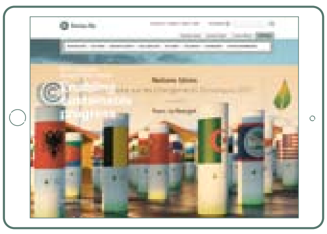
Swiss Re

2015 Corporate Responsibility Report
Enabling sustainable progress

Cover

The COP21 Climate Change Conference in Paris was lauded a landmark success: It brought a legally binding agreement to cap global warming at 2°C over pre-industrial levels or less. We supported the negotiation process both before and during the conference. You can read about our contribution to COP21 on page 41 and about our various climate change activities throughout the report.



More information online:
reports.swissre.com/corporate-responsibility-report/2015/

Contents

The 2015 Corporate Responsibility Report sets out our commitment as a responsible company and describes the actions we have taken to put this commitment into practice.

Executive statement	2
Who we are and what we do	4
Our approach to corporate responsibility	8
Creating solutions for sustainability	16
Extending our risk intelligence	26
Exploring and shaping the risk landscape	38
Reducing our environmental footprint	47
Empowering our people	58
Ensuring good governance and compliance	68
The Swiss Re Foundation	72
Other Swiss Re publications	74
Independent assurance report to the management of Swiss Re Ltd, Zurich	76
Memberships, commitments, awards and index listings	78
The Principles for Sustainable Insurance (PSI): Our Public Disclosure of Progress	80
GRI Content Index, with UN Global Compact Communication on Progress (COP) references	81

Executive statement

Dear stakeholders

It is a pleasure to introduce Swiss Re's 2015 Corporate Responsibility Report. With this yearly publication we want to give you a comprehensive overview of the measures we take to act as a responsible company. "Playing our part in enabling sustainable progress" is one of our key objectives – as we express it in our value framework. This commitment continues to guide our actions as a responsible company and helps us to pursue our vision of making the world more resilient.

The 2015 Corporate Responsibility Report describes in detail our commitment to sustainable progress and reviews our main actions and achievements over the past year. Our strategic priorities remained largely unchanged in 2015 and are mirrored by the main chapters you can see in the report. As in recent years, our Corporate Responsibility Report also serves as our official disclosure document for two important commitments we have made to the United Nations: the UN Global Compact and the UNEP Principles for Sustainable Insurance (PSI). We remain committed to both of them and will continue to take an active role in the PSI.

Below, we would like to draw your attention to some of our main achievements in 2015.

In our core re/insurance business, we continued to create effective solutions that help our private and public sector clients manage the risks they face. In particular, our solutions offer protection for natural catastrophes, volatile weather, construction risks of offshore wind farms and potential funding gaps of pension funds. Highlights of our work included setting up reinsurance support for the Florida Hurricane Catastrophe Fund, a cat bond insuring Istanbul against earthquake damage, completion of two new Economics of Climate Adaptation studies in Bangladesh and El Salvador, and insuring the first-ever offshore wind farm project in the US. We also report on our progress towards meeting two quantitative commitments we have made – to the United Nations and to the Grow Africa Partnership.

In risk management, our goal as a responsible company is to identify and avoid certain risks we do not want to underwrite, be it for ethical reasons or because they might lead to losses, or both. In 2015, we made an important change to our Sustainability Risk Framework: By integrating an online assessment tool into the "Sensitive Business Risks" process, we have enabled our underwriters to quickly spot potential environmental and social risks of transactions themselves, further strengthening our due diligence capabilities. In the emerging risks section, we again spotlight a topic that may create significant challenges for re/insurance in the future; this time the "Internet of Things". In the regulatory sphere, we describe the active role we play in a major initiative recently launched to develop financial disclosure requirements on climate risks.

Ongoing dialogue with you, our stakeholders, has remained essential for our efforts to enable sustainable progress and to make the world more resilient. In our role as ultimate risk taker, we need to have a very sound understanding of key risks. Our partners expect us to share this knowledge with them and help set the agenda. In turn, we also benefit from this exchange to sharpen our expertise, making us "smarter together". In 2015, our dialogue focused on topics such as climate change, building resilient energy infrastructure, financial repression, autonomous cars and 3D printing.

Walter B. Kielholz

Michel M. Liès

As Swiss Re is not an industrial company, our own environmental footprint is relatively small. Yet, our commitment to finding further possibilities to reduce this is as strong as ever. In 2015, we introduced an integrated, ISO 14001-certified environmental management system, spanning all our operations and employees around the world. Previously, our policy had been to certify individual locations. Both our pioneering climate-related initiatives – the Greenhouse Neutral Programme and CO_{you2} Programme – are now well into their second cycles and continue to produce results. We also report on the steady progress we are making with Swiss Re Next, our new headquarter building in Zurich, which will set a benchmark for sustainable construction.

In recognition of our efforts in all these areas over many years, we were again ranked the sector leader in the prestigious Dow Jones Sustainability Indices (DJSI). This is the ninth time we achieved this over the last ten years – a track record that fills us with pride and satisfaction, because it shows that many of the actions we have taken are seen as relevant.

To summarise, we believe the past year was a highly successful one for Swiss Re in terms of our contribution to sustainable progress and in meeting your expectations, dear stakeholders. Of course, this would not have been possible without the dedication of the people who work for Swiss Re, day in, day out. We would like to thank them sincerely for their passion to perform. In the present report, we describe in detail what we, in turn, do to help our people unleash their full potential towards making the world more resilient.

Zurich, May 2016

Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group Chief Executive Officer

The Swiss Re Foundation in 2015 – Seeds of resilience
This separate report describes how the Swiss Re Foundation helps communities to build resilience to risk.

UN GLOBAL COMPACT
WE SUPPORT

ROBECOSAM
Sustainability Award
Industry Leader 2016

Who we are and what we do

Our vision: We make the world more resilient.

Swiss Re at a glance

Swiss Re is a leader in wholesale reinsurance, insurance and risk transfer solutions. Our success is built on our solid client relationships, capital strength and knowledge company approach. We make the world more resilient.

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

Headquartered in Zurich, Switzerland, Swiss Re has operations across the globe. At the end of 2015, we had 75 offices in more than 30 countries. Based on "net premiums earned and fee income from policyholders", our ten biggest markets in 2015 were: the United States, the United Kingdom, China, Australia, Germany, Canada, Japan, Ireland, France and Switzerland. They accounted for 78.4% of the Group's total business over the year.

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

Our global presence

	Europe (including Middle East and Africa)
Net premiums earned and fee income in 2015 (USD billions)	10.3 (USD 11.3 billion in 2014)
Number of offices as of 31 December 2015	24* (24 in 2014)
Number of employees (regular staff) as of 31 December 2015	7 689 (7 457 in 2014)

* Counting all Zurich premises as one office

For more information see **swissre.com/about_us/**

Our strategy for 2016 and beyond

Late in 2015, we presented an updated strategic framework. Building from our current strategy, this will drive our 2016 priorities and create long-term value for our shareholders.

You can get detailed information on our strategy in the 2015 Business Report at: reports.swissre.com/2015/business-report/our-strategy/strategy-in-action.html

Systematically allocate capital to risk pools/revenue streams	Broaden and diversify client base to increase access to risk	Optimise resources and platforms to support capital allocation	Emphasise differentiation

Americas	Asia-Pacific	Total
13.2 (USD 12.2 billion in 2014)	6.7 (USD 7.8 billion in 2014)	30.2 (USD 31.3 billion in 2014)
36 (36 in 2014)	15 (12 in 2014)	75 (72 in 2014)
3 367 (3 300 in 2014)	1 711 (1 467 in 2014)	12 767 (12 224 in 2014)

The Swiss Re Group

Reinsurance

Reinsurance is Swiss Re's largest business in terms of income and the foundation of our strength, providing about 85% of gross premiums and fee income through two segments – Property & Casualty and Life & Health. The unit aims to extend Swiss Re's industry-leading position with disciplined underwriting, prudent portfolio management and diligent client service.

Corporate Solutions

Corporate Solutions serves mid-sized and large corporations, with product offerings ranging from traditional property and casualty insurance to highly customised solutions. Corporate Solutions serves customers from over 50 offices worldwide.

Admin Re®

Admin Re® provides risk and capital management solutions by which Swiss Re acquires closed books of in-force life and health insurance business, entire lines of business, or the entire capital stock of life insurance companies. As of 1 January 2016, the open and closed life insurance books of the Group, including Admin Re®, are managed under a new business unit called Life Capital.

Operational Group structure

* Since 1 January 2016 Admin Re® is part of the Business Unit Life Capital.

How we operate

Swiss Re is a knowledge company. We apply that knowledge to help clients, shareholders and society.

In simplified terms, our business models works as follows:

We provide **tailor-made solutions** through traditional reinsurance or insurance-based capital market instruments. At the core of our expertise is the **costing, pricing and diversification** of non-life and life risks.

Against **up-front premium payments,** our solutions enable our clients to reduce peak risks, reduce earnings volatility, free up capital and finance growth, and achieve capital management targets for solvency and ratings.

We **invest assets long-term until money is needed,** applying asset-liability matching techniques to align the duration and currency of invested assets to the duration and currency of our insurance liabilities, ensuring that we deliver on our promises to our clients.

We **compensate for our clients' losses,** using effective claims management procedures that are based on industry best practice, providing speed of payment when clients need us most.

Key financial data

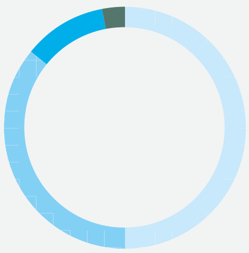
The table below provides an overview of some of the Swiss Re Group's key financial data.

USD millions unless otherwise stated	2014	2015
Total assets	204 461	**196 135**
Total investments	143 987	**137 810**
Total liabilities	168 420	**162 529**
Total debt [1]	14 316	**12 812**
Common shareholders' equity	35 930	**33 517**
Retained earnings	34 257	**37 526**
Total revenues	37 347	**35 714**
Premiums earned and fee income	31 262	**30 214**
Net investment income – non-participating	4 103	**3 436**
Net investment result – unit-linked and with-profit	1 381	**814**
Total expenses	33 120	**30 395**
Claims and claim adjustment expenses	10 577	**9 848**
Life and health benefits	10 611	**9 080**
Income tax expense	658	**651**
Current taxes	1 072	**582**
Deferred taxes	–414	**69**
Net income [2]	3 500	**4 597**
Earnings per share in CHF (basic)	9.33	**12.93**
Dividends paid to shareholders	3 129	**2 608**
Return on equity in %	10.5	**13.7**

1 Total debt expressed as total carrying value
2 Net income attributable to common shareholders

Net premiums earned and fee income by Business Unit
(Total USD 30.2 billion)

50% P&C Reinsurance
36% L&H Reinsurance
11% Corporate Solutions
3% Admin Re®



Our approach to corporate responsibility

We are committed to being a responsible company. Contributing to sustainable, long-term value creation serves as a guiding principle for our actions.

Our commitment to corporate responsibility

Swiss Re has a long-standing commitment to being a responsible company. A key element in our understanding of what this means is the desire to contribute to sustainable value creation, for the benefit of our clients and society at large. This long-term view helps us to pursue our vision of making the world more resilient and is embedded in our value framework, which means "doing business the Swiss Re way".

It is also in our own best interest, though: it strengthens our capabilities to identify, and address, both risks and opportunities manifesting themselves in the longer run and, as a consequence, to retain our licence to operate.

We first began to address a specific sustainability issue almost 30 years ago when we drew attention to the potential risks created by climate change. Building on this, we gradually began to form a commitment to sustainable, long-term value creation and identified the areas of our business we considered relevant to supporting this goal. We first gave this formal expression through our Sustainability Mission Statement and, in parallel, began to provide specific information in dedicated reports, starting with a "Corporate Environmental Report" covering the business year of 1998.

In the following years, we broadened our commitment to "corporate responsibility": still based on the key notions of long-term value creation and sustainable progress, this began to place more emphasis on social and governance aspects. Our current, overarching commitment is shown on page 9.

Based on our commitment to long-term value creation, we have signed up to a number of external charters and initiatives:

- Principles for Responsible Investment (PRI): see page 35
- RE100: see page 49
- UNEP FI Principles for Sustainable Insurance (PSI): for our Public Disclosure of Progress, see page 80
- UN Global Compact: for our Communication on Progress, see pages 81–85
- Carbon Disclosure Project (www.cdp.net)
- ClimateWise (www.cisl.cam.ac.uk/)

For more information see
swissre.com/about_us/our_values/

For more information see
swissre.com/corporate_responsibility/

Our values mean doing business the Swiss Re way:

- Being open, honest and transparent in everything we do;
- Treating everyone with respect – both inside and outside the company;
- Taking the long-term view and playing our part in enabling sustainable progress – for stakeholders and society in general;
- Creating an inclusive culture that encourages diversity of thought and opinion.

