risks: Conflicts of Interest and Anti-Money Laundering.

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 2022, for example, targeted mandatory training on Conduct Risk was delivered to iptiQ employees, and international trade control and sanctions training was provided to Reinsurance and Corporate Solutions employees who have a high exposure to this risk.

The "High Performance with High Integrity dialogues", which launched in the last quarter of 2021, were successfully concluded in 2022. The initiative provided all line managers with resources to facilitate an integrity dialogue within their teams and discuss Swiss Re's desired behaviours, reporting channels and investigation process. In total, 2 608 sessions were conducted, reaching 12 471 people globally. Crucially, there were very high levels of positive feedback with satisfaction rates of 8.31 (out of 10) for facilitators and 8.48 (out of 10) for attendees. This indicates that the goal of helping employees better understand how they should act and what they can expect when faced with a suspected misconduct situation was achieved.

Training on Code of Conduct topics falling outside the Compliance mandate are managed similarly by the responsible functional areas. All employees are required to complete their mandatory trainings within the prescribed timelines. Completion is tracked and instances of non-completion are escalated until resolution. Employees who fail to comply with their mandatory training requirements on time without a valid reasons are subject to potential disciplinary action. As of the end of 2022, the completion rate of all mandatory training assignments was 98%, including new hire and refresher trainings. One of the global trainings was delivered later in 2022, resulting in the escalation process not being complete. Compliance continues to follow up on non-completions via the escalation process to achieve 100% completion.

### Annual attestation process

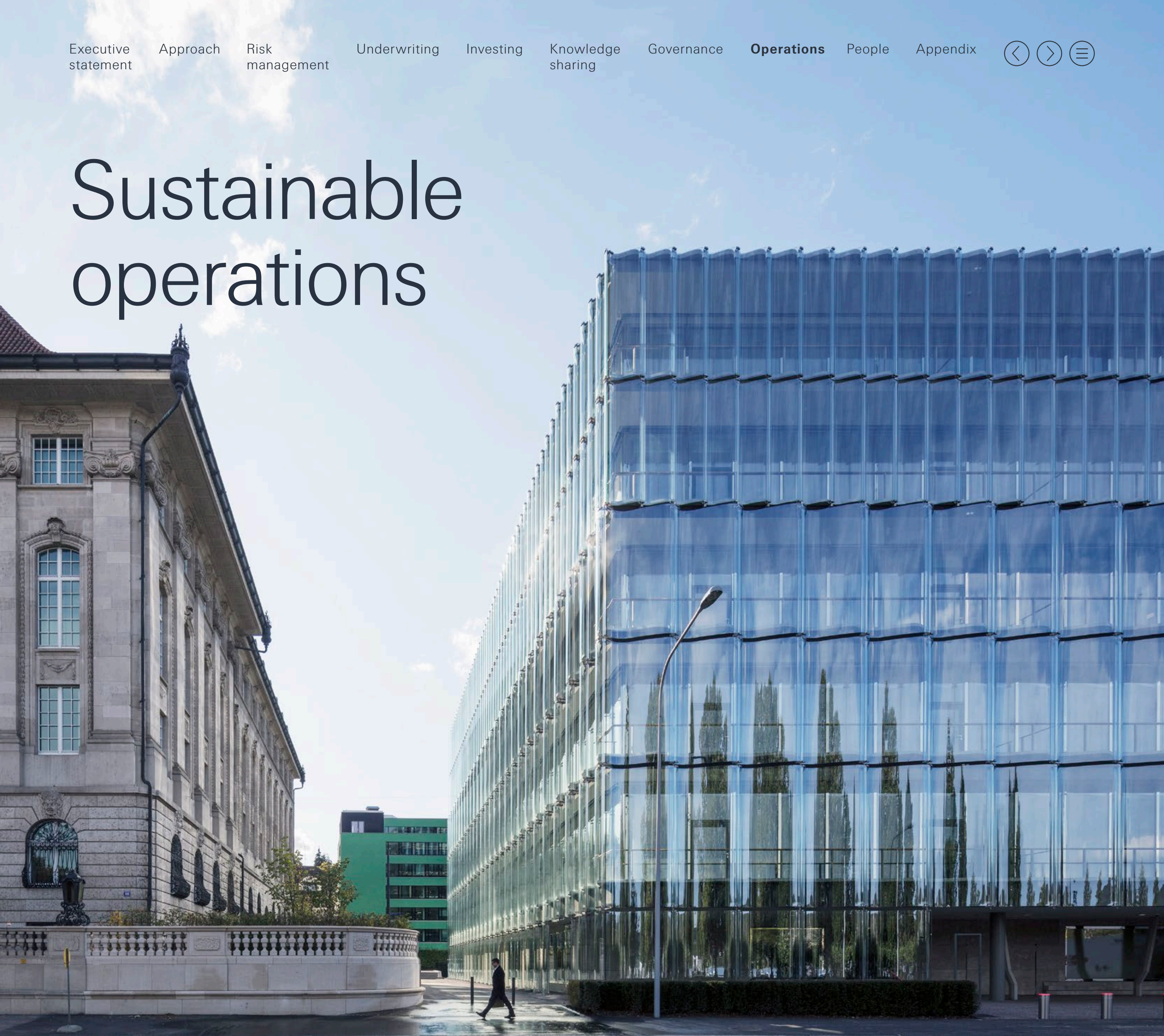
The annual attestation process, through which all permanent and temporary employees acknowledge personal accountability for complying with specific requirements related to the Code and Global Compliance Policies and Standards, was carried out in March 2022. Included in this acknowledgment is a confirmation of personal conflict of interest and gift and hospitality register disclosures.

### Validity for third parties

Third parties representing Swiss Re – such as consultants, intermediaries, distributors and independent contractors – must also comply with the Code and relevant policies. When work is carried out with such third parties, they receive information about the relevant requirements. In the event of any infringements, Swiss Re takes appropriate action, up to and including the termination of contracts.

### Policy governance

Swiss Re's policies and standards can be accessed centrally via a policy management tool. Supporting the principles set out in the Code, Swiss Re has eight global policies containing more detailed principles that all employees must adhere to. Where necessary, underlying global and targeted standards and processes are in place to provide additional details on the specific requirements.



# Sustainable operations

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

## 2022 highlights:

**USD 112 per tonne of $CO_2e$**
New price set for internal Carbon Steering Levy, up from USD 100 per tonne of $CO_2e$ in 2021

**NextGen CDR Facility**
Joined as a founding buyer to continue scaling up carbon removals

**73%**
Absolute reduction in GHG emissions from business air travel compared with 2018 base year

**100%**
Proportion of Segment I and Segment II suppliers that have completed their ESG assessment

**24%**
Share of carbon removals achieved in the mix for compensation of remaining GHG emissions

Swiss Re has been placing a strong focus on reducing its own greenhouse gas (GHG) emissions and energy consumption for around 20 years. In 2019, Swiss Re was one of the first companies worldwide that committed to achieving net-zero GHG emissions in its operations, setting an ambitious target for 2030. At that time, there was no widely agreed and relied-upon definition of net zero and no framework that provided guidance on how to reach this goal. As a pioneer in this area, Swiss Re decided to focus on a dual strategy of reducing emissions to the greatest extent and as swiftly as possible, while gradually moving from carbon avoidance to carbon removal to compensate the remaining emissions.

Recent work carried out by the Science Based Targets initiative (SBTi) now gives Swiss Re the opportunity to align the wording of its operational net-zero ambition with such this widely accepted and applied framework – while bearing in mind, however, that net zero is a concept that is still evolving for financial institutions (see box below).

To ensure that its own operations are on a science-based path to net-zero GHG emissions, Swiss Re continues to implement its CO2NetZero Programme, which was launched in 2020 as part of its original net-zero commitment.

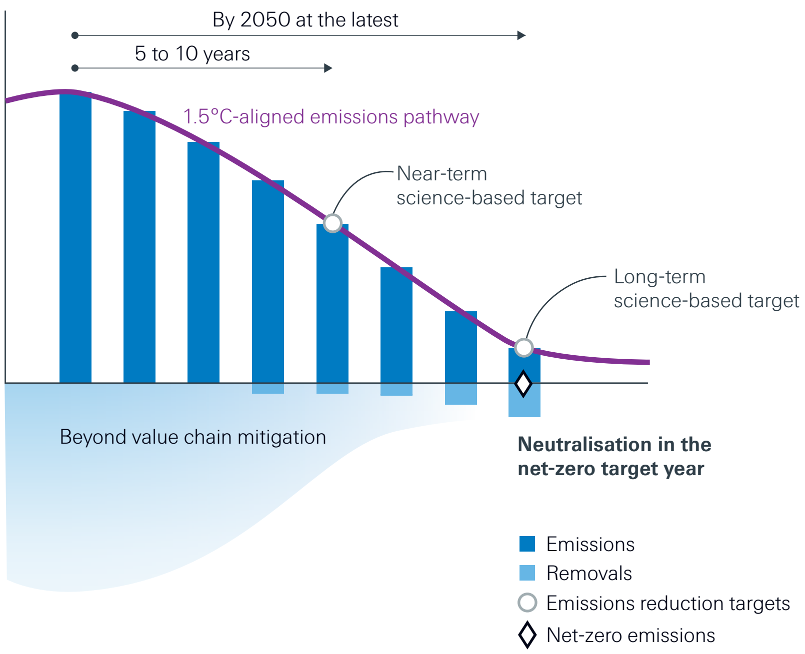
Furthermore, Swiss Re seeks to advance sustainability in its supply chain by working closely with its vendors.

## CO2NetZero Programme

In 2019, Swiss Re committed to reaching net-zero GHG emissions across its operations by 2030. Following the standardisation undertaken by the SBTi in 2021 and 2022, Swiss Re decided to embed these definitions and high-level principles (see box and pictures below) in its CO2NetZero Programme for operational emissions, while voluntarily continuing to go beyond the SBTi's minimum requirements.

### Key elements of net zero according to the SBTi

Adapted from the *SBTi Corporate Net-Zero Standard (version 1.0 October 2021)*




**Net zero for financial institutions**

Achieving net-zero emissions is an ambitious undertaking and corresponding definitions are still being developed. The IPCC states that "net-zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period" (IPCC, 2018).

In October 2021, the Science Based Targets initiative (SBTi) released its Corporate Net-Zero Standard, thus creating the world's first framework for corporate net-zero target setting in line with the latest climate science. While this standard explicitly excluded financial institutions, it was later complemented with the release of the paper Foundations for Science-Based Net-Zero Target-Setting in the Financial Sector in 2022, which represented an important first step towards the definition of common principles for a science-based approach to financial institutions' net-zero target setting. In this paper, the following principles described in the Corporate Net-Zero Standard are also applied to the operational emissions of financial institutions:

- Companies may only claim to have reached net zero through deep decarbonisation and eventual neutralisation of residual emissions
- Emissions must be reduced in alignment with eligible 1.5°C pathways at global or sector level by 2050
- To reach net zero, residual emissions must be neutralised with permanent removals when this level of reduction has been achieved
- Financial institutions play a key role in financing the carbon removal solutions that are necessary to achieve net zero

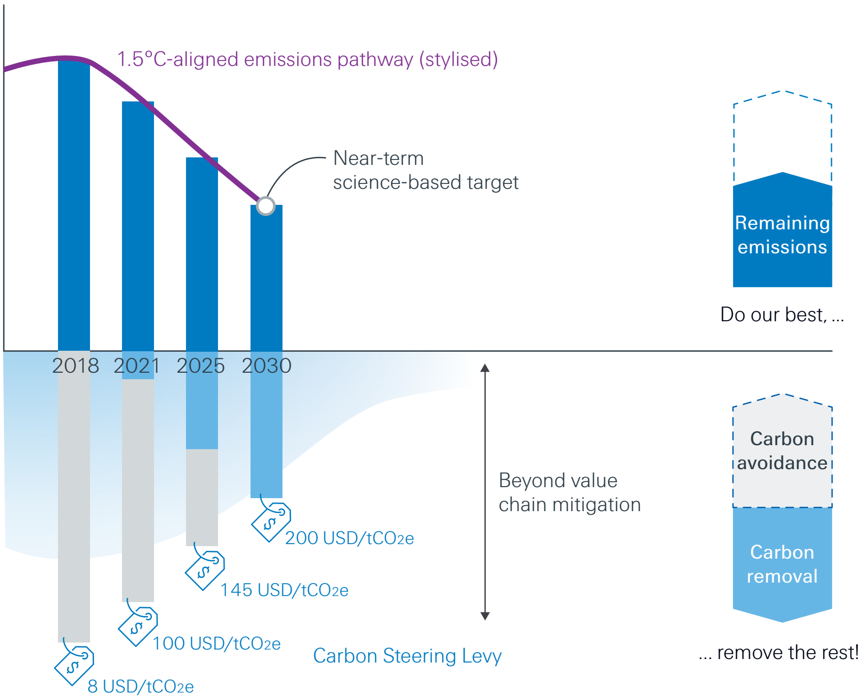
The SBTi is expected to finalise and release its Financial Institutions Net-Zero Standard in the last quarter of 2023 or in early 2024.

Swiss Re's transition path to net zero consists of three elements:

- Swiss Re focuses on reducing GHG emissions within its operational value chain as much and as quickly as possible, setting both near-term and long-term science-based reduction targets that are aligned with a 1.5°C-compatible pathway. At the end of 2022, near-term targets for operational emissions were submitted to the SBTi for validation. Long-term targets will be developed after the release of the applicable standard for financial institutions. See page 17 for Swiss Re's operational GHG emission targets.
- Swiss Re is keen to support the development of the carbon removal market through early engagement. The Group has set a voluntary target to purchase 100% carbon removal certificates as early as 2030, covering the remaining operational emissions that are in scope for compensation[1] in that year.
- Swiss Re continues to compensate its remaining emissions with carbon avoidance and removal certificates[2], linearly increasing the share of carbon removal certificates purchased annually from 0% in 2020 to 100% in 2030. Both certificate types will continue to meet Swiss Re's quality criteria in terms of integrity, durability, scalability and social co-benefits. This voluntary course of action is encouraged by the SBTi and defined as "beyond value chain mitigation".

These three elements are encapsulated in the motto "Do our best, remove the rest". The principal measures Swiss Re has recently taken under this motto are described on the following pages.

Swiss Re's CO2NetZero Programme




| Do our best, ... | ... remove the rest |
|---|---|
| Operating the internal Carbon Steering Levy | |
| • Reducing business air travel<br>• Reducing total energy consumption and moving away from fossil fuels<br>• Using 100% renewable electricity<br>• Minimising office consumables and waste<br>• Advancing sustainability in gastronomy services<br>• Facilitating healthier and greener commuting | • Moving from carbon avoidance to carbon removal to compensate GHG emissions<br>• Partnering with Climeworks and joining NextGen CDR Facility as a founding buyer<br>• Sharing carbon removal knowledge |

[1] Swiss Re's operational GHG emissions in the current scope for compensation are Scope 1, Scope 2 and a significant part of upstream Scope 3 (ie business travel, fuel- and energy-related activities, paper, water and waste).
[2] Carbon avoidance certificates: emitters pay third parties to avoid or reduce someone else's emissions (commonly known as "carbon offsets"). Carbon removal certificates: emitters pay third parties for removing emissions from the atmosphere and store them durably (also known as "carbon removals").