Our general commitment to corporate responsibility:

"Corporate responsibility" expresses Swiss Re's commitment to being an open, honest and transparent organisation that treats all its stakeholders – employees, shareholders, clients, government agencies and the general public – with respect and integrity. In particular, we aim to take a long-term view and to play our part in enabling sustainable progress.

Sustainability as a guiding principle:

Sustainable progress – or sustainability – can be described as development that meets the needs of the present without compromising the ability of future generations to meet their needs. To be sustainable, progress must improve economic efficiency, protect and restore ecological systems, and enhance social wellbeing. In all our main activities aimed at implementing corporate responsibility, the principle of sustainability is a key criterion.

How we determine materiality

A key question for any company that seeks to take a long-term view and enable sustainable progress is what this means in the context of its own business and industry: which topics are "material" to achieving this goal?

In order to identify the most material sustainability issues, we use both our internal risk expertise and ongoing dialogue with our stakeholders.

Insights from our internal risk expertise

As a leading re/insurer, we act as ultimate risk taker in society. This requires us to have a very sound understanding of the risk landscape. This deep understanding of re/insurance markets and the risk expertise embedded in our company also provide us with a solid foundation to identify material sustainability issues. In many areas of our business, we have special teams, functions and processes to identify and address issues relevant to sustainable development.

In our core re/insurance business, we have special units, such as our Global Partnerships function in the Group or the Environmental & Commodity Markets department in our Corporate Solutions Business Unit, that identify underinsured markets and risks, and seek to expand re/insurance protection through commercially viable solutions.

In our risk management, meanwhile, we have a process and the capabilities to identify risks we feel we should not re/insure, be it for ethical reasons, because they might lead to losses, or both. We conduct this analysis through our Sustainability Risk Framework and other tailor-made risk management tools.

We also have a formal process to identify emerging risks, called SONAR ("Systematic observation of notions associated with risk"). This enables us to spot, at an early stage, newly developing or changing risks that may have an impact on our business, including risks related to environmental, social and governance (ESG) issues.

Insights from dialogue with our stakeholders

Being an ultimate risk-taker in society, we have an intrinsic interest in maintaining active and ongoing dialogue with our key stakeholders. Generally speaking, this dialogue works in both directions: our partners expect us to share our risk expertise, thus helping them – and society at large – to form effective responses. In turn, we benefit from this exchange to sharpen our understanding of key risk, including ESG issues, and to set priorities.

With regard to sustainability issues, our principal stakeholders are:

- Financial community: sustainability investors/shareholders, rating agencies, shareholder associations and stock exchanges in addressing sustainability concerns;
- Clients: Cedents, brokers and corporate clients;
- Employees;
- Political and legal entities: Multilateral organisations (UN), governments, regulators, standard-setting boards;
- Civil society: general public, NGOs, media, academia.

The Centre for Global Dialogue near Zurich is our own in-house conference centre. Providing us with a tailor-made dialogue platform, it allows us to actively manage and encourage collaboration with our stakeholders. In 2015, we held or hosted approximately 120 stakeholder events at the Centre. Our publications form a second important element of our stakeholder dialogue: in 2015, we published more than 20 new expertise publications and around 30 new fact sheets.

Complementing the insights we gain directly through dialogue with our stakeholders, we also utilise data provided by third-party organisations such as RepRisk, Sigwatch, MSCI and Sustainalytics, and the results of acacemic research.

Our process to identify material issues

When identifying material ESG issues, we both use our internal, embedded risk expertise and the insights we gain from our stakeholder dialogue. In addition, we also take into account the views of various standard setters on materiality, eg: reporting requirements, materiality definitions by sustainability rating agencies, multilateral discussions such as the UN Sustainable Development Goals, relevant academic research and regulatory developments.

To process the resulting information from these three key sources we use a process with the following steps:

- Expert analysis by our Group Sustainability Risk unit;
- Interviews with key internal decision makers, our sustainability risk stakeholders (eg investor meetings, events at the Centre for Global Dialogue, project and business related interactions) and external experts (academia, NGOs, consulting firms);
- Validation of final topics by the Group Sustainability Risk unit;
- Approval and endorsement by the Risk Management ET, Group Executive Committee, Board of Directors;
- List of material topics finalised by Group Sustainability Risk unit;
- Development/adjustment of sustainability strategy based on final materiality map.

For more information see
cgd.swissre.com

For more information see
swissre.com/library/

Key material issues

Based on the insights gained through this process, we currently consider the following sustainability or ESG topics as the most material in the context of our own business:

- Climate change:
  - Managing climate and natural disaster risk
  - Advancing sustainable energy solutions
- Funding longer lives
- Partnering for food security
- Supporting financial resilience
- Managing sustainability risks
- Empowering our people
- Ensuring good governance and compliance

For more information see **swissre.com/eca/our_climate_change_strategy.html**

A hurricane wreaking havoc in the Caribbean. Natural catastrophes and the impact of climate change remain key topics for us and our partners.

Climate change

Climate change has been our most important material issue for many years: For a reinsurer, it constitutes a key material topic because it will lead to an increase in the frequency and severity of natural catastrophes such as floods, storms, excessive rainfall and drought. In combination with growing asset concentrations in exposed areas and more widespread insurance protection, this will cause a steady rise in losses. Of our key material topics listed above, two are directly connected to climate change (managing climate and natural disaster risk, advancing sustainable energy solutions).

Since detecting the long-term threat posed by climate change almost 30 years ago, we have been an acknowledged thought leader on the topic. To tackle the issue, we pursue a comprehensive strategy with four pillars. These are described below:

The four pillars of our climate change strategy

- **Advancing our knowledge and understanding of climate change risks, quantifying and integrating them into our risk management and underwriting frameworks where relevant;**
- **Developing products and services to mitigate or adapt to climate risk;**
- **Raising awareness about climate change risks through dialogue with clients, employees and the public, and advocating a worldwide policy framework for climate change;**
- **Tackling our own carbon footprint and ensuring transparent, annual emissions reporting.**

Goals for our material issues

For all material issues we have set qualitative objectives and, for some of them, quantitative ones, as well:

Managing climate and natural disaster risk

- For general goals, see special section on our climate change strategy on page 11;
- Based on our commitment made to the UN, offer USD 10 billion protection against climate risks to sovereign and sub-sovereigns by 2020;
- Keep per-capital CO_2 emissions from our own operations at 2013 levels, which we had reduced by 49.3% since 2003;
- Reduce our energy intensity by an average 2% per year.

Advancing sustainable energy solutions

- Use our capacity and technical expertise to provide effective risk covers for complex offshore wind farm projects;
- Obtain 100% of power used for our own operations from renewable sources by 2020.

Funding longer lives

- Use our capacity, technical expertise and natural offset of our mortality business to offer our clients risk transfer solutions for their longevity risk.

Partnering for food security

- In cooperation with key stakeholders, create solutions to improve food security by giving farmers protection against natural perils;
- Through commitment to the Grow Africa Partnership, offer up to 1.4 million smallholder farmers in Africa protection against weather risks (target met in 2014).

Supporting financial resilience

- Actively participate in the financial reform dialogue to promote policies supporting financial resilience and sustainable economic growth.

Managing sustainability risks

- Consistently identify potential sustainability risks in our business transactions and abstain from them if warranted, and engage with clients and industry partners on how to address such risks.

Empowering our people

- Continue to build an organisation of diverse people that have a passion to make the world more resilient;
- Achieve a top-quartile employee engagement score (EES >72%).

Ensuring good governance and compliance

- Continuously assess our corporate governance against best practices and new stakeholder demands;
- Regularly update our compliance policies as appropriate, oversee effective implementation thereof and deliver meaningful training and communication to our employees.

Implementation areas

We seek to address the issues we have determined as material across all the areas of our business where our activities can make a contribution to sustainable value creation. These areas are listed below:

Business solutions
Within our core business of re/insurance and asset management, we strive to develop innovative solutions that help to tackle key environmental and social challenges. To achieve this, we work together with our clients and partners, both in the private and public sectors.

Risk intelligence
We develop and apply tailor-made tools to extend the scope of our risk management. This enables us to identify and appropriately address sustainability-related and emerging risks in our core business.

Stakeholder dialogue
Through regular dialogue with our clients and other stakeholders, we help to develop effective responses to sustainability and other key issues, by raising awareness of both the risks and the opportunities arising from them.

Our footprint
We apply best-practice standards of resource management to our properties and logistic operations as well as guidelines to our sourcing activities. In doing so, we continually reduce Swiss Re's direct environmental impact.

Our people
Drawing on the know-how and experience of a diverse, multi-generational group of people, we want to ensure our employees can contribute to an organisation that is constantly looking for new ways to improve the wellbeing of society – where *how* we achieve results is as important as *what* we achieve.

Active in society
Playing an active role in society beyond our core business is important to us. Globally, we empower vulnerable communities to become more resilient to risk and, where we have offices, we encourage volunteering activities and support local institutions.

Governance and compliance
By adhering to the highest standards of governance and compliance, we seek to maintain effective checks and balances between the top corporate bodies and to ensure the application of laws and ethical standards in our business. Swiss Re's commitment to sustainability is fully integrated into the Code of Conduct.

The overview below shows in which of these areas we address which material topics and where you can find corresponding information in the present report or in "The Swiss Re Foundation in 2015".

Overview: where and how we address material issues

Implementation areas / Material topics	Business solutions	Risk intelligence	Stakeholder dialogue	Our operations – Footprint – Our people	Active in society	Governance & compliance
Managing climate and natural disaster risk	pages 16–22	pages 26–31	pages 40–41	pages 47–57	SRF	
Advancing sustainable energy solutions	pages 23–24		page 39	pages 49–50	SRF	
Funding longer lives	pages 24–25		page 40		SRF	
Partnering for food security	pages 19–22		page 42		SRF	
Supporting financial resilience			pages 42–43			
Managing sustainability risks		pages 26–30, 34–37				
Empowering our people				pages 58–67	SRF	
Ensuring good governance and compliance						pages 68–71

SRF = "The Swiss Re Foundation in 2015" report

Board and senior management responsibility

At Swiss Re's highest governance level, the task of overseeing implementation of our commitment to corporate responsibility has been assigned to a committee of the Board of Directors: It is one of the responsibilities of the Chairman's and Governance Committee to monitor the Group's sustainability principles.

Regarding the development and adoption of relevant policies and strategies, the role of the Board of Directors is to endorse them, while the Group Executive Committee approves them. Risk Management is responsible for maintaining a suitable risk policy framework, and the Business Units drive strategic implementation within their respective areas.

On an operational level, various divisions, departments and units are involved in implementing Swiss Re's commitment to corporate responsibility in daily business. The Group Sustainability Risk unit drives the development of Group risk policies and related strategic projects and coordinates communication, dialogue and engagement efforts across the Group. In addition, it is responsible for producing Swiss Re's Corporate Responsibility Report.

Disclosure and accountability

We have voluntarily reported on our performance as a responsible company since 1998. Over the years, the range of topics covered in these yearly reports has gradually widened. While early editions had a strong focus on environmental concerns, later editions gradually extended their focus to social and governance issues. Since 2007, we have published a comprehensive Corporate Responsibility Report, guided by best practice in corporate responsibility reporting.

Content definition

The structure of the present report primarily reflects the main areas of our business where we address material issues: each of them is covered by an individual chapter – with one exception: Our role as an active citizen in society is described in a separate report published by the Swiss Re Foundation (see page 73). Thus, the report includes the following six main chapters:

- Creating solutions for sustainability
- Extending our risk intelligence
- Exploring and shaping the risk landscape
- Reducing our environmental footprint
- Empowering our people
- Ensuring good governance and compliance

The content presented in these chapters primarily reflects the material issues we address in these areas, as illustrated in the overview matrix on page 13.

Scope and publishing rhythm

Our Corporate Responsibility Report covers the whole Swiss Re Group as it was organised by 31 December 2015, ie the publicly listed holding company Swiss Re Ltd., its three Business Units Reinsurance, Corporate Solutions and Admin Re®, and all directly or indirectly held subsidiaries. There were no changes to the Group's organisational structure in 2015. Our new Life Capital Business Unit was established on 1 January 2016. Likewise, we have not made any data restatements in the report.

As in past years, the scope of the report is limited to Swiss Re's own operations. Although we provide information on our sourcing and procurement policies, we do not report on the performance of our suppliers because the re/insurance business does not involve an extensive supply chain. However, since 2013, we have been disclosing some of the emissions caused along our supply chain (Scope 3 emissions).

The present report follows the 2014 edition and covers the calendar year of 2015. We plan to maintain our annual publishing cycle and to present our next Corporate Responsibility Report by the second quarter of 2017, covering the year of 2016.

To get a complete overview of our actions as a responsible company, this report should be read in conjunction with the annual report published by the Swiss Re Foundation (see page 73).