## Operating the Carbon Steering Levy

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

In 2022, the internal price per tonne of $CO_2e$ (Carbon Steering Levy) was set at USD 112 – up from USD 100 in 2021. This increase is part of the plan to gradually raise the levy to USD 200 per tonne of $CO_2e$ by 2030, which reflects the expected market price for high-quality carbon removal certificates at that point in time.

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 is expected to incentivise concrete actions on emissions reduction – hence the name Carbon Steering Levy (see: "Do our best" – Reducing business air travel).
- The levy will generate the funds required to cover the rising costs of the carbon certificates mix used for emissions compensation, as the share of carbon removals is planned to linearly increase to 100% in 2030.

Since the carbon removal industry is still in its infancy, carbon removal certificates are expensive at present. Prices are expected to decrease over time as technologies and markets mature, but for high-quality removals they will likely remain above the level of Swiss Re's Carbon Steering Levy until the end of the decade. Meanwhile, conventional carbon offsets – including the high-quality ones Swiss Re has bought in the past and will continue to buy – are expected to remain available at prices well below its internal levy. Mixing higher-cost removals with cheaper offsets will make it possible to balance the Group's average carbon certificate price so it never exceeds the level of the Carbon Steering Levy in any given year.

Finally, with its ten-year time horizon the levy helps eliminate planning uncertainty. In particular, it 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 a financial services company, business air travel represents a major part of operational GHG emissions. Over the years, Swiss Re has taken several measures to counteract this, including a carbon levy on 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 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 tools allowing management to plan and monitor these GHG 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% in 2022, 2023 and 2024 (all compared with the 2018 level).

Swiss Re has achieved this goal, reducing GHG emissions from business air travel by more than 70% in 2022 compared with 2018. While this was helped by the fact that the first quarter of the year was still impacted by COVID-19 travel restrictions, the main contributing factors were: embedding the lessons learned during the pandemic in day-to-day business operations; the implementation of the Carbon Steering Levy; and assigning all Business Units and Group Functions stringent yearly $CO_2e$ budgets for business flights.

To allow proper steering of business air travel activity, both the levy and these $CO_2e$ budgets have been integrated into the Group's travel planning, booking and reporting tools. A new dashboard shows the real-time consumption of these budgets with associated emissions and levy costs. This makes the impact of each business trip transparent, creating a strong incentive to reconsider whether a particular trip is really necessary.

### Reducing total energy consumption and moving away from fossil fuels

Swiss Re has made continuous efforts to lower the actual amount of total energy consumed per employee, ie to reduce its total energy intensity (measured as kWh/FTE). The target is to reduce total energy intensity by 2% per year throughout the decade, with 2018 serving as the baseline.

Key measures include: moving to more energy-efficient buildings (both leased and owned), increasing the share of green building labels, eg LEED; and optimising the workplace-related footprint by improving office utilisation and creating more flexible and modern office environments.

Between 2018 and 2022, the Group achieved a 41% reduction in total energy intensity – more than the target of 8% for that period. Although this figure has been distorted by the COVID-19 pandemic, it is noteworthy that in 2022 – despite a marked increase of office utilisation compared with 2021 – total energy intensity fell by 1%.

In parallel, Swiss Re is moving away from fossil fuels as a means to heat and cool its buildings. For example, in the refurbishment of its wholly-owned building in Folkestone (UK) undertaken towards the end of 2021, the old central heating system fuelled by natural gas was replaced with a new electric heating and cooling system. As a result, absolute GHG emissions from this location decreased by approximately 20% in 2022 compared with 2021.

Across of Swiss Re locations, direct GHG emissions from owned or controlled sources (ie "Scope 1"), which are largely driven by the on-site combustion of fossil fuels for heating, have decreased by 31% compared with 2018. In 2022, Swiss Re set a new target for these GHG emissions: an absolute reduction of 53% by 2030, compared with the base year 2018.

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 have been covered by an ISO 14001-certified environmental management system globally. Due to office closures during the COVID-19 pandemic, in 2021 Swiss Re paused the re-certification process, but plans to resume it in 2023. In addition, Swiss Re has received ISO 50001 certification for the energy management system of its main locations in Europe.

### Using 100% renewable electricity

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

Applying an internal standard for the sourcing of renewable electricity, Swiss Re prioritises bringing new renewable assets onto the grid (known as "additionality"), preferably through its own solar plants (direct investments) or long-term virtual power purchase agreements. Where neither option is feasible, it sources high-quality renewable electricity certificates (eg naturemade star in Switzerland).

In 2022, the following solutions were in place:

- Solar photovoltaic installations at the wholly-owned office locations in Armonk (US), 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 the solar photovoltaic installation on the roof of the building
- Green tariffs with local electricity providers and purchase of renewable electricity certificates for the other office locations

### Minimising office consumables and waste

While they are less relevant for Swiss Re's business than other environmental impacts, the Group also measures and strives to minimise its use of office consumables (mainly paper and water) and waste generation.

Measures taken over the years include: introducing reusable dishes and cutlery at major locations; "pull printing" (eliminating uncollected printouts and helping to reduce copy paper use by more than 80% since its introduction in 2016); and reduced hard-copy printing of Swiss Re publications and reports.

### Advancing sustainability in global gastronomy services

Global food systems account for around a third of global GHG emissions. Scientific findings show that a shift towards more plant-based nutrients is the most important measure to significantly cut these emissions.

Swiss Re's staff restaurants, pantry zones and related guest services contribute significantly to its total operational GHG footprint. In view of this, an initiative was launched in 2020 to reduce emissions from global gastronomy services and enhance the sourcing of more sustainable food items. The initiative is based on the three pillars of zero waste, resilient food systems and GHG emissions reductions.

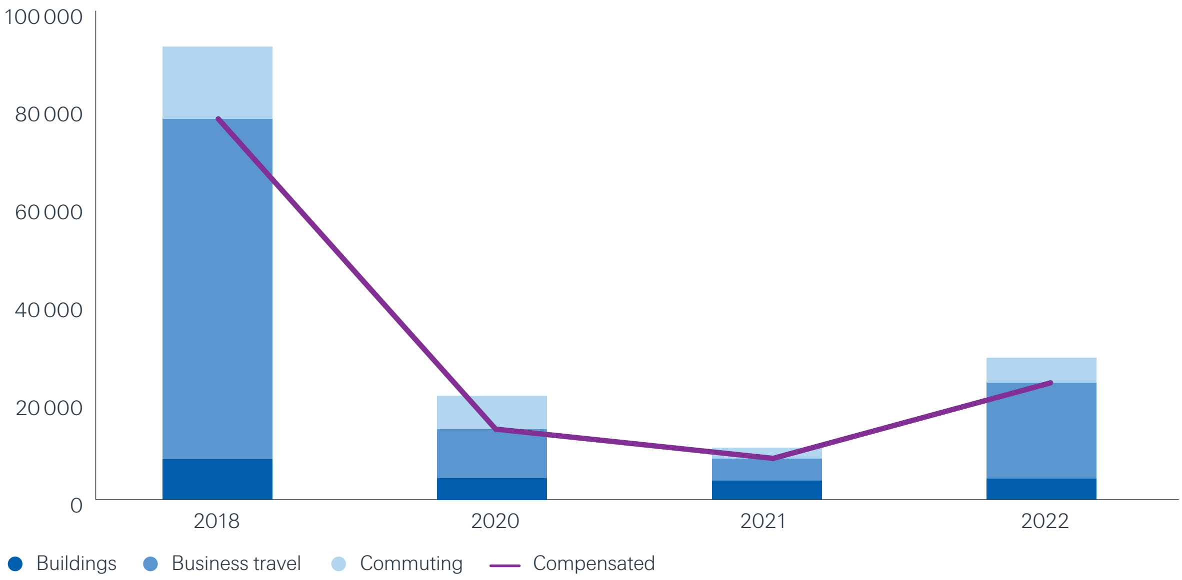
In 2022, a strong focus was placed on the emissions pillar. Swiss Re developed a pilot approach to measure GHG emissions from the on-site food consumption of its employees and implemented this in selected restaurants and pantry zones, in close collaboration with its suppliers and employees.

The pilot yielded important insights into the composition of its gastronomy-related footprint and provided the basis for an effective monitoring process. It also showed that key success factors of such an initiative include active employee participation, high supplier engagement and the setting of location-specific reduction pathways. Monitoring will now be implemented for the main restaurants, which account for around 70% of the Group's overall gastronomy footprint. For the global pantry zones, which account for around 20% of the footprint, specific solutions will be implemented, such as changing to more sustainable coffee and offering plant-based milk alternatives.

### Facilitating healthier and greener commuting

Swiss Re incentivises low-carbon options for its employees' daily commutes through mobility concepts at major office locations. Typically, these include bicycle parking, shower facilities with lockers, subscriptions for public bike rental services, public transportation subsidies, last-mile shuttle services, etc. Due to the COVID-19 pandemic, commuting decreased significantly overall in 2020 and 2021. It started to increase again in 2022, but remained at a much lower level than in pre-COVID-19 pandemic years.

### Swiss Re's operational GHG emissions, in metric tonnes $CO_2e$




Operational GHG emissions within the current reporting boundaries (bars) and emissions currently covered in Swiss Re's scope for compensation (line).

## "... remove the rest" measures

**Moving from carbon avoidance to carbon removal**

Funded through its Carbon Steering Levy, Swiss Re is gradually reducing the share of high-quality carbon avoidance certificates it purchases while increasing that of high-quality carbon removals.

In 2022, Swiss Re's operational GHG emissions totalled 29 069 tonnes of $CO_2e$[1] – roughly a three-fold increase from the previous year, which was still strongly impacted by the COVID-19 pandemic. Compared with 2018, operational emissions have decreased by 69% in absolute terms. The share of carbon removal certificates in the emissions compensation mix was 24% in 2022, thus achieving the Group's minimum target of 20%. These certificates were sourced from a variety of suppliers and two project types – "displace wood consumption" and "biochar".

All carbon avoidance certificates are of the "displace wood consumption" type and stem from a Gold Standard-certified project in Mozambique. The project has provided improved cooking stoves to households and funded the refurbishment of existing water boreholes to prevent wood burning for the purpose of cooking or purifying drinking water.

All carbon removal certificates are of the "biochar" type and stem from various suppliers in Europe, the US and Africa (contracted durability of 50–100 years). Biochar is produced by heating biomass in the absence of oxygen ("pyrolysis"). It consists of carbon black, which decomposes very slowly under natural conditions, rendering biochar a more durable form of carbon storage than the original biomass. It is usually added to degraded topsoil to improve soil fertility.

Since 2003, Swiss Re has compensated 100% of its Scope 1 and Scope 2 emissions 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. Only carbon offsets meeting Swiss Re's internal quality criteria have been used, ie from projects that have not only helped other emitters avoid or reduce their footprints, but in addition have generated significant social co-benefits.

Since 2014, Swiss Re has exclusively supported Gold Standard-certified projects, helping to avoid about half a million tonnes of $CO_2e$. It will continue to do so as its compensation efforts gradually shift from carbon avoidance to carbon removal.

Learn more about Swiss Re's quality criteria for carbon offsets.

**Purchasing high-quality carbon offsets**

swissre.com

[1] Emissions from Scope 2 electricity are market-based, see also table on page 72.

**Sharing carbon removal knowledge**
Carbon removal is still in its infancy. After providing a high-level overview on the topic in the SONAR 2020 report on emerging risks, Swiss Re Institute released an Expertise Publication entitled "The insurance rationale for carbon removal solutions" in 2021. For more information, see the Sustainability Report 2021, "Engaging in dialogue with our stakeholders" chapter, page 52.

## Environmental data and GHG emissions disclosure

Swiss Re has disclosed its operational environmental performance indicators, including GHG emissions and their relative performance over time since 2003, expanding the reporting scope with effect from 2013.

Its operational GHG inventory is based on the guidelines of the Greenhouse Gas Protocol – Corporate Standard, the most widely used international standard for the accounting and reporting of GHG emissions.

The full disclosure of the Group's operational GHG emissions and the underlying environmental indicators for 2022 can be found in the "Sustainability data" section on pages 72–73.

While Swiss Re strives to continuously improve its calculation methodology for the GHG emissions within the current reporting boundary, it also acknowledges the existence of a large portion of operational Scope 3 categories with considerable measurement uncertainty. These emissions are reported only as initial estimates at present. Most of them stem from the activities in the Group's supply chain and are usually referred to as "embodied emissions" in the buildings, products and services needed to run the core business operations. For an overview of operational Scope 3 GHG emissions, including estimates, please see table on page 74.

**Scaling up carbon removals: Partnering with Climeworks and joining the NextGen CDR Facility**
Limiting global warming to 1.5°C compared to pre-industrial levels will require massive emission reductions complemented by the rapid build-up of a powerful carbon removal industry. Nature-based solutions, such as afforestation, will not be sufficient on their own, as they cannot be scaled up sustainably and are also prone to carbon escaping. For this reason, Swiss Re contributes to the development of technological carbon removal solutions, such as direct air capture (DAC), by partnering with innovative and credible players in this emerging industry.

In 2021, Swiss Re and **Climeworks,** the company developing and operating the world's first commercial DAC plant, signed a ten-year carbon removal purchase agreement worth USD 10 million. It is thought to be the first of its kind in the voluntary carbon market for this type of high-quality carbon removal, and thus sends an important demand signal to developers, investors and other buyers.

In 2022 Swiss Re was one of five leading companies that joined the **NextGen CDR Facility** (NextGen) as a founding buyer to scale up carbon removal technologies and catalyse the market for high-quality carbon removals. Swiss Re played an instrumental role in developing the concept of NextGen and bringing it to life. As a first step, NextGen plans to commit to the purchase of over one million tonnes of verified carbon dioxide removals (CDRs) from projects using a range of technologies by 2025, with verified CDRs to be delivered by 2030. Companies joining the facility are making an immediate impact by providing the financial mechanisms to scale up high-quality solutions that aim to meet robust industry standards set by the International Carbon Reduction & Offsetting Alliance (ICROA).

These Scope 3 emissions are difficult to quantify because their sources are beyond Swiss Re's direct operational control; the corresponding accounting methodologies and data collection systems are not yet mature or standardised.

Swiss Re understands the need to engage with its vendors on the topic of climate change mitigation. The future objectives of this collaboration are: identifying and measuring material emissions; setting science-based emission reduction targets; and decarbonising the Group's supply chain in line with the ambition of achieving net zero globally by 2050.

## Sustainability in the supply chain

To run its operations, Swiss Re procures a wide range of goods and services. In line with its Targeted Standard on Procurement, Swiss Re aims to select suppliers that offer the best value for money, balancing demand, financial impact and operational, legal and compliance risk.

Furthermore, as a signatory to the UN Global Compact, Swiss Re is committed to observing its ten principles. Among other things, the principles prohibit any form of discrimination or the use of child or forced labour and they require that the freedom of association and the right to collective bargaining be upheld. These principles of the UN Global Compact are referenced in Swiss Re's Code of Conduct and specifically cover Swiss Re's relationships with external service providers in the areas of human rights, labour conditions, environmental impacts and anti-corruption.

The procurement of all goods and services from external vendors is conducted in accordance with the Targeted Standard on Procurement, which also refers to the Group Code of Conduct. When selecting new products and suppliers, Swiss Re examines whether they comply with these requirements as part of the overall evaluation process. Group Procurement reviews existing strategic suppliers in periodic contract reviews and visits individual suppliers to inspect them on-site or virtually. Internally, Swiss Re holds regular awareness training on the principles of the Group Code of Conduct with its procurement staff.

Since 2016, Swiss Re has continuously promoted sustainability throughout its supply chain, initially by asking its top annual spend vendors to provide transparency into their sustainability performance. To support this request, Swiss Re collaborates with IntegrityNext, an ESG assessment company which provides a platform covering a wide variety of ESG screening criteria across the topics of environmental impacts, human rights, labour practices, ethics and sustainable procurement. The use of ESG performance indicators enables Swiss Re to assess the sustainability performance of its vendors more systematically and to engage them in an ongoing dialogue to achieve meaningful improvements. The assessments also help reduce and manage potential ESG risks in Swiss Re's supply chain.

By the end of 2020, all targeted Segment I and Segment II vendors had completed their ESG assessment (representing 65% of an annual spend of more than USD 1 billion). Since 2021, newly onboarded vendors within Swiss Re's supplier management system are required to complete the ESG assessment during the due diligence process. The insights Swiss Re is gaining into its vendors' sustainability performance continue to enhance the ESG Vendor Development Programme (VDP), a key sustainability initiative in Swiss Re's supply chain management that seeks to improve ESG performance.

Working closely with suppliers is critical to achieve the targeted ESG VDP performance indicators, which is why Swiss Re launched the ESG VDP as a pilot for in-scope Legal & Compliance vendors in 2021 and extended the ESG VDP to a target subset of Segment I vendors in 2022.

**100%**
The share of Segment I and Segment II vendors that completed their ESG assessment by the end of 2022 (end of 2021: 100%).

## Sustainable operations: past milestones

The following selected milestones have marked Swiss Re's journey to drive sustainable operations:

**Achievements of Swiss Re's Greenhouse Neutral Programme:**

- **Cutting GHG emissions intensity**
  Reduced per-employee GHG emissions (Scope 1, Scope 2 and parts of upstream Scope 3) by more than half between 2003 and 2019 (ie pre-COVID-19 level)
- **Compensating remaining emissions since 2003**
  Compensated remaining operational GHG emissions from Scope 1, Scope 2 and parts of upstream Scope 3 (in particular business travel) with carbon avoidance certificates since 2003 (referred to as "carbon neutrality" in the past)
- **Reducing energy intensity**
  Reduced energy consumption per employee by almost 70% between 2003 and 2019 (ie pre-COVID-19 level)
- **Full switch to renewable electricity**
  Using 100% renewable electricity since 2020

**Carbon-cutting subsidies for Swiss Re's employees**
Through the so-called COyou2 Programme, which ran from 2007 to 2020, Swiss Re granted more than 33 000 subsidies to its employees for emissions-cutting investments

**Driving sustainability in the supply chain**
Completed an ESG assessment of all of Swiss Re's Segment I and Segment II vendors and started an improvement dialogue

# NetZeroYou2 Programme

As part of Swiss Re's commitment to tackle climate change, the company seeks to encourage employees to take action individually. The NetZeroYou2 Programme, which is based on this approach, was launched in 2021. In line with Swiss Re's net-zero GHG ambition, the programme aims to inspire employees from across the Group to adopt the motto: "Do our best, remove the rest".

The "Do our best, …" component of the programme includes enabling Swiss Re employees to calculate their carbon footprint and offers various climate challenges. The latter range from informative quizzes and suggestions for practical climate actions to interactive events and workshops. Since its inception, over 5 000 employees have calculated their carbon footprint and collectively recorded almost 400 000 small individual actions.

To involve employees in Swiss Re's efforts to "… remove the rest", the programme also offers them access to the same high-quality carbon certificates and long-term projects in the mix that Swiss Re uses to compensate operational emissions (CO2NetZero Programme, see pages 52–56). Swiss Re matched all employee contributions with an additional 25% or 50% contribution. In 2022, a total of 1 145 tonnes of carbon certificates were secured through the NetZeroYou2 Programme.

In 2022, a number of events were organised as part of the programme, including an Earth Week in April and a NetZero Day in November. The events featured expert guest speakers, inspiring panel discussions and practical learnings on less carbon-intensive lifestyles.

In 2022, the NetZeroYou2 Programme received two prestigious UK-based awards: the Best Corporate Sustainability Initiative award from Business Culture Awards, as well as the Employee Engagement ESG Programme of the Year award from ESG Awards.

The programme's success led Swiss Re to share its approach and the content in the app with its own clients as well as other companies. To date, Swiss Re has given over ten client and conference presentations about Swiss Re's NetZeroYou2 application as a tool to engage with employees on sustainability.

**NetZeroYou2 Programme**

**NetZeroYou2 | Swiss Re**

swissre.com

# Our people

Swiss Re is committed to planning strategically to ensure it has the talent it needs, to developing this talent and to creating a culture of performance and inclusion. It aims to unlock the potential of Swiss Re employees and to drive resilience, engagement and sustainable success.

## 2022 highlights:

**83%**
Employee engagement is high[1]

**83%**
Share of Swiss Re employees who experience the work environment as inclusive[1]

**5**
Swiss Re was included in the Bloomberg Gender-Equality Index for the fifth consecutive year

**Inclusion**
Stronger focus placed on inclusion in **Swiss Re's Diversity, Equity & Inclusion strategy**

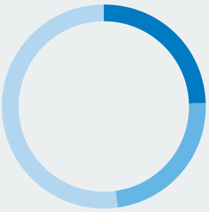
[1] Based on the results of the company-wide employee engagement survey conducted in 2022.

# HR vision

Swiss Re strives to offer an environment where employees find purpose and can perform at their best thanks to an attractive, flexible and inclusive work environment which adapts strategically to changing needs. The company fosters a culture of performance where clear expectations result in accountability for outcomes. It believes that what has been achieved counts as much as how it was achieved.

### Employee data

- 14 744 people representing 122 nationalities, 13 199 full-time equivalents (as of 31 December 2022)[1]



- **24.7%** Americas
- **23.2%** Asia-Pacific (APAC)
- **52.1%** Europe, Middle East and Africa (EMEA)

[1] Figures and pie chart include regular and temporary employees.

- 5.5% increase in regular and temporary employees compared with 2021.
- Average tenure of Swiss Re employees remains the same at just over seven years.
- The internal hire rate slightly decreased to 30% in 2022, of which 48.1% were women and 51.9% were men.

More detailed employee data can be found in the appendix of this report from pages 76–79, as well as on Swiss Re's website.

**Employee Data**

swissre.com

# Group People Strategy

People are the key enabler of the overall Group Strategy. Swiss Re's focus on developing a sustainable workforce along the three pillars We lead, We build and We perform is of strategic importance for the company.

- **We lead:** We create excitement for the future and connect on a personal and emotional level. We develop and help others to be the best they can be.
- **We build:** We understand and build the capabilities required now and in the future. We embrace continuous learning and growth to make each one of us more resilient. We can retain and attract the talent with the skills and capabilities we need.
- **We perform:** We take responsibility and are accountable for our performance, behaviour and integrity. We work in adaptable and cross-functional networks of teams that allow decision-making at all levels.

## We lead

Both leadership and performance play a key role in driving engagement and fostering inclusion.

### Leadership skills

Swiss Re is committed to continuously investing in leadership skills. In 2022, 2 804 managers received training in this area, with an average of 8.5 hours invested per manager. Special focus was placed on performance culture, and line managers were trained in providing constructive feedback and the importance of high performance to foster a sense of further development and purpose across the organisation. Additional focus was placed on inclusive leadership, and senior leadership was, for example, asked to serve as role models for expected behaviours.

### Female representation in senior leadership

As outlined in the Diversity, Equity and Inclusion strategy (see page 64), Swiss Re continues to focus on increasing female representation at the top management level as the company believes this is critical to its success. Measures to this end include specific performance metrics such as a gender promotion rate as well as a review of the language used in job descriptions. Swiss Re uses approaches such as diverse candidate slates and selection panels to attract diverse talents. All Group Executive Committee members have committed to closely monitoring the talent flows in their respective teams and locations to ensure that women and men are equally equipped and encouraged to apply for the most senior roles.

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

| | 2020 | 2021 | 2022[1] |
|---|---|---|---|
| Executive/senior management positions | 28.7 | 30 | 30.9 |
| All management positions | 35.7 | 36.5 | 37.7 |
| Total workforce | 47.1 | 47.3 | 47.9 |

[1] The 2022 numbers exclude elipsLife, due to the sale of the business in mid-2022.

**Swiss Re Group Strategy**

Business Report 2022

**Swiss Re Group People Strategy**

swissre.com

## We build

Attracting, developing and retaining professionals with strategic, future-ready skills is essential for Swiss Re's journey to become a tech- and data-enabled risk knowledge company.

### Strategic people planning

Swiss Re recognizes the need to connect the dots between its strategic priorities, market conditions – be it attrition rates, talent availability or legal requirements – and their impact on its workforce. Strategic workforce planning is the connector. It will continue to serve as a core pillar that will enable the company to anticipate how the workforce evolves, and help Swiss Re build and act on what is required today to make its workforce fit for the future. In short, Strategic workforce planning helps Swiss Re put the right people in the right place at the right time in order to succeed now and in the future.

### Employee development

The vision for the future of learning at Swiss Re includes continued focus on a digital, social, accessible and commercially relevant learning experience. The company is convinced that learning will contribute to the successful delivery of Swiss Re's strategy today and in the future.

In 2022, the company kicked off its Underwriting Excellence Programme, which will enable Swiss Re to identify critical skills for underwriters, assess all underwriters against these skills and apply the concept of lifelong learning to improve their career development and marketability.

LearningOne, Swiss Re's in-house learning platform, has continued to prove invaluable in supporting employees throughout their learning journey by giving them access to learning content where and when they need it.

Swiss Re´s Learning & Development solutions were recognised externally with 16 Brandon Hall Awards, including Best Advance in Competencies and Skill Development and Best Unique or Innovative Learning and Development Program.

### Attracting and retaining talent

In 2022, Swiss Re was again recognised as an attractive employer, receiving various awards around the globe. This reflects the findings of the annual employee survey, in which 85% of respondents said they would recommend Swiss Re as a great place to work.

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, decreased from 23 (2021) to 9 points in 2022. This is still 28 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, 74% of leavers in 2022 rated their employment experience favourably, which is significantly above the global benchmark of 63%, a figure also provided by Gartner.

Swiss Re recognised long before the COVID-19 pandemic that different people have different needs and preferences when it comes to their working patterns. The company is committed to accommodating formal and informal flexible work arrangements. Swiss Re's Own The Way You Work™ (OTWYW) Programme motivates and engages high-performance teams by allowing employees to decide how, when and where to carry out their tasks while taking into consideration client and team needs, and adhering to the applicable laws, rules and regulations of their specific region.

### Employee relations

Reflecting its commitment to sustainability, Swiss Re has signed the UN Global Compact and is committed to implementing its ten principles in the areas of human rights, labour, the environment and anti-corruption. The company upholds the freedom of association and effective recognition of the right to collective bargaining.

**Own The Way You Work™**

swissre.com

**We build**

swissre.com

**In-house training data for 2022**

**Learning and training highlights**

- **14005** employees trained, with an average of **6.8** hours spent on training per employee
- **2804** managers trained, with an average of **8.5** hours per manager

**Engaging the next generation: graduates@swissre**

Every year, Swiss Re's award-winning graduates@swissre programme offers entry-level positions to university and college graduates and provides an excellent opportunity for young talents to discover the exciting world of a leading global re/insurer. Further information on this programme can be found on the company's website.

**Graduates programme**

swissre.com

## We perform

Swiss Re´s performance culture builds on three linked components: firstly, clear targets derived from Group targets and aligned down to individual targets. Secondly, continued feedback enabling the individual to achieve the targets set and lastly, the performance assessment based on the result achieved.

### Continuous performance management

Swiss Re's performance management approach is about supporting employee performance through regular feedback, with a clear focus on personal development and outcomes. Through regular check-ins and by adapting and aligning goals and priorities, employees are empowered to take decisions, adjust more quickly to business needs and drive financial performance.

### Pay for performance

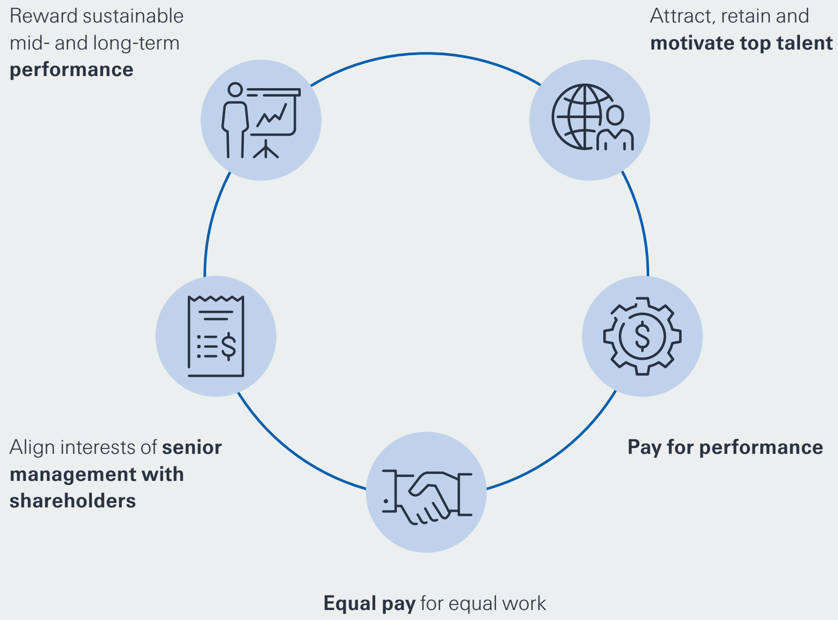
The compensation framework is designed to support the efforts to attract, engage and retain the talented professionals needed to be successful. The compensation philosophy is based on pay for performance and values results over effort. Monetary and non-monetary reward schemes are in place to recognise exceptional performance and conduct by individual employees. Swiss Re aims to offer its employees attractive benefit programmes and a comprehensive range of incentives.

### Equal pay

Swiss Re is committed to ensuring equal pay for equal work, regardless of gender, race, ethnicity, sexual orientation or other personal characteristics. It has 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 and external competitiveness and pay for performance.

Pay equity is regularly monitored at different levels and concerns are addressed to ensure Swiss Re continues to treat employees fairly. In 2021, Swiss Re published its global gender pay gap figure for the first time. Looking at an "adjusted gender pay gap", comparing pay for people in similar roles, in the same country and in the same corporate band, no systemic bias was identified. As of June 2022, the Swiss Re Group's global adjusted pay gap between men and women remained low at 1.7%.

**Promoting sustainable performance**




## Recognition

In 2022, Swiss Re received positive feedback from its employees and external rating agencies.

According to the results of last year's internal survey, employee engagement is high at 83%, which is on par with the finance/insurance industry benchmark, as provided by an external survey provider. The result was mainly driven by very favourable results for questions regarding how proud employees are to work for Swiss Re (90%) as well as whether they would recommend Swiss Re as a great place to work (85%). Favourability scores for key topics relating to a sustainable workforce (eg integrity, inclusion, collaboration and performance culture) were also high. Figures are not comparable to those of 2020 as the external survey provider has changed, meaning that the underlying methodology has also changed.