Independent assurance

This is the third year that the main chapters of the report have received independent assurance from PricewaterhouseCoopers. Their assurance statement is included on pages 76–77.

Reporting frameworks

The present report incorporates our 2015 Communication on Progress for the UN Global Compact (www.unglobalcompact.org). References to the Compact's ten principles are incorporated into the GRI Content Index (see pages 81–85). For the third consecutive year, we also report against the Principles for Sustainable Insurance, PSI (www.unepfi.org/psi). You can find our Public Disclosure of Progress on page 80.

Note on our implementation of the GRI G4 Guidelines
In this edition of our Corporate Responsibility Report, we include Standard Disclosures of the G4 Guidelines of the Global Reporting Initiative (GRI), as far as is practical for a business-to-business company in financial services. The way we identify material issues has important implications for how we do this:

- Our understanding of materiality is based on the risk expertise embedded in our business, our broad, interactive stakeholder dialogue and the view of various standard setters. We have selected the GRI's "material aspects" accordingly and refer to the associated indicators as far as we see fit for a re/insurer and can provide the data.
- Although we engage strongly in dialogue with our stakeholders, we do not currently have a formalised process for them to comment on our selection of the GRI's "material aspects" and hence neither on the content of our Corporate Responsibility Report.
- We do, however, carefully analyse what kind of information key sustainability raters request of us and include this in our reporting if we perceive a widespread demand (see below).

Note on Indicators G4-21 and G4-22 on internal and external "aspect boundaries": Of the "material aspects" to which we refer in the present report, we regard almost all as material "inside the organisation". The two exceptions are "Water" and "Effluents and Waste": as Swiss Re is not an industrial company, the environmental impacts we cause through water consumption and waste generation are very small in comparison. We still include information and data on them because many rating organisations expect this even from companies in the financial services sector. Hence we consider these aspects as being merely "material outside the organisation".

As a rule, all the material aspects we cover in the report are "material for all entities within the organisation", that is, for the Swiss Re holding company and all three of its Business Units. This statement only needs to be qualified for two indicators of the Financial Services Sector Supplement: FS7 and FS8 on products with a specific social or environmental benefit are not relevant for our Admin Re® Business Unit.

Creating **solutions for sustainability**

Our re/insurance solutions help to address key environmental and social challenges. We focus on natural catastrophes and climate change, food security, renewable energy, funding longer lives, and insurance cover in emerging and developing countries.

For more information see **swissre.com/global_partnerships/**

By managing risks and covering losses, re/insurance creates stability and enables economic growth. However, some environmental and social challenges can undermine sustainable progress if left unaddressed. Helping our clients and society at large to tackle such risks is a key component of our commitment as a responsible company and our overarching vision of making the world more resilient.

Currently, we focus on the following themes: climate and natural disaster risks, agricultural risks, sustainable energy, and funding longer lives. We develop our solutions as part of our established risk modelling and underwriting activities or by creating innovative new products, in close cooperation with our clients and partners.

Thus, our solutions frequently include:
- Public-sector partners: Besides direct insurers and corporate clients, we develop risk transfer solutions for, and in cooperation with, governments and various public-sector organisations;
- Index-based insurance products: We are a pioneer in creating innovative insurance solutions that use an index to determine payments;
- Insurance-linked securities (ILS) or cat bonds: We are a leading developer of these products, which enable large risks to be transferred to the capital markets.

One of our overarching goals is to create solutions that suit the special needs of emerging and developing countries. If governments and communities have financial protection against risks such as windstorms, earthquakes, drought and flooding, they can better cope with the immediate consequences of a disaster.

But, just as importantly, re/insurance protection safeguards investments, allows governments to stabilise budgets and gives people the financial stability required to get loans. In this way, our solutions help to create the conditions for sustained social and economic development.

Natural catastrophes and climate change

Natural catastrophes are a key risk in our Property & Casualty (P&C) business. The damage caused by floods, storms, earthquakes and other natural disasters can affect millions of lives and the economies of entire countries. In 2015, the total worldwide economic losses from natural and man-made catastrophes were estimated at USD 92 billion – of these, USD 37 billion were insured. Having access to effective re/insurance protection against natural catastrophes creates significant benefits for our clients – as well as society at large. In 2015, we received USD 2.6 billion of P&C Reinsurance premiums for natural catastrophe covers (for losses larger than USD 20 million), which was equivalent to 17% of total premiums in this business segment.

Insurance stress tests
In our Financial Report we describe the insurance risk associated with natural catastrophes and disclose the expected impact on our economic capital of four types of single event losses with a 200-year return period (ie with a 0.5% probability): Atlantic hurricane, Californian earthquake, European windstorm and Japanese earthquake.
See 2015 Financial Report, pages 66–67.

USD 2.6 bn

Natural catastrophe premiums in our P&C Reinsurance business

(USD 2.9 billion in 2014)

On average, both economic and insured losses caused by natural catastrophes have increased steadily over the past 20 years. The key reasons have been economic development, population growth, urbanisation and a higher concentration of assets in exposed areas.

This general trend will continue. But crucially, losses will be further aggravated by climate change. The scientific consensus is that a continued rise in average global temperatures will have a significant effect on weather-related natural catastrophes. According to the Special Report on Extremes (SREX, 2012) and the Fifth Assessment Report (AR5, 2014) published by the Intergovernmental Panel on Climate Change (IPCC), a changing climate gradually leads to shifts in the frequency, intensity, spatial extent, duration and timing of extreme weather events.

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

To assess our Property & Casualty business accurately and to structure sound risk transfer solutions, we need to clearly understand the economic impact of natural catastrophes and the effect of climate change. This is why we invest in proprietary, state-of-the-art natural catastrophe models and regularly collaborate with universities and scientific institutions.

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

In our Financial Report we detail the insurance risk currently posed to our business by severe instances of four types of natural catastrophes.

In addition to providing re/insurance covers, we offer our clients strategic expertise and integral risk assessments of natural disasters and climate adaptation. These include our Economics of Climate Adaptation (ECA) studies, free access for our clients to Swiss Re's CatNet® tool and our expertise publications. (You can see a sample of our recent publications on pages 46 and 74–75.)

Two new Economics of Climate Adaptation (ECA) studies

Through the ECA methodology, we also analyse the effects of climate change on a longer timescale, enabling us to provide our clients with strategic advice and integral risk assessments about natural disasters and climate adaptation. ECA studies quantify today's climate risks, the potential increase of populations and assets at risk due to economic development, plus the additional risk posed by climate change, with a time horizon of up to 30 years. In a second step, our studies identify cost-effective measures to minimise and adapt to these risks. In this way, they give decision makers important information needed to integrate climate adaptation with economic development, paving the way for sustainable growth.

In 2015, we completed two new ECA studies, both at the request and with the support of the German Development Bank (KfW): one for Barisal in Bangladesh and one for San Salvador in El Salvador (see page 18). They are the first two ECA studies for which KfW has provided the funding in order to systematically identify adaptation measures with a high potential. The bank then helps to finance their implementation, together with the local city government.

For more information see
swissre.com/climate_action/

For more information see
swissre.com/rethinking/climate_and_natural_disaster_risk/

Our ECA study for San Salvador found that further improving river bank reinforcements such as these can significantly reduce damage from flooding and protect vulnerable houses.

Our ECA study for Barisal

Barisal is the administrative capital of Barisal Division in south-central Bangladesh and has a population of approximately 330 000. Lying on the banks of the Kirtankhola River, it is one of the country's most important river ports. The biggest climate risks the city faces are cyclones and floods. At present, they pose a particular threat to citizens, residential and commercial buildings and cause most damage in the poorer Western parts of the city.

Our ECA study found that Barisal's total climate risk due to economic development and climate change (under a moderate scenario) must be expected to roughly triple by 2030, but that 60% of the expected damage can be avoided by taking appropriate adaptation measures. The most effective of these include reinforcing river embankments, planting flood-resilient crops and improving solid waste management.

For more information see
swissre.com/eca/

Our ECA study for San Salvador

San Salvador is the capital of El Salvador and by far the country's largest city; the municipality itself has a population of slightly more than half a million, while the whole metropolitan area counts almost two and a half million inhabitants. The three major climate-related risks are floods, tropical cyclones and landslides.

Our ECA study revealed that the annual expected damage from flooding around Acelhuate River is likely to increase almost four-fold by 2040. However, urban planning (such as river bank reinforcements), ecological restoration and the construction of absorption wells could protect many people against flooding and reduce the risk by approximately USD 150 million. Ecological restoration would have particular benefits for people living in the city's poorer neighbourhoods: Strengthening the buffer capacity of the ecosystem in the Acelhuate catchment area through reforestation could reduce the risk of flood damage there by up to USD 50 million over three decades.

Damage from landslides must also be expected to increase substantially in vulnerable areas with steep slopes and a high potential for water accumulation. Here, effective adaptation measures are reforestation and the construction of terraces, as well as finding more suitable places for San Salvador's most vulnerable people to live.

CatNet®: free natural hazard information for our clients

The CatNet® tool offers our clients natural hazard information combined with Google maps™ and satellite imagery. Its functions and data facilitate a professional overview and assessment of natural hazard exposure for any location worldwide. This makes CatNet® a valuable tool in preparing local, regional and cross-regional risk profiles. Its three main features are a natural hazard atlas, country-specific insurance data and a link to disaster statistics. More information is available at swissre.com/catnet.

For more information see **swissre.com/clients/client_tools/about_catnet.html**

Strengthening risk resilience: highlights of 2015

Hereafter, we describe some key transactions and initiatives strengthening risk resilience in which we were involved during 2015. Covering natural disaster, weather and pandemic risks, they help communities become more resilient to such shocks by ensuring that adequate funding is in place for quick and effective responses.

Strengthening earthquake resilience in Turkey

In Turkey we supported the Turkish Catastrophe Insurance Pool (TCIP) to further improve insurance protection against earthquakes in Istanbul. With a population of 14 million, the metropolis generates a significant share of Turkey's GDP, while living under the constant threat of severe earthquakes.

Originally set up in response to the strong Kocaeli and Duzce earthquakes of 1999, TCIP has done much over the years to improve insurance protection in the country. In addition to the support we provide through traditional reinsurance, in 2015 Swiss Re Capital Markets co-structured a USD 100 million catastrophe bond sponsored by the TCIP. Covering Istanbul's large metropolitan area, the three-year bond has a parametric trigger that will pay out if the specified earthquake conditions are met. It was well received by investors and ensures that TCIP will have access to additional reconstruction funds in the event of a major earthquake.

Supporting the African Risk Capacity

As a provider of reinsurance capacity and expertise, in 2014 we helped to launch the African Risk Capacity (ARC), the continent's first parametric natural disaster insurance pool. It offers governments insurance protection against drought, which poses a recurring threat in large parts of Africa and puts the livelihoods of millions of citizens at risk.

Insurance-linked securities

We are a leading player in the insurance-linked securities (ILS) sector. ILS are capital market instruments, typically in bond or derivative format, designed to meet the risk or capital management needs of a transaction sponsor. In exchange for a coupon or premium payment, the sponsor receives single or multi-year collateralised protection for specified risk events. If such an event occurs, the sponsor receives all or part of the principal; otherwise this is paid back to the investors in full at maturity.

ILS are particularly well-suited to provide protection against peak risks – events that happen infrequently but tend to lead to high losses, for example earthquakes or windstorms. ILS are used for both risk and capital management purposes in the P&C and the L&H business. For reinsurers they are attractive because they free up scarce capital; for insurers and corporate clients they provide multi-year collateralised protection; and for investors they offer attractive diversification possibilities, as they are relatively uncorrelated with other asset classes.

In 2015, our registered broker-dealer subsidiaries arranged non-life ILS worth USD 825 million, all of them for clients. In addition, they arranged USD 410 million of extreme mortality ILS, both for clients and Swiss Re.

For more information see **swissre.com/investors/ils/**

Through ARC's in-house risk modelling platform, Africa RiskView, the participating governments can assess the drought risk they face and decide how much of it they want to insure at what loss threshold. Based on satellite rainfall data, payouts are then made automatically to the governments when the agreed drought thresholds are exceeded. To take part in the scheme, countries need to have contingency plans in place that show how payouts will be used to support the affected population.

In its initial 2014/2015 season, ARC offered drought insurance for a total of USD 129 million to four governments: Kenya, Mauritania, Niger and Senegal. Less than a year into the programme, the latter three received payouts totalling more than USD 26 million, following a severe drought in the Sahel. In the 2015/16 season, further countries joined the risk pool, thereby increasing total coverage.

Protecting the Florida Hurricane Catastrophe Fund

The state of Florida has over USD 3 trillion of coastal assets, one of the highest concentrations anywhere in the world. But as the state lies within the infamous "hurricane alley", its population faces a latent natural disaster risk. In response, the state-run Florida Hurricane Catastrophe Fund (FHCF) established its first-ever reinsurance programme in 2015 and chose Swiss Re as one of its leaders.