Swiss Re also received further external recognition for its qualities as an employer. The company was included in the Bloomberg Gender Equality Index and was Silver Award Winner in the Stonewall Global Workplace Equality Index. The company's EDGE certification was renewed in 2022 and it also received several local and regional awards, including two Best Workplaces awards in Canada.

**We perform**

swissre.com

**Compensation**

Financial Report 2022

# Diversity, Equity & Inclusion

Swiss Re strives to ensure a culture where all employees can bring their whole selves to work, feel a sense of belonging and work together for impact. The company believes that a diverse, equitable and inclusive environment fosters greater innovation and ultimately better business performance. In June 2022, Swiss Re launched a refreshed Diversity, Equity and Inclusion (DEI) strategy which puts inclusion first and aims to create a sense of belonging for all employees.
Building on strong foundations, the next step of this strategy is to drive greater impact through focus, accountability and commitment to create an even more inclusive culture that harnesses the value of diversity. To achieve this, Swiss Re is working on building the right mindset, capabilities and practices across the company.
The refreshed DEI strategy defines three target areas:

- Enabling inclusive behaviours through increased understanding and experiences
- Embedding equity and inclusion in core people practices and processes
- Embedding inclusion to drive diversity with a focus on strategic areas (gender, generations, race and ethnicity, LGBTI+ and mental health)
  - Gender: At the end of 2022, female representation at executive and senior management level amounted to 31%. As increasing female representation is universally recognised as key, Swiss Re intends to further increase this share
  - Generations: Swiss Re wants to attract and retain people from all generations, learn from its experienced colleagues and successfully integrate those entering the workforce. An intergenerational mix will drive innovation and growth
  - **Race and ethnicity:** Swiss Re is committed to racially and ethnically diverse teams. Due to local differences, it will also have regionally aligned ambitions
  - LGBTI+ and **mental health:** Swiss Re ensures positive momentum and empowers its employee resource groups to continue to raise awareness across the organisation

## Key achievements in 2022 for the refreshed DEI approach

**Gender:** Swiss Re was included in the Bloomberg Gender Equality Index for the fifth consecutive year (communicated in early 2023). Progress has been made in improving parity of gender representation and against the target of having an equal gender split in nomination-based leadership development programmes. Swiss Re also focuses on retaining talent and increasing the number of women who join the company at all levels.

**Generations:** As reported in 2021, with FlexWork™, Swiss Re aims to offer a wide range of attractive options to balance work-related and personal needs during every stage of life. For younger generations, flexibility has become a fundamental factor when choosing an employer. Traditional gender roles are becoming less important, and the younger generations place a stronger focus on self-realisation, lifelong learning and family-friendliness.

Swiss Re offers a range of local programmes and support services for parents and carers such as holiday care or day care. In Zurich, Swiss Re opened a Kids House in 2022. This bold, innovative and inclusive offering for working parents promotes gender equality in the workplace, supports mental health and facilitates employees' return to the office with the hybrid and flexible working environment models.

Employees in Switzerland aged 58 and above can take advantage of a flexible programme that enables in-scope employees to gradually reduce their workload while maintaining the same level of shared contribution to their pension fund. Regardless of age or position, all employees in Switzerland can buy up to ten days off work in addition to the standard amount of annual leave.

**Race and ethnicity:** Swiss Re is dedicated to fostering racially and ethnically diverse teams and, to take into account local differences, the company will introduce regionally aligned ambitions. Voluntary data gathered through the employee survey in the US, the UK and South Africa at the beginning of 2022 has provided the company with important data to drive this change. Furthermore, Swiss Re continues to run a series of events on inclusion through the lens of race and ethnicity, and celebrated the International Day for Elimination of Racial Discrimination to increase awareness globally.

In recognition of these efforts, Swiss Re was awarded Level One Contributor B-BBEE status by the AQRate Verification Services in South Africa for the second time in a row in 2022. The Broad-based Black Economic Empowerment (B-BBEE) programme encourages businesses to integrate black people in the workspace, support black businesses and give back to poor black communities affected by land repossession.

**LGBTI+:** Pride Month is recognised globally at Swiss Re, with various activities to demonstrate the company's support for the LGBTI+ community. In 2022, Swiss Re was awarded Silver status in Stonewall's Global Workplace Equality Index. The company is extremely proud that the great work done over the years by many of its employees, particularly by the passionate individuals in the employee resource group Together with Pride, has been publicly acknowledged.

**Mental health:** The company continues to encourage its employees to be open about their health, both physical and mental. Through an external employee assistance provider, Swiss Re offers free independent and confidential advice and counselling to individuals at almost every location who are dealing with difficult circumstances. Pathways, Swiss Re's mental health network, is dedicated to raising awareness about mental health challenges faced by Swiss Re employees, helping overcome the stigma surrounding mental health and fostering an environment of open conversations. Throughout the year, Pathways organises mental health first aid training, mindfulness sessions, regular mental health talks and other events. In honour of World Mental Health Day, Pathways scheduled a range of activities and programmes across its global locations that employees could choose to participate in.

# Appendix

# Sustainability data

This section provides sustainability data from the Sustainability Report as well as from Swiss Re's Climate-related financial disclosures.

**Climate-related financial disclosures (TCFD)**

Financial Report 2022

**Sustainability and TCFD data (Excel download)**

swissre.com

## Sustainability risk management

| ESG risk assessments[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Transactions screened for ESG risk exposure[2]** | **number** | **40 591** | **92 214** | **106 754** |
| **Companies on the ESG watchlist** | **number** | **n/a** | **2358** | **2 050** |
| **Projects on the ESG watchlist** | **number** | **n/a** | **300** | **641** |

[1] Disclosed since 2021.
[2] Number of assessments rose in 2021 due to the ESG risk assessment integration into underwriting tools.

| ESG risk referrals[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **ESG risk referrals** | **number** | **258** | **185** | **250** |
| Abstain | number | 28 | 18 | 21 |
| Proceed | number | 173 | 129 | 158 |
| Proceed with conditions | number | 57 | 38 | 71 |
| **ESG risk referrals, by sector** | | | | |
| Mining (excl. thermal coal) | % | 25.2 | 22.7 | 23.6 |
| Oil and gas | % | 19.7 | 16.8 | 26.0 |
| of which oil and gas conventional | % | n/a | 16.2 | 22.4 |
| of which oil and gas offshore | % | n/a | 0.5 | 3.6 |
| Thermal coal | % | 13.9 | 10.8 | 12.8 |
| Forestry, pulp & paper, and oil palm | % | 9.7 | 5.9 | 4.4 |
| Other: human rights and environmental issues[2] | % | 16.7 | 16.2 | 17.2 |
| of which human rights | % | 9.7 | 7.0 | n/a |
| of which environmental issues | % | 7.0 | 9.2 | n/a |
| Other: animal testing[3] | % | 1.2 | 1.6 | n/a |
| Defence | % | 3.9 | 4.9 | 6.8 |
| Dams | % | 9.7 | 21.1 | 9.2 |

[1] As of 1 January 2022, the former "Sustainable Business Risk Framework" was renamed "ESG Risk Framework".
[2] Other issues such as human rights concerns and environmental issues (incl. animal testing) are now tracked together.
[3] Animal testing is now integrated as a key material risk in the environmental umbrella guideline.

| ESG Risk Framework – training | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Employees trained via mandatory online course** | **number** | **4 000** | **2 113** | **4 050** |

| Client and industry interaction | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Client and industry engagements[1]** | **number** | **400** | **80** | **562** |

[1] Included are external engagements on sustainability risks with clients, brokers, investors, industry peers and civil society groups such as environmental and humanitarian NGOs, as well as engagements with clients when ESG risk referrals are given a "proceed with conditions" recommendation.

## Sustainability in underwriting

| Natural catastrophe premiums | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Natural catastrophe premiums across Swiss Re Group[1]** | **USD bn** | **4.1** | **3.9** | **4.8** |

[1] Estimated written premiums for losses exceeding USD 20 million by Property & Casualty Reinsurance and Corporate Solutions. As of 2021 this is calculated net of expenses such as brokerage and commissions, in previous years gross premiums were reported.

| Renewable energy insurance | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Solar and wind farms[1]** | **number** | **>5 600** | **8 871** | **11 970** |
| Potential emissions avoided due to solar and wind farms[2] | million tonnes $CO_2$ | 22 | 29 | 39 |
| **Other renewable energy generation facilities[3]** | **number** | **n/a** | **292** | **280** |
| Potential emissions avoided due to other renewable energy generation facilities[2] | million tonnes $CO_2$ | n/a | 2 | 2 |
| **Total renewable energy generation facilities[4]** | **number** | **n/a** | **9 163** | **12 250** |
| Potential emissions avoided due to renewable energy generation facilities[2] | million tonnes $CO_2$ | n/a | 31 | 41 |

[1] Total number for which property and engineering cover was written during the year.
[2] Assumes the electricity produced by the renewable energy facility replaces currently produced electricity, which is the average $CO_2$/kWh for advanced markets.
[3] Total number for which property and engineering cover was written during the year. Includes hydro, biomass, geothermal and marine/tidal.
[4] Total number for which property and engineering cover was written during the year. Includes wind, solar, hydro, biomass, geothermal and marine/tidal.

| Initiatives | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Women's World Banking microinsurance programme** | **number of beneficiaries (customers and their family members)** | **296 000** | **397 792** | **490 699** |

| Life & Health (L&H) Reinsurance | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **L&H policies (in force) reinsured[1]** | **policies in millions** | **191** | **186** | **212** |
| **Family members supported by L&H policies reinsured[1]** | **persons in millions** | **242** | **237** | **284** |

[1] 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.

| Carbon footprint of insurance portfolio | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Carbon footprint of direct and facultative insurance portfolio (estimate)[1]** | **tonnes $CO_2$/USD m revenue** | **120** | **120** | **n/a** |

[1] This is estimated using the CRO Forum methodology. Read about the methodology on this page. The figure was not estimated this year due to Swiss Re's ongoing work chairing the Partnership for Carbon Accounting Financials (PCAF) Working Group, which developed the Global Greenhouse Gas Reporting Standard for Insurance-Associated Emissions. By the end of July 2023, Swiss Re intends to publish a carbon emissions figure for its underwriting portfolio on this page.

## Responsible investing

For more information on how Swiss Re invests responsibly, please see the TCFD section of the Financial Report 2022.

### Enhancement

| Assets managed externally | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Assets managed externally** | **%** | **35** | **40** | **43** |
| **Share of PRI signatories** | **%** | **98** | **97** | **98** |

| ESG rating distribution across corporate bond and listed equity portfolio | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Corporate bond and listed equity portfolio[1]** | **%** | **100** | **100** | **n/a** |
| AAA | % | 5.8 | 6.8 | n/a |
| AA | % | 22.4 | 25.8 | n/a |
| A | % | 25.4 | 31.1 | n/a |
| BBB | % | 25.0 | 20.1 | n/a |
| BB | % | 12.5 | 7.9 | n/a |
| B | % | 3.7 | 3.1 | n/a |
| CCC | % | 0.3 | 0.2 | n/a |
| NR | % | 4.9 | 5.0 | n/a |

[1] The ESG rating distribution scope for the listed equity portfolio has been adjusted as of 2020 to include ETFs and exclude strategic holdings. 2021 figures restated to reflect full listed equities portfolio scope.

| Voting activities and behaviour[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Voting activity** | | | | |
| Votes cast | % | 95 | 97 | 97 |
| No votes cast | % | 5 | 3 | 3 |
| **Voting behaviour** | | | | |
| Voted with management | % | 88 | 88 | 85 |
| Voted against management | % | 9 | 10 | 12 |
| Abstained | % | 3 | 2 | 3 |
| Votes withheld | % | 0 | 0 | 0 |

[1] Figures apply to the actively managed listed equity portfolio.

| Engagement activity[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Portfolio holdings engaged on "1.5°C Alignment"** | **%** | **48** | **66** | **36** |
| **Top 20 emitters engaged on "1.5°C Alignment"** | **%** | **n/a** | **65** | **80** |
| **Portfolio holdings engaged on "Disclose ESG key metrics"** | **%** | **45** | **60** | **34** |

[1] Figures apply to the actively managed listed equity portfolio.

| GRESB scoring US real estate portfolio[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| GRESB | score 0–100 | n/a | 85 | 85 |
| Performance | score 0–70 | n/a | 55.8 | 55.0 |
| Management | score 0–30 | n/a | 29.1 | 30.0 |

[1] The GRESB methodology was refined in 2020, which is why the 2021 score cannot be compared to previous years. In 2021, the GRESB average score was 73/100. In 2022, the GRESB average score was 74/100.

### Inclusion

| Impact private equity | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Impact private equity** | **USD m** | **65** | **85** | **75** |

## Responsible investing (continued)

### Climate-related opportunities

| Green, social and sustainability bond portfolio | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Share of green, social and sustainability bonds fulfilling the ICMA GBP and SBP** | | | | |
| Fulfilling | % | n/a | >95 | 93.4 |
| Not fulfilling | % | n/a | <5 | 6.6 |
| **Green, social and sustainability bonds[1]** | **USD bn** | **2.6** | **3.9** | **3.8** |
| Green, social and sustainability government bonds | USD bn | 1.7 | 2.0 | 1.9 |
| Green, social and sustainability corporate bonds | USD bn | 0.9 | 1.9 | 1.9 |
| **Green bonds** | **USD bn** | **2.3** | **3.0** | **2.7** |
| **Sectoral allocation of green bonds** | | | | |
| Sovereigns | % | 19.5 | 21.9 | 20 |
| Agencies | % | 17.3 | 12.2 | 9 |
| Supranationals | % | 14.7 | 11.0 | 12 |
| Regional governments | % | 10.9 | 7.0 | 7 |
| Financials | % | 20.5 | 25.7 | 28 |
| Utilities | % | 6.9 | 10.4 | 9 |
| Information technology | % | 2.0 | 3.2 | 4 |
| Other | % | 8.2 | 8.6 | 11 |

[1] 2021 year-over-year increase was partly driven by a refined dataset used to identify green, social and sustainability bonds.

| Renewable energy and social infrastructure debt portfolio | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Total social and renewable energy infrastructure debt portfolio** | **USD bn** | **0.9** | **1.0** | **1.1** |
| **Total infrastructure debt portfolio** | **USD bn** | **n/a** | **n/a** | **2.4** |
| of which social infrastructure debt | % of total | 23 | 21 | 23 |
| of which renewable energy infrastructure debt | % of total | 23 | 21 | 20 |
| of which energy efficiency debt | % of total | 0 | 2 | 2 |

| Real estate portfolio[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Total real estate portfolio** | **USD bn** | **5.4** | **5.6** | **5.5** |
| of which certified buildings | USD bn | 1.6 | 1.4 | 1.4 |
| of which certified buildings | % of total | 31 | 25 | 25 |
| **Switzerland** | **USD bn** | **2.2** | **n/a** | **n/a** |
| MINERGIE® certified | USD bn | 0.6 | 0.6 | 0.7 |
| MINERGIE® certified | % of total | 27 | 27 | 27 |
| Not certified | % of total | 73 | 73 | 73 |
| **Swiss real estate portfolio by energy source** | | | | |
| Gas | % of total | 39 | 40 | 40 |
| Renewable energy | % of total | 26 | 28 | 27 |
| Oil | % of total | 18 | 14 | 12 |
| District heating | % of total | 14 | 16 | 16 |
| Other | % of total | 3 | 2 | 5 |
| **Externally managed real estate portfolio** | | | | |
| Certified buildings, based on local energy labels | % of externally managed | 50 | 37 | 38 |
| **UK certified buildings** | | | | |
| BREEAM "Excellent" | % of UK buildings | 24 | 19 | 20 |
| BREEAM "Very good" | % of UK buildings | 25 | 21 | 25 |
| Not certified | % of UK buildings | 51 | 60 | 55 |
| **US certified buildings** | | | | |
| LEED "Gold" | % of US buildings | 13 | 12 | 26 |
| LEED "Silver" | % of US buildings | 30 | 28 | 11 |
| Not certified | % of US buildings | 57 | 60 | 63 |
| **CEE and WE certified buildings** | | | | |
| BREEAM "Very good" | % of CEE and WE buildings | n/a | n/a | 21 |
| DGNB "Gold" | % of CEE and WE buildings | n/a | n/a | 17 |
| Not certified | % of CEE and WE buildings | n/a | n/a | 62 |

[1] Based on market values.

## Responsible investing (continued)

### Climate-related risks

| Corporate bonds (Scope 1 and 2 emissions) | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Swiss Re | tonnes $CO_2e$/USD m revenue | 172 | 164 | 139 |
| Benchmark (corporates IG Bloomberg MSCI ESG BB+) | tonnes $CO_2e$/USD m revenue | n/a | 244 | 194 |
| Swiss Re absolute financed emissions | million tonnes $CO_2e$ | n/a | n/a | 1.1 |
| Swiss Re US corporate bond portfolio | tonnes $CO_2e$/USD m revenue | 174 | 169 | 143 |
| Benchmark US (US IG Bloomberg ESG BB+ index) | tonnes $CO_2e$/USD m revenue | 322 | 323 | 204 |
| Swiss Re UK corporate bond portfolio | tonnes $CO_2e$/USD m revenue | 163 | 161 | 112 |
| Benchmark UK (UK IG Bloomberg ESG BB+ index) | tonnes $CO_2e$/USD m revenue | 134 | 165 | 92 |
| **Listed equity (Scope 1 and 2 emissions)** | | | | |
| Swiss Re (including ETFs) | tonnes $CO_2e$/USD m revenue | 73 | 59 | 96 |
| Swiss Re (excluding ETFs) absolute financed emissions | million tonnes $CO_2e$ | n/a | n/a | 0.016 |
| Benchmark (MSCI ACWI ESG Leaders index) | tonnes $CO_2e$/USD m revenue | 130 | 90 | 97 |
| **Combined corporate bonds and listed equity (Scope 1 and 2 emissions)** | | | | |
| Swiss Re (including ETFs) | tonnes $CO_2e$/USD m revenue | 165 | 156 | 137 |
| Swiss Re absolute financed emissions (excluding ETFs) | million tonnes $CO_2e$ | n/a | n/a | 1.1 |
| **Government bonds (Scope 1 emissions)** | | | | |
| Swiss Re | kg $CO_2e$/USD GDP-PPP adjusted | 0.32 | 0.28 | 0.28 |
| Benchmark[1] | kg $CO_2e$/USD GDP-PPP adjusted | 0.42 | 0.39 | 0.37 |
| **Real estate (Scope 1, 2 and 3 operational emissions)** | | | | |
| Swiss Re (Swiss and German portfolio) | kg $CO_2e/m^2$ | 21.5 | 21.9 | n/a |
| Benchmark[2] | kg $CO_2e/m^2$ | 40.0 | 38.1 | n/a |
| Swiss Re (Swiss and German portfolio) absolute financed emissions | million tonnes $CO_2e$ | n/a | 0.015 | n/a |

[1] G20.
[2] Combined CRREM pathways for Switzerland and Germany.

## Governance and compliance

| **Investigation Coordination Process (ICP)** | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Cases investigated** | **number** | **76** | **67** | **82** |
| External actors involved | % | 33 | 36 | 24 |
| **Investigated, by intake** | | | | |
| Internal channels (Human Resources, line managers, Compliance) | % | 74 | 69 | 66 |
| External sources | % | 11 | 9 | 6 |
| Whistleblowing hotline | % | 8 | 10 | 21 |
| Intake through process detection | % | 8 | 12 | 7 |
| **Investigated, by category** | | | | |
| External fraud | % | 33 | 37 | 24 |
| Discrimination and harassment (including bullying) | % | 18 | 27 | 29 |
| Internal fraud | % | 9 | 4 | 13 |
| Insider trading (including accidental trading within a close period) | % | 16 | 14 | 12 |
| Other code violations | % | 24 | 18 | 21 |
| **Closed**[1] | | | | |
| Substantiated | % | 69 | 69 | 58 |
| Disciplinary action | % | 22 | 37 | 28 |

[1] 39 cases closed as substantiated. 11 cases closed with disciplinary action.

| **Employee training** | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Mandatory eLearning assignments completed (incl. new hire and refresher)[1] | % | 100 | 100 | 98 |

[1] One of the global trainings was delivered later in 2022, resulting in the escalation process not being complete. Compliance continues to follow up on non-completions via the escalation process to achieve 100% completion.

## Sustainable operations

All figures are reported on a hydrological year basis (ie 12 months from 1 October to 30 September), except for "Business travel" figures, which are reported on a calendar year basis (ie 12 months from 1 January to 31 December). 2018 is the base year used to measure progress against targets.

| GHG emissions (absolute) | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Scope 1** | **tonnes $CO_2e$** | **4 186** | **2 901** | **2 665** | **2 902** |
| Fossil fuels used for energy generation (heating and electricity) | tonnes $CO_2e$ | 2 849 | 2 111 | 2 104 | 2 058 |
| Technical gases | tonnes $CO_2e$ | 922 | 537 | 494 | 679 |
| Operational road travel[1] | tonnes $CO_2e$ | 415 | 253 | 67 | 165 |
| **Scope 2 (market-based)** | **tonnes $CO_2e$** | **1 359** | **81** | **61** | **64** |
| Purchased electricity (location-based)[2] | tonnes $CO_2e$ | 11 687 | 8 494 | 7 188 | 7 868 |
| Purchased electricity (market-based) | tonnes $CO_2e$ | 1 241 | 0 | 0 | 0 |
| Purchased district heating | tonnes $CO_2e$ | 118 | 81 | 61 | 64 |
| **Scope 3[3]** | **tonnes $CO_2e$** | **87 071** | **18 210** | **7 890** | **26 103** |
| Purchased goods and services (Scope 3 cat. 1, currently including only paper and water) | tonnes $CO_2e$ | 351 | 189 | 125 | 80 |
| Fuel- and energy-related activities (Scope 3 cat. 3)[4] | tonnes $CO_2e$ | 2 031 | 1 060 | 865 | 954 |
| Waste generated in operations (Scope 3 cat. 5) | tonnes $CO_2e$ | 311 | 166 | 133 | 289 |
| Business travel (Scope 3 cat. 6)[5] | tonnes $CO_2e$ | 69 653 | 10 028 | 4 594 | 19 599 |
| Commuting (Scope 3 cat. 7)[6] | tonnes $CO_2e$ | 14 726 | 6 767 | 2 173 | 5 180 |
| **Operational emissions[7]** | **tonnes $CO_2e$** | **92 616** | **21 191** | **10 616** | **29 069** |
| **Operational emissions in scope for compensation[8]** | **tonnes $CO_2e$** | **77 890** | **14 425** | **8 442** | **23 889** |

| Carbon certificates | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Total amount of retired carbon certificates** | **tonnes $CO_2e$** | **69 343** | **27 249** | **9 409** | **25 034** |
| Certificates retired for compensation of operational emissions[9] | tonnes $CO_2e$ | 69 343 | 27 249 | 8 387 | 23 889 |
| Certificates retired as part of the NetZeroYou2 Programme[10] | tonnes $CO_2e$ | n/a | n/a | 1 022 | 1 145 |
| Share of carbon avoidance certificates ("offsets") | % | 100 | 100 | 65 | 76 |
| Share of carbon removal certificates ("removals") | % | 0 | 0 | 35 | 24 |

| GHG emissions (intensity) | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Scope 1** | **kg $CO_2e$/FTE** | **301** | **203** | **180** | **189** |
| **Scope 2 (market-based)** | **kg $CO_2e$/FTE** | **98** | **6** | **4** | **4** |
| **Scope 2 (location-based)[2]** | **kg $CO_2e$/FTE** | **850** | **601** | **489** | **516** |
| **Scope 3[3]** | **kg $CO_2e$/FTE** | **6 270** | **1 275** | **532** | **1 700** |
| **Operational emissions[7]** | **kg $CO_2e$/FTE** | **6 670** | **1 484** | **716** | **1 893** |

| GHG emissions (absolute and intensity) per category | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Operational emissions (absolute)** | **tonnes $CO_2e$** | **92 616** | **21 191** | **10 616** | **29 069** |
| of which from building facilities[11] | tonnes $CO_2e$ | 8 237 | 4 396 | 3 849 | 4 289 |
| of which from business travel | tonnes $CO_2e$ | 69 653 | 10 028 | 4 594 | 19 599 |
| of which from commuting | tonnes $CO_2e$ | 14 726 | 6 767 | 2 173 | 5 180 |
| **Operational emissions (intensity)** | **kg $CO_2e$/FTE** | **6 670** | **1 484** | **716** | **1 893** |
| of which from building facilities[11] | kg $CO_2e$/FTE | 593 | 308 | 260 | 280 |
| of which from business travel | kg $CO_2e$/FTE | 5 016 | 702 | 310 | 1 276 |
| of which from commuting | kg $CO_2e$/FTE | 1 060 | 474 | 147 | 337 |

1 "Operational road travel" figures include emissions from Swiss Re's own or third party-operated road fleet (eg shuttle buses, pool cars and logistic vehicles).
2 Figure for the year 2021 has been restated due to the update of emission factors for conventional electricity.
3 Operational Scope 3 emissions included in the current reporting boundary. Swiss Re acknowledges the existence of a large portion of operational Scope 3 emissions that is currently only estimated and therefore not reported in this table. For more information, see table "GHG emissions (absolute) – Scope 3" on page 74.
4 "Fuel- and energy-related activities" figures include upstream emissions from purchased fuels and electricity and from energy transmission and distribution losses, not included in Scope 1 or Scope 2.
5 Figures for the years from 2018 to 2021 have been restated due to the inclusion of upstream components (fuel well-to-tank and energy transmission and distribution losses) in the emission factors for cars and trains used in business ground travel.
6 Figures for the years from 2018 to 2021 have been restated due to the inclusion of upstream components (fuel well-to-tank and energy transmission and distribution losses) in the emission factors for cars, motorbikes, trains and electric cars used in employee commuting. "Commuting" figures are obtained by means of biannual surveys and have considerable measurement uncertainty. The survey was last performed in 2019 and results have been adjusted in 2020, 2021 and 2022 (normalised by employees entering company premises) to account for COVID-19 impact.
7 Total operational emissions are the sum of Scope 1, Scope 2 (market-based) and Scope 3.
8 Current emissions in scope for compensation include Scope 1, Scope 2 and part of upstream Scope 3 (business travel, fuel- and energy-related activities, paper, water and waste). Commuting is not included.
9 Carbon certificates retired in 2018, 2020 and 2021 do not match the corresponding "Operational emissions in scope for compensation" due to annual restatements of GHG emissions figures.
10 The NetZeroYou2 Programme started in 2021, therefore no certificates were retired in the previous years.
11 Figures for the years from 2018 to 2021 have been restated due to the inclusion of upstream components (fuel well-to-tank and energy transmission and distribution losses) in the emission factors for operational road travel.

## Sustainable operations (continued)

| Building facilities – Energy consumption | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Energy consumption** | **MWh** | **63 140** | **44 928** | **40 030** | **40 892** |
| of which electricity[1] | MWh | 47 133 | 33 045 | 28 278 | 29 431 |
| Conventional electricity | MWh | 2 936 | 0 | 0 | 0 |
| Renewable electricity | MWh | 44 196 | 33 045 | 28 278 | 29 431 |
| of which heating | MWh | 16 007 | 11 883 | 11 753 | 11 461 |
| **Renewable electricity[2]** | **%** | **94** | **100** | **100** | **100** |
| **Energy consumption per FTE** | **kWh/FTE** | **4 547** | **3 146** | **2 699** | **2 665** |
| of which electricity[1] | kWh/FTE | 3 394 | 2 314 | 1 907 | 1 916 |
| of which heating | kWh/FTE | 1 153 | 832 | 793 | 748 |

| Building facilities – Paper, water, waste | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Paper usage** | **tonnes** | **151** | **67** | **46** | **44** |
| **Paper usage per FTE** | **kg/FTE** | **11** | **5** | **3** | **3** |
| **Water usage** | **m³** | **210 523** | **124 636** | **80 943** | **110 598** |
| **Water usage per FTE** | **m³/FTE** | **15** | **9** | **5** | **7** |
| **Waste production** | **tonnes** | **1 854** | **985** | **718** | **1 158** |
| **Waste production per FTE** | **kg/FTE** | **133** | **69** | **48** | **75** |
| **Recycled waste out of total waste** | **%** | **49** | **54** | **49** | **42** |

| Business travel | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Distance travelled[3]** | **1 000 km** | **215 809** | **34 531** | **16 099** | **74 376** |
| of which air travel | 1 000 km | 207 659 | 31 232 | 15 213 | 64 192 |
| of which ground travel[3] | 1 000 km | 8 151 | 3 299 | 887 | 10 184 |
| **Distance travelled per FTE** | **km/FTE** | **15 541** | **2 418** | **1 086** | **4 843** |
| of which air travel | km/FTE | 14 954 | 2 187 | 1 026 | 4 180 |
| of which ground travel | km/FTE | 587 | 231 | 60 | 663 |
| **GHG emissions (absolute)** | **tonnes $CO_2e$** | **69 653** | **10 028** | **4 594** | **19 599** |
| of which air travel | tonnes $CO_2e$ | 68 089 | 9 432 | 4 416 | 18 626 |
| of which ground travel[4] | tonnes $CO_2e$ | 1 564 | 597 | 178 | 973 |

| Commuting[5] | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **Distance travelled** | **1 000 km** | **107 953** | **55 593** | **19 690** | **45 604** |
| **Distance travelled per FTE** | **km/FTE** | **7 774** | **3 893** | **1 328** | **2 969** |
| **GHG emissions (absolute)[6]** | **tonnes $CO_2e$** | **14 726** | **6 767** | **2 173** | **5 180** |

| Workforce | Unit | 2018 (base) | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **FTE (total workforce)[7]** | **FTE** | **13 886** | **14 280** | **14 830** | **15 358** |

[1] Electricity consumption from own or co-located data centres, included in this figure, has been constantly decreasing since 2018 due to the progressive shift to cloud-based solutions.
[2] "Renewable electricity" figures include renewable electricity generated on-site (solar) as well as electricity sourced locally with bundled or unbundled renewable energy attributes.
[3] Figures for the years from 2018 to 2021 have been restated due to the exclusion of operational road travel from business travel distance. From 2022, public transport data from internal accounting (travel and expense) became available and are now included in business ground travel.
[4] See footnote 5 on page 72.
[5] See footnote 6 on page 72.
[6] Figures for the years from 2018 to 2021 have been restated due to the inclusion of upstream components (fuel well-to-tank and energy transmission and distribution losses) in the emission factors for cars, motorbikes, trains and electric cars used in employee commuting.
[7] Workforce is expressed as total number of full-time equivalents (FTEs – including permanent, temporary and contractors personnel).