Although ten years have passed since a major hurricane last made landfall in Florida, the FHCF recognises that it is only a matter of time until one strikes again. As the 2005 hurricane season showed, the financial consequences for local insurers, and ultimately homeowners, can be severe. It is the task of the FHCF to ensure that insurers can pay claims from such extreme events and to reduce the impact on taxpayers.

This is why the FHCF has purchased reinsurance protection for the first time in its 22-year history. By adding USD 1 billion of private capital, it can further build the financial stability it needs to ensure Florida's economic resilience in the face of disasters.

Florida has one of the highest coastal value concentrations anywhere in the world but, at the same time, faces a significant hurricane risk. By providing reinsurance protection to the Florida Hurricane Catastrophe Fund, we help strengthen the area's economic resilience in the face of such disasters.

Helping to develop insurance markets in China

Throughout 2015, we continued to take an active role in the expanding insurance markets of China. For example, we helped to develop China's first weather index insurance programme to protect cotton production against low temperatures. It was launched as a pilot in the Xinjiang region, which grows 60% of the country's cotton. While perils such as drought, hail and wind are covered by a government-subsidised agricultural insurance programme, this has not been the case for yield losses due to low temperatures. If the pilot providing protection of RMB 7.6 million (USD 1.2 million) proves to be effective, it will be expanded to the whole region.

We also signed a Memorandum of Cooperation with the provincial government of Heilongjiang on the future rollout of an index-based insurance pilot covering natural disaster risks to its agricultural sector. This builds on previous efforts we have undertaken to improve insurance protection in Heilongjiang, which, as China's biggest crop producer, is key to its food security.

Protecting Vietnamese farmers against livestock loss

We also helped to relaunch an important agricultural insurance pilot in Vietnam. It will protect the livelihoods of poor smallholder farmers in the provinces of Vinh Phuc and Ha Giang by insuring them against the effects a major natural catastrophe or disease may have on their livestock. In total, the scheme covers more than 150000 cattle and buffalo.

To develop a sustainable product that meets actual needs, the scheme has pursued a holistic approach from the beginning, involving all key stakeholders in a public-private partnership. Stakeholders include various government ministries, the Vietnam National Reinsurance Corporation (in the role of aggregator and bridge between the government and local insurers), local insurers and their branch offices, as well as local people's committees and authorities. The scheme has got off to a promising start and the intention is to expand it rapidly to other provinces.

Helping to develop a Pandemic Emergency Facility

Just like an earthquake, hurricane or other natural disaster, the outbreak of a pandemic is an actual catastrophe that requires a quick, effective response. However, when the Ebola crisis broke out in West Africa in 2014, it took the affected countries and the international community several months to mobilise the resources necessary for an adequate response. The World Bank has made it a priority to address this situation and has mandated Swiss Re and Munich Re as the partners to support the development of a Pandemic Emergency Facility (PEF).

The goal of the PEF is to set up a response system mechanism to ensure that sufficient resources will be available early enough to prevent an epidemic developing into a fully-fledged pandemic. The facility will use pre-determined and transparent criteria to indicate an outbreak. When these triggers are met, funds will be made available within days, either through capital markets or re/insurance. This will allow emergency workers, equipment and medicines to be rapidly deployed to an affected area, to prevent further spread of the disease.

Climate change adaptation
Our solutions offering re/insurance protection against extreme weather events and weather volatility help communities to adapt to climate change, by making them more resilient against such risks.

For more information see
swissre.com/rethinking/food_security/

USD
2.1 billion

Total amount of climate protection offered to sovereigns and sub-sovereigns since 2014

1.6 million

Smallholder farmers benefiting from the Grow Africa Partnership

(2 million* in 2014)
*See explanation on the right

Our commitments

... to the United Nations

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

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

We have agreed with the United Nations to report publicly on the progress we make on this commitment. By the end of 2015, we had advised 13 sovereigns and sub-sovereigns on climate risk resilience and offered them a total of USD 2.1 billion in re/insurance protection.

... to the Grow Africa Partnership

In our work to bring risk protection to underinsured communities, in recent years we have put a focus on the African continent, in particular Sub-Saharan Africa. In 2012, we made an important commitment to the Grow Africa Partnership (www.growafrica.org). This initiative was launched by a number of organisations to promote public-private collaboration and investment in African agriculture. As most smallholder farmers in Sub-Saharan Africa have had no access to insurance protection to date, addressing this problem is crucial to protect families' livelihoods, facilitate economic development and reduce poverty.

Our commitment to the Grow Africa Partnership thus centres on the following three goals:

- Give farmers in Sub-Saharan Africa access to tools such as weather and yield index insurance products;
- Invest in resources equivalent to about USD 2 million per year to support the development of sustainable agricultural risk management markets;
- Provide agricultural insurance for up to 1.4 million smallholder farmers.

Working together with different partners, we helped to bring weather insurance to 1.6 million smallholder farmers in 11 Sub-Saharan countries by the end of 2015. The fact that this is less than the 2 million recorded in the previous year is mainly due to changes in how one country participating in the African Risk Capacity has structured its coverage under the programme. It has substantially revised its assumptions on the drought exposure of its farmers and reduced the percentage of farmers covered by the scheme.

Climate change mitigation
By facilitating the construction of offshore wind farms, these solutions support efforts to reduce CO_2 emissions and hence mitigate climate change.

For more information see **swissre.com/rethinking/sustainable_energy/**

Sustainable energy solutions

Sustainable energy sources play a crucial role in reducing CO_2 emissions and securing future energy supplies. Given our strategic focus on climate change, we are keen to support energy generation from renewable sources. But as sustainable energy projects increase in scale and complexity, so do the risks associated with them. However, innovative risk transfer solutions can help reduce these risks and drive investment in the sector.

Offshore wind is considered one of the most promising renewable energy sources. But like renewable energy in general, it presents very complex risks. Unlike traditional lines, there is no long loss history to refer to. Underwriting such risks is therefore challenging from an insurance perspective.

Swiss Re Corporate Solutions takes a special interest in offshore wind as it has both the large capacity and the technical expertise to help manage the associated risks. We are continually enhancing our understanding of these risks and share our insights with our clients as well as other insurers. As a result, we are now considered a "lead market" for offshore wind risks.

In the last five years, Swiss Re Corporate Solutions has participated in more than 30 offshore wind projects, including wind farms, standalone offshore substations and standalone export cables. In the 2015, we were involved in 18 offshore wind farm projects worldwide and were the lead re/insurer in eight of them.

Block Island: first offshore wind farm in the US

In 2015, we insured a number of offshore wind projects in different countries, including the Block Island Wind Farm in the US (dwwind.com/project/block-island-wind-farm). Developed by Deepwater Wind, this is the country's first-ever offshore wind facility. The project is situated in the Atlantic Ocean, approximately three miles from Block Island, off the coast of Rhode Island, where there are strong

The foundations for the turbines of Block Island Wind Farm are being put in place. We insure construction and start-up delay risks of this project, the first-ever offshore wind farm in the US.

18

Offshore wind farm projects we were involved in during 2015

and steady winds. Thanks to its expertise and proximity to the client, Swiss Re Corporate Solutions was appointed as the project's lead insurer and provides both a construction all risk (CAR) and a delay in start-up (DSU) cover.

Construction of the wind farm is underway and is scheduled to be completed by the end of 2016. Our client, GE Wind (formerly Alstom), is building five powerful, highly efficient turbines that will generate a total capacity of 30 megawatts. The wind farm will give approximately 17 000 households on Block Island access to reliable as well as renewable electricity for the first time. To date, they have had to use diesel generators, which are inefficient and cause substantial air pollution. The power not used on Block Island will be transmitted to the mainland through a 21-mile long cable under the ocean floor.

Gode Wind 1 and 2: large wind farms in the North Sea
Swiss Re Corporate Solutions also continued to be involved in large, mainstream projects, eg the Gode Wind 1 and 2 offshore wind farms. Both are located in the German sector of the North Sea, approximately 45 km off the German coast and 33 km from the islands of Juist and Norderney. Construction of the two wind farms, which are being developed by Danish-based DONG Energy (www.dongenergy.com), started in 2015. We provide a CAR cover, ie an all-risk policy for material damage during the construction phase.

The two wind farms will consist of a total of 97 highly efficient, quiet Siemens turbines generating 6 megawatts each – 55 at Gode Wind 1 and 42 at Gode Wind 2. With a combined capacity of 582 megawatts, they will supply CO_2-free power equivalent to the annual electricity consumption of approximately 600 000 German households. The two wind farms are expected to become fully operational in the second half of 2016.

Life & Health insurance and funding longer lives

Life and health (L&H) insurance products play a crucial role in creating stability for individuals and society. They provide financial security in the event of death or illness, give access to medical treatment and offer dependable income in retirement. We help primary L&H insurers and other clients from the private and public sector to manage such risks efficiently, thanks to our specialist knowledge of mortality, morbidity and longevity trends.

Longevity and health insurance remained two of our strategic priorities in the L&H business. The demand for longevity solutions is expected to grow further as demographics shift. We have invested in research and development to improve our ability to predict mortality and longevity trends. In the last few years, we have completed several longevity insurance contracts with pension funds in the UK.

Demand for commercial health insurance solutions has also been growing, driven by several major demographic and socio-economic trends. These include: the greater healthcare needs of ageing societies; rising healthcare expectations of the new middle class, especially in growth markets; and healthcare finance reform, particularly in mature markets. We offer a variety of health reinsurance solutions to meet these needs, from short-term protection against the risk of volatility in medical expenses for insurers or employers, to very long-term protection against the financial impact of disability or critical illness.

Longevity transaction with Heineken UK

With life expectancy rising, pension schemes face the risk that they will not be able to meet all their commitments. Longevity transactions cover this risk by insuring the schemes' liabilities in case their members live longer than expected. In 2015, we participated in four major longevity transactions. One of them concerned the pension plan of brewing firm Scottish & Newcastle, part of Heineken since 2008 and now called Heineken UK.

By completing a longevity swap transaction with Friends Life (now part of the Aviva Group), Heineken received longevity insurance for defined benefit liabilities of GBP 2.4 billion, covering around 19 000 pensioners. As the deal's reinsurance partner, we assumed part of this risk from Aviva. Swiss Re is in a position to write such large deals because we have a natural offset through our mortality business, the capacity to write the business to our own balance sheet and the expertise to create tailor-made solutions.

Previous longevity deals in the UK

The longevity solution we have developed for the Scottish & Newcastle Pension Plan is the latest in a host of such transactions in the UK. Other clients in recent years include the Aviva Staff Pension Scheme (19 000 members plus partners), one of AkzoNobel's pension funds (17 000 members), the LV= pension fund (more than 5 000 members) and the Royal County of Berkshire Pension Fund (11 000 members). We have outlined these transactions in more detail in earlier Corporate Responsibility Reports.

For more information see
swissre.com/rethinking/longer_lives/

Extending **our risk intelligence**

We address sustainability, political, regulatory and emerging risks in our core business transactions. To do so, we have developed specific tools and know-how.

Risk management is an integral part of Swiss Re's business model and key to the controlled risk-taking that underpins our financial strength. It is embedded throughout our business and ensures that the Group and the three Business Units have the necessary expertise, frameworks and infrastructure to support good risk-taking.
(See 2015 Financial Report, pages 50–51 and 59–73.)

Sound risk management is essential for a re/insurer: Tight control of our exposures guarantees that we can fulfil our role in society as ultimate risk-taker and be a reliable partner to our clients when they need us. The core categories of our risk landscape comprise insurance risk (property and casualty, life and health) as well as financial market and credit risk. In addition, we consider it essential for a responsible company to pay attention to further significant risks we may be exposed to, especially in the longer term.

Sustainability, political, regulatory and emerging risks are particularly relevant in this respect. We have developed instruments and know-how that help us to identify and assess all of them. This allows us to determine those risks we think should be avoided – because of their loss potential, for ethical reasons, or both.

This extended risk awareness is also key to managing our assets responsibly. The risk assessments we make through our Sustainability Risk Framework, in particular, flow directly into our investment decisions.

Our Sustainability Risk Framework

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

For companies this situation can bring dilemmas: A specific business transaction may be economically beneficial and perfectly fine from a legal and regulatory perspective, yet may have significant environmental or social downsides. Swiss Re recognises that such dilemmas exist and develops effective responses through a well-defined approach and by taking decisions based on ethical principles.

Our Sustainability Risk Framework is an advanced risk management instrument, specifically designed to identify and address the potentially negative effects of our transactions on local

Sustainability risks
We define sustainability risks as ethical concerns related to potential environmental and socio-economic impacts of our business transactions, and the reputational risks they may entail.

Mines can potentially have significant impacts on the environment and local communities. Our Sustainability Risk Framework includes a policy that clearly specifies the risks we examine before underwriting mining projects.

communities, workforces and the environment. This framework applies to all of our business transactions in re/insurance as well as investments, to the extent that we can influence their various aspects.

The Sustainability Risk Framework consists of:

- An overarching human rights and environmental protection policy plus seven policies on sensitive sectors or issues;
- The Sensitive Business Risk (SBR) process comprising an online assessment tool and a referral tool – due diligence mechanisms to assess our business transactions;
- Company exclusions; and
- Country exclusions beyond mere compliance with international trade controls.

Policies

Our Sustainability Risk Framework is based on the overarching principles of respecting human rights and protecting the environment. Through detailed policies, the framework applies these principles to seven sectors or issues in which we perceive major sustainability risks: the defence industry; oil and gas (including oil sands and hydraulic fracturing); mining; dams; animal testing; forestry, pulp & paper and oil palm; and nuclear weapons proliferation.

We regularly review these policies to ensure they reflect new developments. The key concerns currently addressed by the eight policies of our Sustainability Risk Framework are listed on page 28.

For more information see
swissre.com/corporate_responsibility/managing_env_risks.html

Main concerns in key sectors

Human rights and environmental protection
- Human rights violations and abuses such as murder, torture, deprivation of liberty, forced labour or harmful child labour;
- Countries that lack an operational, effective and internationally recognised government;
- Companies that are causing ongoing, severe and unmitigated damage to the environment, flora and fauna of a particular place and biodiversity in general, especially in industries and activities that have had a problematic track record in this area in the past.

Defence industry
- Particularly cruel weapons that inflict indiscriminate harm to humans and the environment, often after a conflict has ended;
- The provision of certain services by private security companies.

Oil and gas
- Human rights abuses;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted.

Mining
- Human rights abuses;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted;
- Poor occupational health & safety record and risk of increasing HIV penetration.

Dams
- Human rights abuses;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted;
- Non-involvement of relevant stakeholders;
- Non-involvement of affected neighbouring states.

Animal testing
- Unethical and inhumane treatment of animals.

Forestry, pulp & paper and oil palm
- Illegal logging;
- Uncertified logging and timber/oil palm processing in sensitive regulatory environments;
- Greenhouse gas emissions from peatland conversion, timber processing activities and/or forest clearance using bushfires;
- Significant adverse environmental or social impacts, particularly where critical natural habitats, vulnerable groups and/or critical cultural heritages are impacted.

Nuclear weapons proliferation
- Activities associated with nuclear energy or similar in countries that are outside the established framework and international regime of global non-proliferation efforts.

The Sensitive Business Risks process
Each of the eight policies of our Sustainability Risk Framework contains criteria and qualitative standards which define precisely when a transaction may present a "sustainability risk". In 2015, we introduced a new online Sensitive Business Risk (SBR) assessment tool, which enables our underwriters to screen potentially sensitive transactions for their impacts on the local environment and on the human rights of the affected people and workforces.

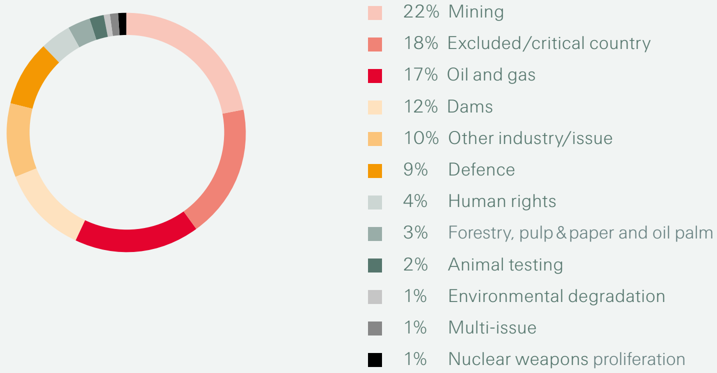
The online tool is easy to access, provides clear guidance to our underwriters about what to assess in further detail and ensures consistent documentation in our standard underwriting tools. At the same time, it enables our central sustainability management unit to adjust key policy parameters and make them effective "at the push of a button". We believe the tool has thus further strengthened due diligence of potential sustainability risks in our core business. In the first six months since its launch, our underwriters used it to carry out checks on 3 550 transactions.

If this initial screening reveals any potential issues, our underwriters carry out further due diligence measures. Finally, they transfer the most critical transactions through the Sensitive Business Risks (SBR) referral tool to our team of sustainability experts, who conduct targeted research to decide whether the transaction at hand is acceptable on ethical grounds.

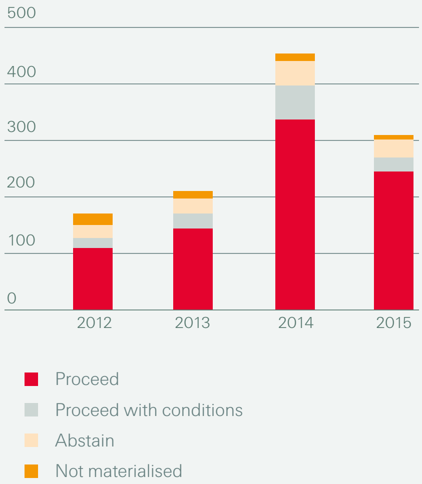
This decision takes the form of a binding recommendation either to go ahead with the transaction, to go ahead with certain conditions attached, or to abstain. If there is disagreement about the recommendation, the case can be escalated to the next management level and, ultimately, to the Group Chief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

The accessibility and clarity of our new online assessment tool led to a decrease in the number of transactions referred to our sustainability experts for an assessment – from 454 in the previous year to 309 in 2015. Of these, we issued negative recommendations in 32 cases and positive recommendations with conditions in 24 cases.

Sensitive Business Risks referred to our expert team in 2015



Number of Sensitive Business Risk referrals



309

Sensitive business transactions referred to our team of sustainability experts

(454 in 2014)

3 550

Due diligence checks carried out by our underwriters to detect potential sustainability risks

When making these decisions, we refer to internationally recognised ethical principles. Swiss Re is a signatory to the UN Global Compact, which derives its human rights principles from the Universal Declaration of Human Rights, its labour principles from the ILO Declaration on Fundamental Principles and Rights at Work, its environment principles from the Rio Declaration on Environment and Development and its anti-corruption principles from the United Nations Convention against Corruption.

This web of ethical principles helps us to make decisions that are aligned with universal fundamental rights. However, this is not sufficient for decisions in a business context. We also need to consider the social and economic implications of our decisions in their respective cultural contexts and, last but not least, the implications for our business. Balancing these different aspects requires us to carefully and consistently assess transactions and their local effects, often in collaboration and dialogue with external experts and local stakeholders.

Thus, our decisions are neither subjective nor entirely objective. In essence, they reflect our recognition of global fundamental rights, of human suffering and our commitment to limiting unwanted negative impacts of our business transactions, either by withdrawing or by influencing our clients' behaviour.

Company exclusions

Our Sustainability Risk Framework policies specify certain criteria that may lead us to exclude a company from both our re/insurance transactions and our investments, to the extent that such an exclusion is permissible (eg by virtue of mandatory law or internal policies) and possible (eg if existing documentation relating to such re/ insurance transactions and investments provide for it). These criteria include: involvement in prohibited war material; verifiable complicity in systemic, repeated and severe human rights violations; causing repeated, severe and unmitigated damage to the environment; unregulated proliferation of nuclear weapons; and unethical/cruel animal testing practices.

Country exclusions

Swiss Re also excludes certain countries from its business that have particularly poor human rights records. This step goes further than compliance with international trade controls (ITCs). Our goal is to refrain from directly underwriting risks or making investments in entities that are based in these countries.

During 2015, we revised the methodology we use to identify the countries to be excluded from our business transactions. Specifically, we started to apply two independently compiled human rights indexes for our assessments. As a result, the list of excluded countries has widened and now comprises the Central African Republic, South Sudan, DR Congo and Chad, in addition to North Korea, Somalia, Sudan (North) and Syria. We implemented the revised list at the beginning of 2016 and will update it annually.

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

Independent internal reviews

In 2014, we started to formally involve our internal Insurance Risk Review (IRR) unit. An IRR is an independent assessment of underwriting and costing activities to review the quality of the technical work carried out and the decisions made, which includes checking whether mandatory underwriting standards have been adhered to.

During an IRR, our underwriting teams are now automatically asked a number of specific questions about their potential exposure to sustainability risks. The results and recommendations for improvement are reported to the Group Sustainability Risk unit, which can then respond appropriately, eg by providing additional training or reviewing underwriting practices.

Training

Since we introduced our Sustainability Risk Framework in 2009, we have made considerable efforts to raise awareness of sustainability issues among our underwriters and client managers. Through training we ensure that they know how to properly apply the framework with its underlying principles of respecting human rights and protecting the environment. In recent years, we have focused on high growth markets where we want to expand our business.

In 2015, 403 employees completed our eLearning course on the Sustainability Risk Framework. For 325 employees who started to work in underwriting and with our clients, this training was mandatory.

In addition, we provided training personally or via web-based conference to 328 experienced underwriters and graduates, and held five Lunch & Learn sessions, which were attended by 104 people. Through all our personally delivered training and outreach activities, we reached a total of 484 employees in 2015.

Client and industry interaction

Efforts to address environmental and social risks are obviously more effective when many companies join forces. This is why we are keen to further promote sustainability risk management within the re/insurance industry.

In 2015, our sustainability risk management unit decided in 24 SBR assessments to proceed with conditions. In most cases, these conditions required the particular underwriter to engage with the client on specific questions about environmental protection or human rights issues. In line with the Ruggie Framework on corporate respect for human rights, we strive to address such issues when we spot them and raise them with our clients.

On an industry-wide basis, we have played a major role in establishing and advancing the Principles for Sustainable Insurance (PSI) introduced in 2012 by the UN Environment Programme Finance Initiative, UN EPFI (www.unepfi.org/psi). We were one of the initiative's original signatories and currently act as one of its board members. The PSI address environmental, social and governance (ESG) issues in the re/insurance industry, spanning risk management, underwriting, product and service development, claims management, sales and marketing, and investment management. Our Public Disclosure of Progress for 2015 is included in this report on page 80.

In 2015, we partnered with the UN Environment Programme (UNEP) to co-host a roundtable on "Insurance 2030: Policies and partnerships for sustainable development" at our Centre for Global Dialogue near Zurich. Around 60 leaders and executives from re/insurance companies and regulatory bodies, the UN, governments, think tanks and civil society reflected on the policies and partnerships needed to realise the full potential of re/insurance in promoting sustainable development. The roundtable underscored the importance of systemic responses, integrated approaches and collaborative efforts. Key insights were later presented in the landmark report "Insurance 2030: Harnessing insurance for sustainable development".

Political risks

In today's increasingly integrated world we need to be aware of any political developments, actions and decisions that may affect our business. Within our risk management organisation, we have a team of specialists who look at a wide range of both commerce- and security-related political risks at global, country and business transaction levels.

These specialists identify, assess and monitor political risks on an ongoing basis, so the Group understands their implications and can initiate appropriate mitigation measures if required. Particular attention is paid to developments in high growth markets and to cross-border issues such as terrorism, energy, multi-national institutions or international trade.

Our understanding of political risks is also highly relevant to ensuring sustainable business operations in line with ESG principles: Several of the sectors and issues covered by the eight policies of our Sustainability Risk Framework (see pages 27–28) have a significant political dimension. Implementing these policies, both through SBR assessments and exclusion policies, thus requires a solid grasp of political risks. This is particularly true with regard to human rights violations, the proliferation of armaments into conflict areas and the identification of areas prone to civil unrest.

Furthermore, we seek to raise awareness of political risk within the re/insurance industry and among the broader public, and engage in dialogue with our clients and other stakeholders. We also distil our ongoing assessments of political risks into several political and sustainability risk ratings at country level, which support our underwriting and investment decisions.

Regulatory risks

Regulatory risks represent the potential impact of changes in the regulatory and supervisory regimes of the countries in which we operate. In 2015, the global regulatory agenda continued to accelerate. Governments and regulators rolled out new policies and conducted numerous consultations and field tests on regulations with a direct impact on the re/insurance sector. Furthermore, regulators are increasing their work on compliance and market conduct issues.

Swiss Re remained fully engaged in the regulatory debate throughout 2015, supporting regulatory convergence as well as increased application of economic and risk-based principles. At the same time, we strive to mitigate developments that may adversely affect the re/insurance industry's ability to foster financial and economic stability.

For example, we share the broad concerns of the re/insurance industry regarding the cumulative and cross-sectoral impacts of some of the proposed reforms. Regulatory fragmentation is a key issue, particularly in Europe, with the lack of harmonisation in introducing Solvency II, but also in the context of cross-border business and protectionist measures introduced in several growth and mature markets.