## Sustainable operations (continued)

The table below aims to provide more transparency on Scope 3 GHG emissions categories (relevant to operations) as defined by the Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Some categories are already reported in the table on page 72, whereas other categories with higher measurement uncertainty are reported here as first estimates (expected value range). For each category, information on the calculation methodology is provided.

| **GHG emissions (absolute) – Scope 3** | Status (as of 2022) | Annual emissions in metric tonnes $CO_2e$: value (2022) or estimated range | Emissions calculation methodology |
|---|---|---|---|
| **Category[1]** | | | |
| 1 Purchased goods and services | Estimated[2] | 100 000–200 000 | Estimate based on the ESCHER assessment (PwC) conducted in 2021. The Global Trade Analysis Project (GTAP) database was used to build an extended inter-regional input-output framework, through which the model calculated emission factors per monetary unit and estimated the emissions based on Swiss Re's total procurement spend for goods and services purchased for business operations in the period 2018–2020. The estimation of the range of emissions for 2022 is based on the notion that the spend in 2022 is similar to the spend in the period 2018–2020. |
| 2 Capital goods | Estimated | 1 000–3 000 | Estimate for buildings based on an average emission factor for the upfront embodied carbon (source: "ARUP, WBCSD, Net-zero buildings: where do we stand?, 2021"). This factor is multiplied by the floor area of owned buildings and amortised over a 60-years period (average life span of commercial buildings). This estimate currently does not include other minor capital goods. The methodology applied differs from the one that is currently recommended by the GHG Protocol guidance for Scope 3 category 2, which does not amortise or depreciate the emissions from the production of purchased capital goods, instead accounting for their total cradle-to-gate emissions in the year of purchase. |
| 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | Reported | 954 | Emissions from upstream activities related to fuels (eg well-to-tank emissions) and energy (eg emissions associated with energy transmission and distribution losses). Scope 3 upstream components of the emission factors are applied to the corresponding activity data. |
| 4 Upstream transportation and distribution | Estimated | included in category 1 | Emissions are included in the estimate for purchased goods and services (Scope 3 category 1). |
| 5 Waste generated in operations | Reported | 289 | Emissions are calculated by applying emission factors to waste amounts based on their final destination and on the location (country) in which they are produced. |
| 6 Business travel | Reported | 19 599 | Emissions are calculated by applying emission factors (per unit of distance) to activity data (distance travelled for business trips by mode of transport). |
| 7 Employee commuting | Reported | 5 180 | Emissions are calculated by applying emission factors (per unit of distance) to activity data (distance travelled for commute to work by mode of transport). |
| 7 Employee homeworking | Estimated | 8 000–10 000 | Estimate based on UK BEIS average emission factors (kg $CO_2e$ per homeworking FTE working hour) applied to activity data derived from building occupancy measurements. The methodology used by UK BEIS is taken from the document "Homeworking Emission Whitepaper" (EcoAct, 2020). |
| 8 Upstream leased assets | Not relevant | – | Emissions from leased office spaces (where Swiss Re is the lessee) are included in Scope 1 and Scope 2. |
| 13 Downstream leased assets | Not relevant | – | Emissions from leased office spaces (where Swiss Re is the lessor) are not relevant in 2022. |
| **Total estimated Scope 3** | **Estimated** | **109 000–213 000** | **Sum of estimated Scope 3 categories** |

[1] As defined by the Greenhouse Gas Protocol — Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Only applicable categories for operations are listed in this table.
[2] Reported for paper and water (see "GHG emissions (absolute)" table on page 72).

## Sustainable operations (continued)

| Vendor ESG assessment[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Segment I and II vendors ESG-assessed by year end (cumulative)[2]** | **%** | **100** | **100** | **100** |
| **Segment I and II vendors ESG assessed by year end[2]** | **number of vendors** | **231** | **262** | **261** |
| Segment I | number of vendors | 63 | 88 | 43 |
| Segment II | number of vendors | 168 | 174 | 218 |
| **Spending on Segment I and II vendors in Group Procurement[3]** | **%** | **65** | **75** | **84** |
| Segment I | % | 41 | 50 | 53 |
| Segment II | % | 24 | 25 | 31 |

[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.
[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

Please note that the 2022 numbers exclude elipsLife employees, of which there were 368 employees in 2022, as the company was sold during the reporting period.

| Employee data by gender[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Headcount** | **number of persons** | **13 519** | **14 344** | **14 744** |
| Male | number of persons | 7 146 | 7 554 | 7 687 |
| Female | number of persons | 6 373 | 6 790 | 7 056 |
| **Full-time employees** | **number of persons** | **12 058** | **12 804** | **13 199** |
| Male | number of persons | 6 761 | 7 127 | 7 248 |
| Female | number of persons | 5 297 | 5 677 | 5 950 |
| **Part-time employees** | **number of persons** | **1 461** | **1 540** | **1 545** |
| Male | number of persons | 385 | 427 | 439 |
| Female | number of persons | 1 076 | 1 113 | 1 106 |
| **Regular employees** | **number of persons** | **13 189** | **13 985** | **14 408** |
| Male | number of persons | 6 984 | 7 379 | 7 525 |
| Female | number of persons | 6 205 | 6 606 | 6 882 |
| **Regular employees** | **% growth** | **4.6** | **6.0** | **3.0** |
| Male | % growth | 4.4 | 5.7 | 2.0 |
| Female | % growth | 4.8 | 6.5 | 4.2 |
| **Temporary employees** | **number of persons** | **330** | **359** | **336** |
| Male | number of persons | 162 | 175 | 162 |
| Female | number of persons | 168 | 184 | 174 |
| **Temporary employees** | **% growth** | **11.1** | **8.8** | **–6.4** |
| Male | % growth | 25.6 | 8.0 | –7.4 |
| Female | % growth | 0.0 | 9.5 | –5.4 |
| **Executive and senior management positions (A, B, C bands)[2] [3]** | | | | |
| Male | % | 71.3 | 70.0 | 69.1 |
| Female | % | 28.7 | 30.0 | 30.9 |
| **All management positions (A, B, C, D bands)[2] [4]** | | | | |
| Male | % | 64.3 | 63.5 | 62.3 |
| Female | % | 35.7 | 36.5 | 37.7 |
| **Average gender promotion ratio[5]** | **%** | **102** | **114** | **107** |

[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] Swiss Re's Corporate Band structure has six levels: A–F, with A being the highest.
[3] A, B, C bands are the three highest levels of corporate bands, including the management title of Director/Senior Vice President and above. This is currently roughly equivalent to the top 11% of employees.
[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 48% of employees.
[5] The proportion of women promoted into management bands D–B. Calculated in relation to the proportion of women in the "donor pool" (full calendar year measure). The "donor pool" is the band below, starting at the E band. To derive the average, corporate bands included in the calculation have equal weighting.

## Our people (continued)

| Employee data by region | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Total headcount** | **number of persons** | **13 519** | **14 344** | **14 744** |
| Americas | number of persons | 3 465 | 3 538 | 3 643 |
| APAC | number of persons | 2 768 | 3 134 | 3 416 |
| EMEA total | number of persons | 3 756 | 4 058 | 4 218 |
| Switzerland | number of persons | 3 530 | 3 614 | 3 467 |
| **Full-time employees** | **number of persons** | **12 058** | **12 804** | **13 199** |
| Americas | number of persons | 3 402 | 3 466 | 3 569 |
| APAC | number of persons | 2 742 | 3 101 | 3 377 |
| EMEA total | number of persons | 3 164 | 3 413 | 3 548 |
| Switzerland | number of persons | 2 750 | 2 824 | 2 705 |
| **Part-time employees** | **number of persons** | **1 461** | **1 540** | **1 545** |
| Americas | number of persons | 63 | 72 | 74 |
| APAC | number of persons | 26 | 33 | 39 |
| EMEA total | number of persons | 592 | 645 | 670 |
| Switzerland | number of persons | 780 | 790 | 762 |
| **Attrition rate** | | | | |
| Americas | % | 5.1 | 9.1 | 9.6 |
| APAC | % | 7.5 | 10.7 | 13.6 |
| EMEA total | % | 7.2 | 8.6 | 10.3 |
| Switzerland | % | 4.2 | 5.0 | 6.5 |
| **Tenure of regular staff** | **years** | **7.4** | **7.3** | **7.3** |
| Americas | years | 8.3 | 8.2 | 8.0 |
| APAC | years | 4.8 | 4.8 | 4.7 |
| EMEA total | years | 6.5 | 6.5 | 6.5 |
| Switzerland | years | 9.8 | 9.7 | 10.1 |

| Classroom and in-house e-learning data | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Training[1]** | **number of persons** | **11 369** | **13 160** | **14 005** |
| **Training[2]** | **learning hours average per employee** | **10.5** | **11.7** | **6.8** |
| Training[3] | Male | n/a | n/a | 6.8 |
| Training[4] | Female | n/a | n/a | 6.9 |
| **Training[5]** | **cost per employee in USD** | **249.0** | **249.6** | **87.7** |
| **Leadership training to managers** | **number of persons** | **2 461** | **2 646** | **2 804** |
| **Leadership training to managers[6]** | **learning hours average per manager** | **11.9** | **15.6** | **8.5** |

[1] Distinct number of employees with at least one training.
[2] The total time spent by all employees divided by number of employees who completed trainings.
[3] The total time spent by all male employees divided by number of male employees who completed trainings.
[4] The total time spent by all female employees divided by number of female employees who completed trainings.
[5] Average cost per trained employee: the total cost for all completed trainings divided by employees who were trained.
[6] Average time spent: the total time spent by all managers divided by number of managers who attended trainings.

| Employee surveys | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Net Promoter Score[1]** | **score** | **5** | **23** | **9** |
| **Leavers who rate employment experience favourably[2]** | **%** | **73** | **81** | **39** |
| **Employee Engagement Index[3]** | **score** | **71** | **n/a** | **83** |
| **Inclusive Culture Index[4]** | **% agreement** | **69** | **n/a** | **83** |

[1] 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?".
[2] 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?".
[3] No Employee Survey for 2021.
[4] Employees that experience the work environment at Swiss Re as inclusive.

## Our people (continued)

| Other | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Candidates applied**[1] | **monthly average** | **11 591** | **12 708** | **16 806** |
| **Candidates hired internally** | **%** | **28.3** | **31.9** | **30.7** |

[1] Calculated using the average number of new applicants to Swiss Re Group throughout the year, in bands A–F.

| Absences | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Absences due to sick leave**[1,2] | | | | |
| January | % | 19 | 11 | 21 |
| February | % | 19 | 13 | 19 |
| March | % | 13 | 15 | 23 |
| April | % | 8 | 15 | 17 |
| May | % | 10 | 17 | 18 |
| June | % | 13 | 21 | 19 |
| July | % | 13 | 19 | 18 |
| August | % | 14 | 15 | 17 |
| September | % | 15 | 16 | 18 |
| October | % | 16 | 17 | 21 |
| November | % | 16 | 20 | 19 |
| December | % | 17 | 22 | 26 |

[1] Excluding countries and entities where data is not available as well as subsidiaries.
[2] 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.

| Absences by gender | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Absences due to sick leave**[1,2] **– Male** | | | | |
| January | % | 17 | 9 | 18 |
| February | % | 17 | 12 | 17 |
| March | % | 11 | 13 | 21 |
| April | % | 7 | 13 | 15 |
| May | % | 8 | 14 | 16 |
| June | % | 12 | 19 | 17 |
| July | % | 12 | 17 | 17 |
| August | % | 13 | 14 | 15 |
| September | % | 13 | 14 | 16 |
| October | % | 13 | 15 | 19 |
| November | % | 14 | 17 | 16 |
| December | % | 15 | 20 | 23 |

[1] Excluding countries and entities where data is not available as well as subsidiaries.
[2] Male sick leave is calculated as the share of all male employees absent for at least one day that month as percent of all male employees. 2020 and 2021 figures have been restated due to a change in methodology, to decouple the share of absence leave from the share of male in the overall workforce. In previous years, the share was calculated as a percent of all employees, resulting in lower percentages, although the underlying figures remained the same.

## Our people (continued)

| **Absences by gender** | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Absences due to sick leave[1,2] – Female** | | | | |
| January | % | 22 | 13 | 24 |
| February | % | 22 | 15 | 22 |
| March | % | 15 | 18 | 27 |
| April | % | 9 | 16 | 20 |
| May | % | 11 | 20 | 20 |
| June | % | 15 | 24 | 21 |
| July | % | 15 | 22 | 20 |
| August | % | 15 | 18 | 20 |
| September | % | 18 | 18 | 20 |
| October | % | 20 | 21 | 24 |
| November | % | 19 | 23 | 23 |
| December | % | 19 | 25 | 30 |

[1] Excluding countries and entities where data is not available as well as subsidiaries.
[2] Female sick leave is calculated as the share of all female employees absent for at least one day that month as percent of all female employees. 2020 and 2021 figures have been restated due to a change in methodology, to decouple the share of absence leave from the share of female in the overall workforce. In previous years, the share was calculated as a percent of all employees, resulting in lower percentages, although the underlying figures remained the same.

## Additional data from Swiss Re's Climate-related financial disclosures (TCFD)

Responsible investment-related data can be found on pages 68–70.

| Gross annual expected losses for weather-related perils by region and for peak exposures, Swiss Re Group[1] | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Total** | **USD m** | **2 170** | **2 010** | **2 470** |
| North America | USD m | 1 005 | 1 000 | 1 300 |
| Latin America | USD m | 220 | 185 | 200 |
| EMEA | USD m | 355 | 295 | 420 |
| Asia | USD m | 415 | 360 | 350 |
| Oceania | USD m | 175 | 175 | 190 |
| **Tropical cyclone** | **USD m** | **1 150** | **1 055** | **1 160** |
| North America | USD m | 615 | 580 | 700 |
| Latin America | USD m | 180 | 160 | 170 |
| EMEA | USD m | 0 | 0 | 0 |
| Asia | USD m | 310 | 280 | 250 |
| Oceania | USD m | 45 | 35 | 40 |
| **Convective storms** | **USD m** | **330** | **360** | **530** |
| North America | USD m | 240 | 255 | 390 |
| Latin America | USD m | 0 | 0 | 0 |
| EMEA | USD m | 45 | 40 | 70 |
| Asia | USD m | 0 | 0 | 0 |
| Oceania | USD m | 45 | 65 | 70 |
| **Flood** | **USD m** | **340** | **320** | **470** |
| North America | USD m | 80 | 85 | 140 |
| Latin America | USD m | 30 | 25 | 30 |
| EMEA | USD m | 110 | 105 | 140 |
| Asia | USD m | 85 | 75 | 90 |
| Oceania | USD m | 35 | 30 | 60 |
| **Windstorm** | **USD m** | **230** | **190** | **240** |
| North America | USD m | 50 | 50 | 30 |
| Latin America | USD m | 0 | 0 | 0 |
| EMEA | USD m | 180 | 140 | 200 |
| Asia | USD m | 0 | 0 | 10 |
| Oceania | USD m | 0 | 0 | 0 |
| **All other perils** | **USD m** | **120** | **90** | **80** |
| North America | USD m | 20 | 30 | 40 |
| Latin America | USD m | 10 | 0 | 0 |
| EMEA | USD m | 20 | 10 | 10 |
| Asia | USD m | 20 | 5 | 0 |
| Oceania | USD m | 50 | 45 | 20 |
| **Peak exposures** | | | | |
| Tropical cyclone North Atlantic | USD m | 770 | 720 | 840 |
| US convective storm | USD m | 240 | 260 | 380 |
| European windstorm | USD m | 180 | 140 | 190 |
| Japanese tropical cyclone | USD m | 210 | 180 | 160 |
| European flood | USD m | 100 | 100 | 130 |

[1] Regional figures may not add up to the world total due to rounding.
AEL from the following lines of business are covered: property, engineering, marine, liability, aviation, motor and multilines. The first two account for 95% of total AEL.

| Natural catastrophe premiums | Unit | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Natural catastrophe premiums across Swiss Re Group[1]** | **USD bn** | **4.1** | **3.9** | **4.8** |

[1] Estimated written premiums for losses exceeding USD 20 million by Property & Casualty Reinsurance and Corporate Solutions. As of 2021 this is calculated net of expenses such as brokerage and commissions, in previous years gross premiums were reported.

# Swiss Re position statements

To enable external stakeholders to find sustainability information more easily, a list of Swiss Re policies, commitments, position statements, frameworks and other relevant documentation on material as well as non-material sustainability topics of interest is provided below.

## Governance

| | | |
|---|---|---|
| Code of Conduct<br>swissre.com | Corporate Governance Guidelines<br>swissre.com | Corporate Governance Report<br>swissre.com |
| Corporate Bylaws<br>swissre.com | Compensation Framework<br>swissre.com | Preventing Bribery and Corruption<br>swissre.com |
| Policy Engagement<br>swissre.com | Data Protection and Privacy Compliance<br>swissre.com | Tax Policy<br>swissre.com |

| ESG risk management[1] | Responsible investing | |
|---|---|---|
| ESG Risk Framework<br>swissre.com | Approach to responsible investing<br>swissre.com | Overview of Swiss Re Asset Management's Stewardship Approach<br>swissre.com |

## Our people

| | | |
|---|---|---|
| Own the Way You Work<br>swissre.com | Inclusive culture<br>swissre.com | Human Rights Statement for Employees<br>swissre.com |

## Other relevant documents

Modern Slavery Act Transparency Statement

swissre.com

[1] Applicable to underwriting, investments and operations.

# Swiss Re memberships

A selection of Swiss Re's sustainability-related memberships in organisations, partnerships and initiatives is shown below.

## Global organisations

**CEO Action Group for the European Green Deal**
Supported by the World Economic Forum, the group serves as a high-level platform for business leaders to support concrete plans and ideas to step up the game for climate- positive action and demonstrate their commitment to the European Green Deal. The CEO Action Group also helps promote sustainable practices in a series of lighthouse projects and drives private sector investments for the green transition.
www.weforum.org

**Chief Risk Officer (CRO) Forum**
The CRO Forum is a group of professional risk managers from the insurance industry focusing on developing and promoting industry best practices in risk management. The forum consists of Chief Risk Officers from large multi-national insurance companies. It aims to represent the members' views on key risk management topics, including emerging risks. Swiss Re is a member of the sustainability working group.
www.thecroforum.org

**Climate Group's RE100**
The Climate Group is an international non-profit organization focused on transforming markets in support of the clean technologies that will help solve climate change and drive long-term prosperity. Focus areas are energy, transport, buildings and industry. RE100 is a global initiative, led by the Climate Group and in partnership with CDP, bringing together influential businesses committed to 100% renewable electricity.
www.theclimategroup.org

**ClimateWise**
ClimateWise helps the insurance industry to better communicate, disclose and respond to the risks and opportunities associated with the climate-risk protection gap. Swiss Re is a co-founding member.
www.cisl.cam.ac.uk/business-action/sustainable-finance/climatewise

**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. It created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. Swiss Re is an inaugural member.
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.
www.insdevforum.org

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

**Net-Zero Insurance Alliance**
The UN-convened Net-Zero Insurance Alliance (NZIA) is a group of 30 (as of January 2023) leading insurers and reinsurers which have committed to transition their insurance and reinsurance underwriting portfolios to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100, in order to contribute to the implementation of the Paris Agreement on Climate Change. Swiss Re is a co-founder of the alliance.
www.unepfi.org/net-zero-insurance/

**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 (GHG) emissions associated with their loans and investments. The harmonised accounting approach provides financial institutions with the starting point required to set science-based targets and align their portfolio with the Paris Climate Agreement. Swiss Re chaired the PCAF Working Group.
https://carbonaccountingfinancials.com

**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.
www.unpri.org

Swiss Re's PRI assessment is available on this page.

## Swiss Re memberships (continued)

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

### Taskforce on Nature-related Financial Disclosures (TNFD)
A total of 35 Taskforce members, including Swiss Re, were selected for their sector, geographical coverage and subject-matter expertise. The aim is to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. Swiss Re is an inaugural member.
https://tnfd.global

### UN 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 2019, Swiss Re also signed the UN Global Compact Business Ambition for 1.5°C.
www.unglobalcompact.org

### WEF Alliance of CEO Climate Leaders
A global network of chief executive officers who see the business benefits of bold and proactive action to ensure a smooth transition to a low-carbon and climate-resilient economy. Swiss Re's CEO Christian Mumenthaler has co-chaired the Alliance since 2020.
www.weforum.org/agenda/davosagenda2022

### World Business Council for Sustainable Development (WBCSD)
The WBCSD is the premier global, CEO-led community of over 200 leading sustainable businesses working collectively to accelerate the system transformations needed for a net-zero, nature-positive, and more equitable future.
www.wbcsd.org

## Swiss organisations

### Energie-Modell Zürich
Members have the common goal of increasing energy efficiency by a total of 14 percent and decreasing $CO_2$ emissions by a total of 20 percent by 2030, relative to the base year 2020.
www.energiemodell-zuerich.ch

### 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.
www.klimastiftung.ch/en/

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

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

# GRI reference table

The reference table below lists where Swiss Re reports disclosures from the Global Reporting Initiative (GRI). This is a summary overview, for further and complete information, please refer to the core text of the Sustainability Report 2022 and Financial Report 2022.

| Disclosure | Topic | Page |
|---|---|---|
| 2-1 | Organizational details | Swiss Re at a glance<br>FR: Group structure and shareholders<br>FR: Capital structure<br>FR: Note 2 – Information on business segments |
| 2-2 | Entities included in the organization's Sustainability Reporting | Swiss Re at a glance<br>FR: Group structure and shareholders<br>FR: Capital structure |
| 2-3 | Reporting period, frequency and contact point | Reporting profile and reporting frameworks |
| 2-4 | Restatements of information | Sustainability data |
| 2-5 | External assurance | Independent limited assurance report |
| 2-6 | Activities, value chain and other business relationships | Swiss Re at a glance<br>FR: Financial year<br>FR: Financial statements |
| 2-7 | Employees | Our people<br>Sustainability data |
| 2-9 | Governance structure and composition | FR: Board of Directors<br>Corporate governance |
| 2-10 | Nomination and selection of the highest governance body | FR: Board of Directors |
| 2-11 | Chair of the highest governance body | FR: Board of Directors |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | FR: Board of Directors<br>Corporate governance |
| 2-13 | Delegation of responsibility for managing impacts | FR: Board of Directors<br>Corporate governance |
| 2-14 | Role of the highest governance body in Sustainability Reporting | FR: Board of Directors<br>Corporate governance |
| 2-15 | Conflicts of interest | FR: Board of Directors<br>Code of Conduct |
| 2-16 | Communication of critical concerns | FR: Board of Directors |
| 2-17 | Collective knowledge of the highest governance body | FR: Board of Directors<br>FR: Executive Management<br>TCFD: Climate governance |

| Disclosure | Topic | Page |
|---|---|---|
| 2-18 | Evaluation of the performance of the highest governance body | FR: Compensation |
| 2-19 | Remuneration policies | FR: Compensation |
| 2-20 | Process to determine remuneration | FR: Compensation |
| 2-22 | Statement on sustainable development strategy | Executive statement<br>Group Sustainability Strategy<br>TCFD: Climate strategy |
| 2-23 | Policy commitments | Swiss Re position statements<br>Swiss Re memberships |
| 2-24 | Embedding policy commitments | Swiss Re position statements<br>Swiss Re memberships |
| 2-26 | Mechanisms for seeking advice and raising concerns | Sustainability risk management<br>Compliance |
| 2-27 | Compliance with laws and regulations | Compliance |
| 2-28 | Membership associations | Swiss Re memberships |
| 2-29 | Approach to stakeholder engagement | Knowledge sharing<br>ESG Risk Framework<br>Engaging with stakeholders and clients<br>Stewardship<br>Promoting responsible investing<br>Sustainability in the supply chain |
| 2-30 | Collective bargaining agreements | Group People Strategy: One Swiss Re<br>Group People Strategy<br>Swiss Re Human Rights Statement |
| 3-1 | Process to determine material topics | Materiality assessment |
| 3-2 | List of material topics | Materiality assessment |
| 3-3 | Management of material topics | Materiality assessment<br>Sustainability targets and progress in 2022 |
| 201-1 | Direct economic value generated and distributed | FR: Financial highlights<br>FR: Compensation<br>FR: Group financial statements |
| 201-2 | Financial implications and other risks and opportunities due to climate change | TCFD: Climate strategy<br>TCFD: Climate risk management |
| 201-3 | Defined benefit plan obligations and other retirement plans | FR: Note 16 – Benefit plans |
| 203-1 | Infrastructure investments and services supported | TCFD: Climate metrics and targets<br>Transactions and initiatives<br>Responsible Investing strategy |
| 203-2 | Significant indirect economic impacts | TCFD: Climate metrics and targets<br>Transactions and initiatives<br>Responsible Investing strategy |
| 205-2 | Communication and training about anticorruption policies and procedures | Compliance |
| 205-3 | Confirmed incidents of corruption and actions taken | Compliance<br>Sustainability data |

| Disclosure | Topic | Page |
|---|---|---|
| 207-1 | Approach to tax | Swiss Re Tax Policy<br>Swiss Re position statements |
| 207-2 | Tax governance, control, and risk management | Swiss Re Tax Policy<br>Swiss Re position statements |
| 207-3 | Stakeholder engagement and management of concerns related to tax | Swiss Re Tax Policy<br>Swiss Re position statements |
| 207-4 | Country by country reporting | Swiss Re Tax Policy |
| 302-1 | Energy consumption within the organization | Environmental data and GHG emissions disclosure<br>Sustainability data |
| 302-2 | Energy consumption outside of the organization | Environmental data and GHG emissions disclosure<br>Sustainability data |
| 302-3 | Energy intensity | Environmental data and GHG emissions disclosure<br>Sustainability data |
| 302-4 | Reduction of energy consumption | Environmental data and GHG emissions disclosure<br>Sustainability data |
| 302-5 | Reductions in energy requirements of products and services | Environmental data and GHG emissions disclosure<br>Sustainability data<br>TCFD: Climate metrics and targets |
| 303-5 | Water consumption | CO2NetZero Programme<br>Sustainability data |
| 304-2 | Significant impacts of activities, products and services on biodiversity | ESG Risk Framework |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | ESG Risk Framework |
| 305-1 | Direct (Scope 1) GHG emissions | CO2NetZero Programme<br>Sustainability data |
| 305-2 | Energy indirect (Scope 2) GHG emissions | CO2NetZero Programme<br>Sustainability data |
| 305-3 | Other indirect (Scope 3) GHG emissions | CO2NetZero Programme<br>Environmental data and GHG emissions disclosure<br>Sustainability data |
| 305-4 | GHG emissions intensity | Environmental data and GHG emissions disclosure<br>Sustainability data |
| 305-5 | Reduction of GHG emissions | Environmental data and GHG emissions disclosure<br>Sustainability data |
| 306-1 | Waste generation and significant waste-related impacts | CO2NetZero Programme<br>Sustainability data |
| 306-2 | Management of significant waste-related impacts | CO2NetZero Programme<br>Sustainability data |
| 306-3 | Waste generated | CO2NetZero Programme<br>Sustainability data |
| 308-1 | New suppliers that were screened using environmental criteria | Sustainability in the supply chain<br>Sustainability data |

| Disclosure | Topic | Page |
|---|---|---|
| 401-1 | New employee hires and employee turnover | Sustainability data |
| 403-1 | Occupational health and safety management system | Diversity, Equity & Inclusion<br>Mental Health<br>Code of Conduct |
| 403-3 | Occupational health services | Diversity, Equity & Inclusion<br>Mental Health<br>Code of Conduct |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Diversity, Equity & Inclusion<br>Mental Health<br>Code of Conduct |
| 403-5 | Worker training on occupational health and safety | Diversity, Equity & Inclusion<br>Mental Health<br>Code of Conduct |
| 403-6 | Promotion of worker health | Diversity, Equity & Inclusion<br>Mental Health<br>Code of Conduct |
| 404-1 | Average hours of training per year per employee | Group People Strategy – We build<br>Sustainability data |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Group People Strategy: One Swiss Re<br>Group People Strategy – We build<br>Sustainability data |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Group People Strategy: One Swiss Re |
| 405-1 | Diversity of governance bodies and employees | Diversity, Equity & Inclusion<br>Sustainability targets and progress in 2022<br>Sustainability data |
| 405-2 | Ratio of basic salary and remuneration of women to men | Group People Strategy – We perform |
| 406-1 | Incidents of discrimination and corrective actions taken | Compliance<br>Sustainability data |
| 414-1 | New suppliers that were screened using social criteria | Sustainability in the supply chain |
| 415-1 | Political contributions | Policy Engagement |

# SASB reference table

The reference table below lists where Swiss Re reports disclosures from the Sustainability Accounting Standard Board (SASB). This is a summary overview, for further and complete information, please refer to the core text of the Sustainability Report 2022 and Financial Report 2022.