After more than ten years of development, Solvency II was implemented across the European Economic Area in January 2016. Swiss Re has been actively engaged in the implementation process, particularly in supporting the equivalence for the Swiss insurance supervisory system. The European Union has recognised the Swiss system, including the Swiss Solvency Test (SST), as fully equivalent.

Many countries impose restrictions on the transaction of reinsurance business. The Global Reinsurance Forum, which Swiss Re is currently chairing, actively promotes the advantages of open and competitive markets, in particular the greater choice of reinsurers, products and prices, as well as benefits from diversification through the spreading of risk and increased financial stability.

Climate change

In view of the strategic importance climate change has for our core business, we closely monitor related regulatory developments. Governments' and regulators' interest in climate change and natural catastrophes has continued to build, leading to an increase in climate-related reporting requirements. For example, in a number of US states insurance companies that are domiciled or licensed there and write USD 100 million or more in direct premiums are required to complete a survey on climate change risks; and in the UK listed companies need to disclose their greenhouse gas emissions in their annual reports. Governments' growing awareness of the risks posed by climate change has helped to prepare the ground for a new global climate deal on which they agreed at the 2015 United Nations Climate Change Conference in Paris (COP21). Its central objective is to cap global warming at 2°C over pre-industrial levels. (See special section on page 41.)

During the COP21 negotiations, it was also announced that the Financial Stability Board (FSB) would establish a Task Force on Climate-Related Financial Disclosures, TCFD (www.fsb-tcfd.org). The FSB is an international body that monitors and makes recommendations about the global financial system, coordinating national financial authorities and international standard-setting bodies. Starting from the premise that climate change creates physical, liability and transition risks, the TCFD aims to develop consistent and effective financial disclosures that will allow stakeholders to properly assess the climate risks faced by companies and to take appropriate actions. Swiss Re supports the task force and provides one of its members.

Emerging risks

Re/insurers operate in a risk landscape that is changing faster today than ever before. New economic, technological, socio-political, regulatory and environmental developments are all capable of changing risks or creating new ones. Moreover, growing interdependencies between these developments can lead to accumulations of risk and create significant knock-on effects. The general business environment is undergoing significant changes, as well. Liability and regulatory regimes continue to evolve, stakeholder expectations are growing and people's risk perceptions are shifting.

This complex landscape gives rise to "emerging risks" – newly developing or changing risks that are difficult to quantify and whose potential impact on our business is not yet sufficiently taken into account.

Detecting and investigating such risks early on forms an important part of our comprehensive approach to risk management. Our aim is to reduce uncertainty and prevent unforeseen losses, while raising awareness within the Group and across the industry. Therefore, we try to understand how risks are changing, assess their impact and seek to recognise potential links between them.

Emerging risks
We define emerging risks as newly developing or changing risks that are difficult to quantify and whose potential impact on our business is not yet sufficiently taken into account.

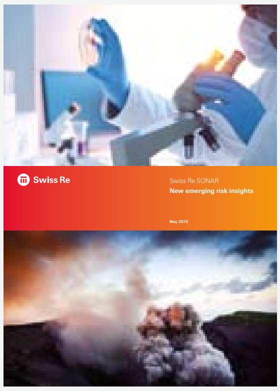
Our SONAR framework

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

The SONAR process involves two steps. Firstly, we have an interactive intranet platform, which enables our employees to share and discuss risk notions on all main areas of the emerging risk landscape quickly and easily and to stay up-to-date on new developments. While many of these early signals will never actually turn into emerging risks, others may well do so. As it is impossible to anticipate which signals will fall into which category, all of them warrant equal attention. The SONAR platform allows for peer reviews and bottom-up discussions of early signals.

Secondly, our emerging risk specialists periodically cluster and further assess these risk notions for their potential impact on our business. Based on this, they subsequently carry out more in-depth investigations of selected topics. In 2015, they focused on the challenges of the Internet of Things, for example (see page 33). To share some of our key insights on this and other emerging risks with external audiences, we published the third edition of our comprehensive Swiss Re SONAR report.

Swiss Re SONAR: New emerging risk insights
The Swiss Re SONAR report features emerging risk themes that have the potential to impact the insurance industry in the future. These topics were mainly derived from our SONAR process and were assessed by our emerging risk management experts.
media.swissre.com/documents/SONAR_2015_WEB.pdf



For more information see
swissre.com/about_us/managing_risks/emerging_risks.html

The Internet of Things (IoT) makes it possible to operate home appliances remotely via mobile devices. While the benefits of this are obvious, ever-growing interconnectivity also creates risks concerning network and data security. This is why we treat the IoT as an "emerging risk".

Challenges of the **Internet of Things**

As individuals and households, we are becoming ever more equipped and connected with electronic devices and, ultimately, with semi-autonomous networks of communicating objects – the Internet of Things (IoT). Imagine, for example, your refrigerator automatically reordering milk and other items according to your user preferences via the internet and organising home delivery. Or your refrigerator might advise you on your diet, taking into account the sports activity data retrieved from your smart phone or health wearable device. Other examples are individualised temperature, lighting and air ventilation systems that optimise room climate via sensors, shades, heaters and air conditioning. Such integrated and self-regulating digital systems allow for increased resource efficiency, healthier lives and better comfort.

The multitude of available (micro-) sensors, data collectors and software to manage these large data flows is already huge. Our connectivity is growing exponentially regarding variety, speed and relevance.

While the benefits of IoT are obvious in terms of individual consumer experiences and managing organisations and societies, the risks should not be ignored. The top challenges concern network and data security. Generally speaking, security is not the number one priority of device developers and, the more connected individual devices and protocols are, the more vulnerable they become to malfunction, loss of data or hacking. Growing interconnectivity also leads to accumulating loss potential, meaning that a small local incident can have significant cascading effects.

The IoT also raises important questions about the use and distribution of personal data, the protection of privacy and, ultimately, how these matters should be regulated. As knowledge gathering, communication and decision-making activities shift from humans to machines, traditional regimes of accountability and responsibility will be challenged.

Further activities on emerging risks identified in the past
The emerging risks we have previously examined in more detail and featured in our Corporate Responsibility Reports since 2007 are:

2007: Electromagnetic fields

2008: Critical infrastructure

2009: Carbon nanotubes

2010: Smart grids

2011: Cyber attacks

2012: 3D printing

2013: New forms of mobility

2014: Electronic cigarettes

By the end of 2015, four of these risks had become sufficiently relevant for our business that we continued to address them together with our stakeholders. We describe the activities we organised in 2015 in the present edition of our Corporate Responsibility Report, in addition to information provided in the 2014 edition.

References to further activities

Critical infrastructure
Infrastructure private debt mandates, **page 36**
Financial repression: the unintended consequences, **pages 42–43**

Cyber attacks
Cyber Security Risk Governance Workshop, **page 44**

3D printing
Expert Forum on 3D printing: changing the world one print at a time, **page 44**

New forms of mobility
The autonomous car 2015: Risks and opportunities for the re/insurance industry, **page 43**

Strategic risk initiatives
Identifying and addressing emerging risks can be challenging. Their novelty and interconnectedness makes it difficult to determine when a particular risk notion must be considered an emerging risk. Timing is thus of crucial importance: If measures to exclude a particular risk are taken too early, we can offer our clients less insurance protection; if measures are taken too late, we may end up with increased loss potential.

Given these challenges, we believe it is essential to foster risk dialogue with various partners. By sharing perceptions and assessments, all parties can gain a better understanding of potential emerging risks. In 2015, we contributed to the following strategic initiatives:

CRO Forum Emerging Risk Initiative (CRO ERI)
The CRO ERI was launched in 2005 to raise awareness of major emerging risks relevant to society and the re/insurance industry.
www.thecroforum.org/emerging-risk-initiative-2/

In 2015, we contributed to the CRO Forum's position paper "The Smart Factory – Risk Management Perspectives"
www.thecroforum.org/wp-content/uploads/2015/12/CROF-ERI-2015-The-Smart-Factory1.pdf

International Risk Governance Council (IRGC)
The IRGC is an independent organisation whose purpose is to help understand and manage global risks that impact human health and safety, the environment, the economy and society at large. Since its foundation in 2003, Swiss Re has been a partner of the IRGC, and has participated in its initiatives and publications.
www.irgc.org

In 2015, we contributed to the "IRGC Guidelines for Emerging Risk Governance":
www.irgc.org/risk-governance/emerging-risk/a-protocol-for-dealing-with-emerging-risks/

Responsible investment

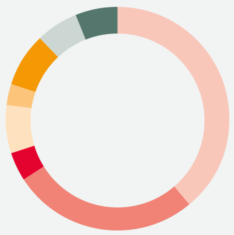
Asset-liability management (ALM) is the cornerstone of our investment philosophy. Premiums generated by our underwriting activities are invested in assets whose cash flows match the durations and currencies of our re/insurance liabilities, to meet future claims and benefits. As a result, we invest more in higher-quality fixed income securities with stable long-term returns. At the end of 2015, such investments accounted for 73% of our total assets under management[1].

Swiss Re is committed to investing its assets responsibly via a controlled and structured investment process, integrating environmental, social and governance (ESG) criteria. We believe that considering these factors can have a positive impact on the long-term financial performance of our investment portfolio. Thus, we apply sustainability-related risk information consistently across our entire investment portfolio.

Responsible investment framework
Our asset management has a well-defined framework, which considers ESG criteria consistent with the Group's Code of Conduct, and is a commitment to sustainability. This pledge is further outlined in the Group Asset Management Responsible Investment Policy, which describes our approach and principles in relation to sustainability in the management of Swiss Re's investments, as well as the roles and responsibilities to ensure the integration of ESG considerations. This is complemented by the Swiss Re Asset Management Voting Policy, which provides guiding principles that apply to all our voting activities. With this approach, we ensure a comprehensive commitment to responsible investment in our day-to-day asset management activities.

1 Asset classes considered consist of government bonds (including agency), corporate bonds, securitised products, and mortgages and other loans.

Overall investment portfolio
USD 116.8 bn, as of 31 December 2015



- 39% Government bonds
- 27% Corporate bonds
- 4% Securitised products
- 7% Equities*
- 3% Mortgages and other loans
- 8% Other investments incl. policy loans
- 6% Cash and cash equivalents
- 6% Short-term investments

* Includes equity securities, private equity and Principal Investments

The overall responsibility for sustainable investing lies with the Group Chief Investment Officer, who is advised by the Asset Management Executive Team and the Asset Management Investment Committee. Furthermore, an ESG Advisory Group, formed by representatives of all investment units, legal, compliance and risk management, oversees and monitors the progress of our responsible investment activities.

In 2007 we signed the UN Principles for Responsible Investment (PRI) and in 2012 the Principles for Sustainable Insurance (PSI), thereby formally endorsing our commitment to corporate responsibility. The PRI and PSI are considered in Swiss Re's comprehensive responsible investment framework.

All PRI signatories are required to provide in-depth reporting on their responsible investment activities. The reports are available on the PRI website at www.unpri.org/explore/?q=&hd=on&hg=on&he=on&ptv=&tv=76&sp=pub&sc=line&se=start

Overarching approach

Swiss Re is a long-term investor. Therefore, it follows that we take a long-term view on the risk factors that may have an adverse impact on our investment portfolio. We continue to be actively engaged in the dialogue on key requirements for long-term investors and periodically publish related research, including a report in 2015 entitled "Financial repression: The unintended consequences" (see pages 42 and 46).

At the core of our approach to tackling ESG-related risks in investments is the Sustainability Risk Framework (see pages 26–30). This framework enables us to identify and analyse potential ESG risks within an investment, and to ensure we are aligned with our governance structure.

The framework consists of an overarching human rights and environmental protection policy and seven policies on sensitive sectors or issues: the defence industry; oil and gas (including oil sands); mining; dams; animal testing; forestry, pulp & paper and oil palm; and nuclear weapons proliferation. Each policy contains a number of predefined criteria and qualitative standards that may lead to the exclusion of a company or a country from our investment scope.

Swiss Re's Asset Management unit applies these criteria to the vast majority of our investment assets, excluding companies and countries if they do not meet the pre-defined criteria and qualitative standards.

Specific approaches per asset class

In addition to the overarching approach described above, we have identified some key investment areas in which we apply further, specific ESG criteria to cater for the different risk characteristics of responsible investing. These key investment areas include rates products, credit products, equities and real estate:

Rates products

Rates products[2] constitute the largest asset class in our investment portfolio, with a share of 51% at the end of 2015. At 39% of total assets under management, government bonds (incl. agency) are the largest holding within rates products.

At country level, we have implemented political risk and sustainability assessments to guide our responsible investment decisions and to guarantee the quality of our government bond portfolio in this respect. Our rates products portfolio is screened against such political country risk and sustainability rating considerations on a semi-annual basis. Furthermore, the rating measures are used to define investment mandates for our portfolio managers.

2 Rates products consist of cash, short-term investments and government bonds (including agency).

Sustainability and climate change are essential topics for us. We actively contribute to financing a more low carbon economy by investing in the growing SSA[3] green bond market, primarily relying on the "Green Bond Principles".

Political Country Risk Rating
The Political Country Risk Rating comprehensively measures the political risk in a country, which is defined as events of a political, economic or social nature that harm business operations or adversely affect the business climate. The overall country score is derived from multiple external and internal data sets and Swiss Re's expert assessment.

Sustainability Rating
The Sustainability Rating, a derivative of the Political Country Risk Rating, measures the overall social, environmental and human rights situation in a country, and supports Swiss Re's alignment with relevant United Nations principles.

Credit products, equities and hedge funds

At the end of 2015, more than 40% of our investment portfolio was managed externally. This portfolio comprises mainly credit products, equities and hedge funds. PRI signatories manage approximately 95% of these assets. Additionally, all of Swiss Re's external asset managers have contractual provisions with Swiss Re that are specifically related to responsible investing.

We work closely with the external managers to ensure they consider ESG aspects in their investment processes. Before external managers are appointed, Swiss Re performs thorough due diligence to confirm their compliance with our responsible investment principles. This includes ESG considerations in investment decisions and monitoring, as well as a review of their commitment to responsible investing. After being mandated, the managers' individual performances are monitored in line with our Responsible Investment Policy, and they are required to report regularly on their responsible investment activities.

For more systematic and regular monitoring of the actual integration of ESG factors into our externally managed portfolio, we have engaged the services of a leading ESG research company. We apply their ratings to our investment portfolio to assess the quality of the portfolio and gain further insight into ESG risk exposures.

As part of our commitment to sustainability, we also invest in related assets like green bonds in our credit mandates, and renewables and social infrastructure in our infrastructure private debt mandates.

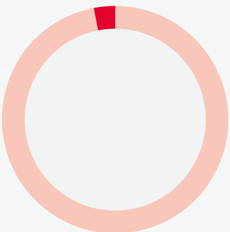
Real estate

Our investment portfolio consists of direct investments in property, principally in Switzerland and in Germany, as well as in the US. Comprising buildings for residential, industrial and commercial use, the market value of the portfolio was USD 3.2 billion at the end of 2015.

We apply ambitious sustainability standards for these real estate investments. For projects in Switzerland, the applicable criteria are defined in the Energy Mission Statement of Swiss Re. This stipulates that all new buildings need to conform to the MINERGIE® standard (www.minergie.ch), a Swiss quality label specifying high levels of energy efficiency and superior user

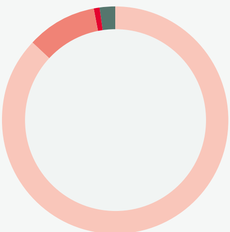
3 Sovereign, Supranationals and Agencies

Our voting activities in 2015



97% Votes cast
3% No votes cast

Our voting behaviour in 2015



87% Voted with management
10% Voted against management
1% Withheld
2% Abstained

comfort. When an existing building in the portfolio is due for renovation, this standard is applied whenever it is feasible from an architectural, technical and financial point of view.

By the end of 2015, the combined value of our MINERGIE®-certified buildings reached USD 0.4 billion, or 21.4% of our Swiss portfolio of direct real estate investments. The total energy consumption surface in accordance with the MINERGIE® standard was 82 497 m^2 at the end of 2015. In addition, more than 56 000 m^2 was sold on to third parties in previous years.

A new building with 16 apartments, which will meet the MINERGIE® standard, is currently under construction. Completion is expected in 2016.

Voting

As an asset owner, and in particular as a shareholder, we recognise our rights and responsibilities as an integral part of our commitment to responsible investment.

We believe that ESG considerations, and especially good corporate governance and transparency towards shareholders, are key drivers for sustainable value creation. Last year, in addition to our periodic review, we conducted a thorough analysis of our voting principles to keep them in line with best practice.

In the case of internally managed assets, we use our influence as a responsible shareholder by directly exercising our voting rights, and with externally managed portfolios, by facilitating the relevant portfolio managers to execute our proxy votes and related engagement activities.

In line with our voting framework, we review the voting policies of external managers during due diligence processes to confirm compliance with our own policy. In addition, external managers are required to report on voting activities conducted on Swiss Re's behalf.

In 2015, we exercised 97% of our voting rights of our listed equity portfolio[4]. We voted on 6 878 ballots through our external managers. We voted in favour of the respective management resolution in 5 977 cases (87%) and against it in 693 cases (10%). In 208 cases (3%), we abstained or withheld from voting.

In addition to shares in listed companies, investments in our equity portfolio include equity exchange-traded-funds (ETFs). The fund managers cast votes on these ETFs for all investors in accordance with the fund managers' own voting policies and processes.

Due to our large- and mid-cap company focus and the moderate size of our equity exposure, we generally hold a very small portion of total issued share capital. This means Swiss Re rarely controls the outcome of a vote.

4 We vote in the vast majority of countries, with the exception of a few where voting process and regulatory obligations require a high level of administrative coordination.

Exploring and shaping **the risk landscape**

We engage in regular dialogue with our stakeholders. By sharing expertise and know-how, we help society to develop effective responses to key risks.

With our re/insurance solutions we help our clients and partners to cope with the risks they face. This helps to create stability and enables economic growth. But many of today's risks are complex and may threaten sustainable progress. To find effective, long-term responses to such risks, partners from the public and the private sector need to work together.

This is why we attach great importance to ongoing dialogue with our stakeholders. Using the expertise from our core business, we identify key risk topics and take an active role in discussions on them. We share and exchange knowledge through many channels, eg our renowned publications including the *sigma* series, international dialogue platforms, events at our Centre for Global Dialogue, and cooperation with governments and academic institutions. Through this ongoing dialogue, our stakeholders give us valuable feedback and new insights for our risk management and product development.

Group Issue Management

With Group Issue Management (GIM), we have a formal process to identify topics that are strategically important to us, our clients and society at large. These Top Topics denote the global challenges we want to help address and set an important focus for our stakeholder dialogue.

The GIM process involves our risk specialists, product experts and other professionals from across the Group. We share their risk expertise and solutions with key stakeholders, ie clients, investors, regulators, policy makers, academics and civil society groups. Through our Top Topics dialogue, we also aim to help shape public policy in a way that facilitates the development of effective responses to the issues identified.

We periodically review our Top Topics portfolio to reflect new business developments and shifting global agendas. Since an extensive review in 2012, we have been focusing on the following five Top Topics in our stakeholder dialogue:

- Advancing sustainable energy solutions
- Funding longer lives
- Managing climate and natural disaster risk
- Partnering for food security
- Supporting financial resilience

In 2015, we again worked on these Top Topics with many partners from the public and private sectors. In the following sections we provide a brief introduction to each topic, explain why we consider it to be important and give examples of our dialogue activities:

Decentralised power generation through renewable energy sources can help to make energy infrastructure more resilient. A report we produced together with the World Energy Council discusses what can be done to better protect our energy supplies against extreme weather events.

Advancing sustainable energy solutions

The 2015 Paris agreement on climate change (see page 41) underscored that sustainable energy sources are essential to combat global warming. Reducing greenhouse gas emissions while, at the same time, satisfying the energy needs of a growing population will be one of the great challenges we face in the coming decades. Sustainable energy projects continue to increase in scale and complexity, as do the risks associated with them.

Innovative risk transfer solutions help to drive investment in the sector by reducing risk for investors. Building on our long-standing commitment to sustainability, we have recently intensified our renewable energy research to help our clients and the global community to develop and establish secure energy supplies for the future.

Our notable achievements in 2015:

- Together with the World Energy Council (www.worldenergy.org), we published our first report on energy infrastructure and extreme weather, outlining the steps that need to be taken to make our energy supplies resilient for the future;
- As a founding member of the RE100 initiative (www.theRE100.org), we started to work towards our goal of obtaining 100% of our energy from renewable sources. By increasing demand for clean power in a joint effort with our partners, we expect RE100 to make it more viable for energy companies in challenging markets to build renewable energy plants (for more details, see page 49);
- We extended Swiss Re Corporate Solutions' partnership with Solar Impulse (www.solarimpulse.com) on the world's first round-the world flight with a solar-powered airplane, underscoring our commitment to supporting cutting-edge innovations in the field of sustainability.

For more information see
swissre.com/rethinking/sustainable_energy/

Funding longer lives

People are living longer today than ever before, but the share of the working population is shrinking. As a result of this demographic megatrend, the costs of funding retirement income, healthcare and long-term care in old age are increasing dramatically. This could have significant financial consequences for individuals, insurers, employer pension funds and society in general. Public-private partnerships are needed to overcome this challenge.

Life and health reinsurance is part of our core business, and we are the world's largest reinsurer of mortality risk. Consequently, we are a natural home for the longevity and health risks associated with ageing societies, and have the financial strength to take on risks across a person's whole lifespan. Swiss Re has a broad base of expertise to help insurers understand the medical and social factors that affect longevity, mortality and morbidity, and we can bring new insights from experience in markets around the world. We want to help clients create solutions that better support people as they age.

Our notable achievements in 2015:

- We continued to host the Asia Health Symposia series, which is an information-sharing platform to gather a cross-section of key stakeholders and create a forum for sharing information and encouraging discussion, collaboration and exchange;
- We published the 2015 European Insurance Report – a study of more than 13 000 people in 13 European countries which, for the first time, measured a EUR 750 billion disability income gap. This gap is considered to be the amount of protection missing between the annual income required by people in the event they are injured or have poor health and the amount available through private, employer and/or state provisions;
- We contributed several industry presentations and participated in panel discussions on various topics related to healthy ageing and the urgent need for innovative solutions in this space.

Managing climate and natural disaster risk

Losses from floods, storms, earthquakes and other natural catastrophes can have a dramatic impact on the citizens and economies of entire countries. Insurance helps people, businesses and societies to get back on their feet after disaster strikes.

Although insured losses from natural catastrophes were lower in 2015 than in recent years, the number of events was among the highest ever recorded. The expectation is that, as a result of climate change, extreme weather events like hurricanes and floods will increase. Moreover, the economic losses from such events are also expected to rise given a higher concentration of assets in exposed areas. If no action is taken, climate change could cost the world economy an estimated 20% of global GDP by the end of this century.

By financing measures to mitigate disaster risks and adapt to climate change, we can strengthen the resilience of businesses, local and national economies and societies. As insurance puts a price tag on risk, it helps to create an incentive to invest in prevention measures.

Understanding natural catastrophe risks and the impact of climate change is critical to cost our business accurately and to structure sound risk transfer solutions. By sharing this knowledge, we help our partners to identify cost-effective measures to protect themselves. In addition, we provide solutions to cover the residual risk that cannot be avoided.

Our notable achievements in 2015:

- We provided our research and expertise for the COP21 Climate Change Conference (www.cop21.gouv.fr) in Paris in December 2015 and were personally represented by our Group CEO (see page 41);
- We continued to share our data on the potential impact of major natural catastrophe events on cities. Following on from last year's publication "Mind the risk: a global ranking of cities under threat from natural disasters", we extended our "Risky Cities" series in 2015, providing more detailed data for Istanbul and Bangkok;
- We launched a "Flood Focus" series of publications starting with Vietnam, released "Four earthquakes in 54 days" and an updated version of "Closing the protection gap".

The impact of climate change on sovereign ratings

In 2015, we partnered with Standard & Poor's in a special project to quantify the impact of natural catastrophes and climate change on sovereign ratings. Based on a sample of 38 countries, our simulations indicate that natural disasters (earthquakes, tropical storms, floods and winter storms) of a severity that is likely to occur once every 250 years can indeed weaken the affected sovereign's rating.

Moreover, we found that climate change can be expected to increase this impact by 20% on average. The expected effect is strongest in emerging countries and especially in the event of earthquakes and tropical storms. The most severe of these disasters could lead to a downgrade of around 1.5 notches. However, our joint study also found that this potential effect can be significantly reduced by catastrophe insurance.

For more information see
swissre.com/rethinking/climate_and_natural_disaster_risk/

For more information see
swissre.com/rethinking/longer_lives/

Our Group CEO Michel M. Liès addresses the participants of Action Day at the COP21 Climate Change Conference in Paris.

Swiss Re's contribution to the **COP21 Climate Change Conference**

In December 2015, ministers and negotiators from 195 countries gathered over two weeks in Paris for the COP21 UN Climate Change Conference (www.cop21.gouv.fr). Finally, after 20 years of repeated disappointments, a legally binding agreement to fight climate change was adopted, and by consensus. The agreement not only aims to cap global warming at 2°C over pre-industrial levels – but if possible to go further, with a new target of 1.5°C. The agreement was lauded a landmark success.

Having played a major role in the climate change debate for over two decades, we actively supported the COP21 negotiation process, both before and during the conference.