| Topic | Accounting metric | Swiss Re disclosure |
|---|---|---|
| **Transparent information & fair advice for customers** | Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers | Currently not disclosed. This metric is not considered relevant for a reinsurer (as primarily B2B business). |
| | Complaints-to-claims ratio (FN-IN-270a.2.) | Currently not disclosed. This metric is not considered relevant for a reinsurer (as primarily B2B business). |
| | Customer retention rate (FN-IN-270a.3.) | Currently not disclosed. |
| | Description of approach to informing customers about products (FN-IN-270a.4.) | Currently not disclosed. This metric is not considered relevant for a reinsurer (as primarily B2B business). |
| **Incorporation of environmental, social, and governance factors in investment management** | Total invested assets, by industry and asset class (FN-IN-410a.1.) | Swiss Re considers ESG aspects for close to 100% of its Strategic Asset Allocation (see pages 35–37). Please see as well as the Financial Report 2022 on page 28 and Note 7 Investments (pages 242–248) for more information.<br>Swiss Re had a total of USD 105.7 billion of assets under management as of 31 December 2022. |
| | Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies (FN-IN-410a.2.) | Disclosed, please see the Responsible Investing chapter (pages 33–41), as well as the TCFD chapter in the Financial Report 2022, in particular on page 163. |
| **Policies designed to incentivize responsible behaviour** | Net premiums written related to energy efficiency and low carbon technology (FN-IN-410b.1.) | Swiss Re discloses its ESG-related products, of which energy efficiency and low carbon technology is a part. For further information on Swiss Re products, please see Sustainability in underwriting chapter on pages 22–32. |
| | Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours (FN-IN-410b.2.) | As a re/insurer, Swiss Re incentivises sustainable behaviour with key stakeholders in various ways: in its core re/insurance business through products and services with clients and as an asset owner with the companies it invests in. As part of the Group Sustainability Strategy (see pages 12–14), Swiss Re aims to embed sustainability in all its activities and lead sustainability-linked solutions and embrace opportunities.<br><br>Please also see the Sustainability in underwriting chapter pages 22–32 as well as pages 159–160 in the TCFD chapter of the Financial Report 2022 for more information on concrete examples.<br><br>Swiss Re has an extensive sustainability risk management process in place, for both individual transaction due diligence as well as Group-wide sustainability risk policies. Please see the Sustainability risk management chapter on pages 18–21 for details.<br><br>Swiss Re shares knowledge and engages in dialogue with stakeholders, see Knowledge sharing chapter on pages 42–45 and Engaging with stakeholders and clients on pages 31–32.<br><br>Asset Management developed and implemented an Engagement Framework, please see pages 39–40, for further information.<br><br>Pages 39–41 give more insights into how Swiss Re promotes responsible investing with key stakeholders. |

| Topic | Accounting metric | Swiss Re disclosure |
|---|---|---|
| **Environmental risk exposure** | Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes (FN-IN-450a.1.) | Swiss Re uses annual expected losses (AEL) from weather-related perils by region and peak scenario to identify material portfolios that are potentially exposed to changes in the frequency and severity of extreme weather events due to climate change. Please see page 171 in the TCFD chapter of the Financial Report 2022. Adequate metrics for the risk of individual rare natural catastrophes are 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 page 69, where the results of insurance risk stress tests are provided for the peak insurance risks. |
| | Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance) (FN-IN-450a.2.) | In the 2022 TCFD chapter, Swiss Re discloses gross modelled natural catastrophes AELs by type of event and geographic segment. Actual net losses for natural catastrophes overall are only disclosed on a global and Business Unit basis.<br><br>More details can be found in the TCFD chapter of the Financial Report 2022 on pages 171–172 and in the Group results chapter on pages 16–17. |
| | Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy (FN-IN-450a.3.) | Swiss Re has an extensive sustainability risk management process in place (for both individual transaction due diligence as well as Group-wide sustainability risk policies), please see Sustainability risk management chapter on pages 18–21. For more information on Swiss Re's climate risks, please see the TCFD chapter in the Financial Report 2022. |
| **Systemic Risk Management** | Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives (FN-IN-550a.1.) | Please see Note 9 Derivative Financial Instruments on pages 259–262 of the Financial Report 2022 for information on derivative financial instruments. |
| | Total fair value of securities lending collateral assets (FN-IN-550a.2.) | Please see Note 7 Investments on pages 246–247 of the Financial Report 2022 for more information on investments. |
| | Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities (FN-IN-550a.3.) | Please see Risk and capital management on pages 48–67 of the Financial Report 2022 and Note 7 Investments on pages 240–249 of the Financial Report 2022. |

# PSI disclosure of progress

Developed by the UN Environment Programme's Finance Initiative (UNEP FI) in collaboration with leading re/insurance companies, the Principles for Sustainable Insurance (PSI) provide a framework for the global insurance industry to address environmental, social and governance (ESG) risks and opportunities.

## Swiss Re and the PSI

Swiss Re is keen to support the spread of sustainable business practices in the re/insurance industry. Not only is Swiss Re one of the original signatories to the Principles of Sustainable Insurance, Swiss Re has played an active role in their development and currently provides one of its board members.

Swiss Re supports the PSI's call for transparency. Details of its progress on implementing the PSI's principles during 2022 can be found on this and the following pages.

This is a summary overview, for further and complete information, please refer to the core text of the Sustainability Report 2022 and Financial Report 2022.

## Principle 1

**We will embed in our decision-making environmental, social and governance (ESG) issues relevant to our insurance business.**

Swiss Re has established a Group Sustainability Strategy which focuses on two sustainability ambitions: advancing the net-zero transition and building societal resilience (see Group Sustainability Strategy). Furthermore, Swiss Re seeks to address ESG issues through its re/insurance transactions, embeds ESG in its risk management and integrates ESG criteria in its asset management (see Sustainability in underwriting, Sustainability risk management and Responsible investing, respectively).

Swiss Re plans to achieve this by:
- Implementing the Group Sustainability Strategy with the help of a dedicated governance framework.
- Developing and providing risk transfer solutions, creating innovative new products and working closely with partners both in the private and public sectors.
- Using tailor-made risk management tools to identify, assess and address sustainability risks.
- Pursuing a comprehensive Responsible Investing strategy in asset management.
- Decarbonising the entire business with the aim of achieving net-zero GHG emissions both in underwriting and asset management by 2050.

Key actions taken in 2022:
- In 2022, Swiss Re conducted a materiality assessment and adjusted the Group Sustainability Strategy for the period from 2023 until 2025. The Group Sustainability Strategy was endorsed by the Group Sustainability Council and the Group Executive Committee, and approved by the Board of Directors.
- A summary of Swiss Re's achievements is described in Sustainability targets and progress in 2022.
- For Swiss Re's sustainability governance, see Corporate governance.
- For re/insurance solutions, see Sustainability in underwriting.
- For risk management, see Sustainability risk management and ESG Risk Framework in particular.
- For asset management, see Responsible investing.
- For efforts to decarbonise Swiss Re's business, see Decarbonising Swiss Re's business model, Responsible Investing strategy (section Climate action) and the Climate-related financial disclosures (TCFD) in the Financial Report 2022.

## Principle 2

**We will work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.**

As described in Knowledge sharing, Swiss Re engages in regular dialogue with its clients and other stakeholders and applies ESG guidelines for external vendors (see Sustainability in the supply chain).

Swiss Re plans to achieve this by:
- Interacting with clients and taking an active role in industry initiatives to advance sustainable business practices.
- Engaging as a responsible investor.
- Sharing, co-creating and advancing risk expertise with a special focus on Swiss Re's Group Sustainability Strategy.
- Applying a Targeted Standard on Procurement and conducting ESG assessments in Swiss Re's supply chain.

Key actions taken in 2022:
- Swiss Re conducted a materiality assessment, surveying a wide range of internal and external stakeholders to determine sustainability priority topics and define key areas for action (Materiality assessment)
- For client and industry cooperation, see Engaging with stakeholders and clients and ESG Risk Framework.
- For Swiss Re's engagement as a responsible investor, see Stewardship and Promoting responsible investing.
- For general risk dialogue, see Knowledge sharing.
- For Swiss Re's Targeted Standard on Procurement and ESG assessments of suppliers, see Sustainability in the supply chain.

## Principle 3

**We will work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues.**

Swiss Re engages in regular dialogue with its stakeholders and plans to promote action on ESG issues by co-creating risk knowledge and sharing risk expertise (see Knowledge sharing).

Swiss Re also develops risk transfer solutions for, and in cooperation with, governments and various public sector organisations (see Risk transfer solutions and Transactions and initiatives).

Key actions taken in 2022:
- Key topics addressed through stakeholder dialogue during 2022 are described in Knowledge sharing.
- Examples of risk transfer solutions developed with the public sector can be found in Risk transfer solutions and Transactions and Initiatives.

## Principle 4

**We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.**

Since 2012, Swiss Re has disclosed its progress on implementing the Principles annually as part of its sustainability reporting. Swiss Re's sustainability reporting consists of the Swiss Re Sustainability Report 2022 and its Climate-related financial disclosures (TCFD) in the Financial Report 2022.

# 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

Moody's ESG Solutions is a business unit of Moody's Corporation that serves the growing global demand for ESG and climate insights. The group's comprehensive offering includes ESG scores, climate data Sustainability Ratings and Sustainable Finance certifier services that help fulfil the broad spectrum of ESG-related goals in risk management, equity, and credit markets.

## Sustainalytics

 This Swiss Re Sustainability Report 2022 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.

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# Independent limited assurance report on Selected Sustainability Information in Swiss Re Management Ltd's Sustainability Report 2022 and TCFD reporting 2022

**To the Board of Directors of Swiss Re Management Ltd, Zurich**

We have undertaken a limited assurance engagement on Swiss Re Management Ltd's (hereinafter "Swiss Re") Selected Sustainability Information in the following sections of the Sustainability Report for the year ended December 31, 2022:

- Swiss Re's approach to sustainability (materiality assessment);
- Sustainability risk management (quantitative data only);
- Sustainability in underwriting (selected quantitative data: Natural catastrophe premiums across Swiss Re group; renewable energy generation facilities insured, potential emissions avoided due to renewable energy generation facilities; Women's World Banking microinsurance programme; life and health reinsurance policies in force and family members supported by life and health re/insurance policies);
- Responsible investing;
- Governance and compliance (quantitative data only);
- Sustainable operations (quantitative data only incl. restatements);
- Our people (quantitative data only);
- Appendix: 2022 Sustainability data (p.66 – 80)
  In "Sustainable operations" the reporting period of GHG emissions and underlying data is October 1, 2021 to September 30, 2022 for all data, except for Scope 3 category 6 (business travel) which is reported January 1, 2022 to December 31, 2022.

Furthermore, we assessed data and information disclosed in the chapter "Climate-related financial disclosures (TCFD)" in the Financial Report for the year ended December 31, 2022 (TCFD reporting 2022), including:

- Climate strategy - Investments
  - USD amount invested in green bonds as per December 31, 2022 (p.165)
  - Sectoral allocation of green bonds (p.165)
  - USD amount of capital deployed in social and renewable energy infrastructure debt as of December 31, 2022, incl. respective shares (p.165)
  - USD amount invested in renewable energy as of December 31, 2022 (p.165)
  - USD amount invested in energy efficiency projects as of December 31, 2022 (p.165)
  - USD amount invested in social infrastructure projects as of December 31, 2022 (p.165)
  - USD amount of total real estate investment portfolio as of December 31, 2022 (p.166)
  - USD amount and share of MINERGIE® certified real estate portfolio (p.166)
  - Swiss real estate portfolio by energy source (p.166)
  - Share of certified buildings, based on local energy labels (p.166)
- Annual expected losses (AEL) of the weather-related perils reporting (p.172);
- Climate metrics and targets – Investments
  - USD amount invested in green, social and sustainability bonds as per December 31, 2022 (p.174)
  - Share of green, social and sustainability bonds fulfilling the ICMA GBP and SBP (p.174)
  - 2022 data in the graph 'Carbon intensity of the corporate bond and listed equity portfolios' (p.175)
  - Absolute financed emissions (corporate bonds and listed equity, excluding ETFs) (p.175)
  - 2022 data in the graph 'Drivers of carbon intensity reduction from 2018 to 2022: corporate bond portfolio' (p.176)
  - 2022 data in the graph 'Carbon intensity as per year-end 2022: corporate bond portfolio vs benchmark' (p.176)

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- 2022 data in the graph 'Drivers of carbon intensity reduction from 2018 to 2022: listed equity portfolio' (p.177)
- 2022 data in the graph 'Carbon intensity as per year-end 2022: listed equity portfolio vs benchmark' (p.175)
- 2022 carbon footprint of the Swiss and German real estate portfolio (p.178)
- Absolute financed emissions (Swiss and German real estate portfolio) (p.178)
- Carbon intensity of government bond portfolio versus G20 per year-end 2022 (p.178)
- 2022 data in the graph 'Temperature alignment comparison of portfolio vs benchmark' (p.179)

- Data tables: Greenhouse gas emissions from Swiss Re's operations (Scope 1, 2 and 3) (p.182 – 183) In "Greenhouse gas emissions from Swiss Re's operations (Scope 1, 2 and 3)" the reporting period of GHG emissions and underlying data is October 1, 2021 to September 30, 2022 for all data, except for Scope 3 category 6 (business travel) which is reported January 1, 2022 to December 31, 2022.

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Sustainability Report 2022 and in the Financial Report 2022 or linked to from the Selected Sustainability Information or from the Financial Report 2022, including any images, audio files or embedded videos.

### 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 Swiss Re's Selected Sustainability Information in the above-mentioned sections of the Sustainability Report and the Financial Report for the year ended December 31, 2022 are not prepared, in all material respects, in accordance with the reporting criteria described under *'Understanding how Swiss Re has prepared the Selected Sustainability Information'.*

We do not express an assurance conclusion on information in respect of earlier periods or to any other information included in the Sustainability Report 2022 and in the Financial Report 2022 or linked to from the Selected Sustainability Information or from the Financial Report 2022, including any images, audio files or embedded videos.

### Understanding how Swiss Re has prepared the Selected Sustainability Information

The Selected Sustainability Information needs to be read and understood together with the following reporting criteria:

- Relevant references in GRI Sustainability Reporting Standards;
- Swiss Re's Group Risk Framework;
- Greenhouse Gas Protocol Initiative of the World Resources Institute and the World Business Council for Sustainable Development;
- BEIS 2021 Government Greenhouse Gas Conversion Factors for Company Reporting, Methodology Paper;
- IEA Emissions Factors 2020 Database Documentation;
- Internal Environmental Performance Indicators for the Financial Industry' published by the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (VfU);
- The GHG Protocol Scope 2 Guidance, effective since January 2015;
- Further internal policies and guidelines applied regarding the subject matter.

### Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Selected Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Selected Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

The Sustainability information disclosed in the Sustainability Report 2022 and TCFD reporting 2022 include retired carbon certificates for the year ended December 31, 2022. In total the retired carbon certificates amount to 25'034 t$CO_2$ emissions and include both carbon avoidance certificates (76%) and carbon removal certificates (24%). We have performed procedures as to whether these retired $CO_2$ emissions relate to the current period, and whether the description of them in the Sustainability Report 2022 and TCFD reporting 2022 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 carbon 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 Selected Sustainability Information, taking into account applicable law and regulations related to reporting the Selected Sustainability Information;
- The preparation of the Selected Sustainability Information in accordance with the reporting criteria described under 'Understanding how Swiss Re has prepared the Selected Sustainability Information';
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Selected Sustainability Information 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 Selected Sustainability Information 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 conclusion to the Directors of Swiss Re.

As we are engaged to form an independent conclusion on the Selected Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Selected Sustainability Information as doing so may compromise our independence.

### Professional Standards Applied

We performed a limited assurance engagement in accordance with the 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, 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 Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and 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.

**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 Selected Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Selected Sustainability Information 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 qualitative and quantitative 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 in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures in the scope of the assurance with the other disclosures and key figures in the Sustainability Report 2022 and the TCFD reporting 2022;
- Assessment of the overall presentation of the disclosures through critical reading of the Sustainability Report 2022 and the TCFD reporting 2022.

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

Licensed audit expert

Theresa Tiersch

Zurich, March 15, 2023

# 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 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, and historically high inflation rates;
- the frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, man-made disasters, pandemics, including the coronavirus ("COVID-19"), social inflation litigation, acts of terrorism or acts of war, including the ongoing war in Ukraine, 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 ability to comply with standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and to fully achieve goals, targets, or ambitions 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;
- policy renewal and lapse rates;

- 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;
- 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;
- 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 and 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. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

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Title:
Sustainability Report 2022

Production:
Group Sustainability Reporting
Group Communications

Design:
Superunion, London
Swiss Re Corporate Real Estate & Services/
Media Services, Zurich

Photography:
Climeworks
GettyImages
Phosstudio, Zurich
Swiss Re, Leonardo Finotti
Microsoft, ppt image library

03/23

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