In the run-up to COP21, Group CEO Michel M. Liès signed the Paris Pledge for Action (www.parispledgeforaction.org), together with 77 other CEOs of Fortune 500 companies. This pledge states that:

"... we, the undersigned, affirm our strong commitment to a safe and stable climate in which temperature rise is limited to under 2 degrees Celsius.

"In support of this, we welcome the adoption of a new, universal climate agreement at COP21 in Paris, which is a critical step on the path to solving climate change. We pledge our support to ensuring that the level of ambition set by the agreement is met or exceeded."

An earlier version of this pledge was published as an open letter in the Financial Times on the eve of the 2015 World Bank Spring Meeting, under the heading "Let's partner on climate action. Now".

Michel Liès also took part in the COP21 Action Day in Paris. Speaking at the Protect the Planet session and later at the launch of the new G7 InsuResilience initiative, he explained the important role re/insurance plays in tackling climate change and strengthening climate resilience: Firstly, by putting a price tag on the risk, which creates an incentive to invest in prevention measures; secondly, by offering solutions that make socioeconomic systems more resilient to climate change. He emphasised, however, that in order to maintain the insurability of severe weather events at reasonable cost, it would be essential to limit global warming to 2°C. This requires a framework to channel financial flows into low-carbon economic development.

On our website you can watch a video in which Michel Liès offers his analysis of the COP21 conference:

For more information see
swissre.com/climate_action/Climate_Conference_a_landmark_success_but_where_do_we_go_from_here.html

You can learn more about how we help to tackle climate change in these sections:

- Our climate change strategy
  page 11
- The impact of climate change on natural catastrophe re/insurance and selected solutions
  pages 16–22
- Our insurance covers for offshore wind farms
  pages 23–24
- Our UN commitment to provide sovereigns and sub-sovereigns with climate risk protection of USD 10 billion
  page 22
- Our active involvement in a regulatory initiative to establish a set of climate-related financial disclosures
  page 31
- Our research partnership with Standard & Poor's on the impact of climate change on sovereign ratings
  page 40
- Our long-standing efforts to minimise our own carbon footprint
  pages 47–57

Partnering for food security

805 million people – or one in 11 – are chronically hungry and malnourished on the planet today. By 2050, the world's population is expected to grow to an estimated 9 billion people, which will further aggravate the situation. Meeting this demand for food will be particularly challenging, as supply is constrained by factors such as climate change, depleted agricultural soils and the distribution of land, water and energy.

Most farming in the world is still carried out by small-scale subsistence farmers, who feed their families and sell a small surplus on local markets. This needs to change as more and more people are living in cities. Recently, the urban population exceeded the rural one for the first time ever, which means that cities are becoming increasingly dependent on the remaining farmers for their food.

The surplus subsistence farmers currently produce will not be enough to feed the growing population in our cities. Smallholder farmers must make the transition to commercial agriculture to feed the world. For this, they need access to credit so they can buy tools, seeds and fertilizer. But lending will remain restricted if banks fear that farmers will be unable to pay back their loans in the event of a lost harvest due to drought, flood or other disasters. Here, insurance can play the same role in the developing world as it already does in developed countries: protecting farmers against the perils of nature to keep them in business, even if disaster strikes.

Our notable achievements in 2015:

- We looked at the whole food value chain from "farm to fork" by providing for the first time our research insights on food security in the publication "Food safety in a globalised world", which we launched at the EXPO in Milan (www.expo2015.org);
- We published seven more fact sheets providing key data on insurance in African countries and also explored new types of coverage in our publications on livestock and aquaculture;
- We strengthened the spread of index insurance products in countries across the globe by sharing our know-how at the Global Index Insurance Conference (www.indexinsuranceforum.org) in Paris, where governments, banks, multilateral donors, food companies, development experts and international organisations gathered.

Supporting financial resilience

Re/insurance supports financial resilience by acting as a shock absorber and promoting growth through its core businesses. This is particularly important in a challenging and volatile macro-economic environment.

However, unconventional monetary policies implemented by central banks following the financial crisis of 2008-2009 present a challenge for our industry and have contributed to an environment that is not conducive to sustainable economic growth.

As long-term investors, re/insurers could play a pivotal role in bridging the emerging infrastructure financing gap, which in turn would contribute to a healthier economic environment. But for that to happen, the right framework needs to be put in place. Standardisation of infrastructure investments would be an important step forward, while infrastructure debt as a tradable asset class would certainly make infrastructure more attractive for long-term investors.

At Swiss Re, we are striving to influence these developments by actively participating in and contributing to the global and local financial reform dialogue. Ultimately, we want to ensure long-term investors can act – not only think – on a long-term horizon to achieve greater financial resilience.

Our notable achievements in 2015:

- We published the report "Financial repression: The unintended consequences", highlighting the costs of unconventional monetary policies for savers and long-term investors as well as the broader implications for financial resilience;
- We remained at the forefront of the policy call to make infrastructure debt a tradable asset class – as we believe that bridging the large infrastructure financing gap is key to sustainable economic growth;
- We continued to keep a close eye on the regulatory reform agenda, sharing our knowledge at important forums such as an IIF panel discussion hosted during the World Bank and International Monetary Fund Annual Meeting (www.imf.org/external/am/2015/index.htm).

For more information see
swissre.com/rethinking/food_security/

For more information see
swissre.com/rethinking/financial_stability/

Our Centre for Global Dialogue

The Swiss Re Centre for Global Dialogue (the "Centre") is an important platform for interaction with our external stakeholders. Located near Zurich, this state-of-the-art conference centre hosts client and expert events. It allows us to present our thinking on some of the key issues confronting our industry and society at large, while exploring topics that are critical to a better understanding of the risk landscape we are facing.

Besides organising dialogue events, the Centre is responsible for executive client training and engages in research projects with third parties, principally from academia. These projects provide us with fresh perspectives on topics of pressing concern to the re/insurance industry. The Centre also manages some of Swiss Re's key external networks.

Our Centre for Global Dialogue reflects our commitment to being a knowledge company. We believe that by openly exchanging and sharing this knowledge we, our clients and stakeholders can be "smarter together". Below you can read summaries of three events organised by the Centre in 2015:

Financial repression: the unintended consequences

It is widely recognised that the extent of the global financial crisis has warranted swift implementation of a number of extraordinary measures to mitigate a deep recession. While these policies have been necessary to support the global economy, the time has come to take note of their possible implications for the financial system. To discuss and further analyse these implications, we held an executive roundtable with senior private and public sector representatives at the Centre. Ahead of the event, we had published the report "Financial repression: The unintended consequences" (see pages 42 and 46).

Participants of the roundtable expressed concern about public sector policies that are keeping interest rates at historically low levels. This financial repression not only results in an invisible tax on savers since it prevents them from earning interest on their deposits; it also means that future generations will have to shoulder the long-term costs – including the underfunding of pension provisions. Furthermore, people have had to compensate by increasing their savings, which, in turn, has weakened consumption growth and slowed down the economic recovery.

A second worry is that institutional investors have been driven by requirements and incentives into holding government debt instruments, meaning that they have less money available for productive investment, such as infrastructure projects. As one participant said, there is a global search for yield, which possibly leads to a misallocation of resources. Further distortions have been caused by the unprecedented active participation of public institutions in financial markets: Crowding out private investors may result in less diversification of funding sources and weaken a key element of financial stability.

In view of these implications, the participants at the roundtable agreed to continue working together to build the foundation for stronger and sustainable economic growth, benefiting individual savers, long-term investors and society at large.

The autonomous car 2015: Risks and opportunities for the re/insurance industry

Autonomous cars – or new forms of mobility – are regarded as a highly disruptive technology, with significant implications for the re/insurance industry. As such, the topic appeared on the radar of our emerging risk specialists a few years ago, and we first drew attention to it with a special feature in our 2013 Corporate Responsibility Report. In 2014, our Centre for Global Dialogue held a two-day conference in Switzerland and, in 2015, followed this up with a one-day event at our Armonk office in the US, bringing together experts from car manufacturing and technology, safety and legal specialists.

The momentum around self-driving vehicles is astonishing. Whether we are fully prepared for them or not, autonomous cars have arrived. Almost all major carmakers are currently testing first-generation prototypes, while Google already has semi- and fully autonomous cars on the roads in California. When they start to appear in larger numbers on our roads, this will present many new challenges to the way we do business and how we view and manage risk, retail insurance and liability.

The conference in Armonk offered the following key takeaways: 1. Autonomous cars will improve safety; 2. The sharing economy will drive autonomous car adoption; 3. They are more climate-friendly and can reduce energy reliance; 4. Consumers will begin to embrace the technology; 5. Regulation and the law will adapt, slowly; 6. Cyber risk will increase; and 7. Autonomous cars will affect liability and tort cases. Although it is uncertain how legal and regulatory issues will play out, it is clear that our role as re/insurers will change considerably. Many of these changes will also create new opportunities for businesses who quickly adapt and diversify their products and services so as to target new market segments.

For more information see
cgd.swissre.com

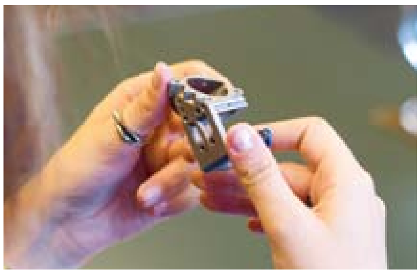
Expert Forum on 3D printing: changing the world one print at a time

3D printing is the name given to additive manufacturing, a process of making three-dimensional solid objects from a digital file. It is widely seen as a technology that will change the course of global manufacturing and the supply chain. Today, a number of industries already apply 3D printing for various purposes, from rapid prototyping to end-product manufacturing.

As this, too, is seen as a disruptive technology, we have a strong interest in understanding the potential implications for the re/insurance industry. Our emerging risk specialists already took a closer look at the topic some years ago and we included a case study in our 2012 Corporate Responsibility Report. The Expert Forum held at the Centre for Global Dialogue in 2015 brought together participants from re/insurance, industry, academia, regulatory bodies and the general public to discuss the risks and opportunities posed by this new technology.

After five breakout sessions, Eric Schuh, Head of the Casualty Centre at Swiss Re, gave a keynote speech on some of the lines of business that could be affected as 3D printing becomes more widespread. 3D printing experts and legal scholars then joined Jayne Plunkett, our Head Casualty Underwriting Reinsurance, in an interactive panel discussion. Points made during the discussion concerned the difficulty to regulate 3D printing across different industries and whether it would be possible to clearly identify the source of any losses. The conclusion was that 3D printing will require new underwriting approaches but that it will also create significant opportunities to provide additional cover to small, medium and large enterprises.

Cyber Security Risk Governance Workshop:
This event was organised by the International Risk Governance Council and hosted by us at the Centre for Global Dialogue. "Cyber attacks" are yet another emerging risk we identified and showcased a few years ago, namely in the 2011 Corporate Responsibility Report.



Impressions from the Expert Forum on 3D Printing we held at our Centre for Global Dialogue. Together with our partners, we seek to understand both the risks and opportunities this "disruptive" technology will create for re/insurers.

Collaboration with (inter-) governmental and academic institutions

In recent years, we have collaborated with various (inter-)governmental and academic institutions both to promote effective approaches to sustainability challenges and to share our expertise on managing specific risks.

Our work with (inter-)governmental agencies to promote effective sustainability responses

- In Europe, we have continued to raise awareness of the important role insurers play in mitigating climate risk through different interactions with policy makers. This includes speaking at industry conferences (Insurance Europe and the ABI), presenting at the European Commission's DG Climate Action's working group on Climate Adaptation and bilateral engagement with the European Commission and national governments. We also remain engaged in the debate via our trade association memberships (eg the Reinsurance Advisory Board);
- In the US, we have maintained regular dialogue with the National Association of Insurance Commissioners (NAIC), principally on climate change and natural catastrophes;
- In Switzerland, we have provided a committee member of the OcCC (*Organe consultatif sur les changements climatiques*), an advisory body on climate change set up by the Swiss Federal Administration.
- For our participation in the FSB Task Force on Climate-Related Financial Disclosures, see page 31.

Our work with (inter-)governmental agencies to share risk management expertise

- With Global Partnerships, we have a team that works strategically with public-sector bodies to improve risk resilience:
  - directly with sovereigns or sub-sovereigns and their agencies, recently eg with the Florida Hurricane Catastrophe Fund to strengthen risk resilience, the Turkish Catastrophe Insurance Pool to improve re/insurance protection against earhquakes, the government of Uruguay to create a solution providing cover for drought conditions that affect hydropower generation or through the Pacific Catastrophe Risk Insurance Pilot;
  - with the United Nation's International Strategy for Disaster Reduction (UNISDR) in a consulting role;
  - with development agencies such as the United States Agency for International Development (USAID), the UK's Department for International Development (DFID), the Swiss Agency for Development and Cooperation (SDC), the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IADB) or the German Development Bank (KfW).
- We have regularly contributed to platforms such as the World Economic Forum, B20, G20 and G8 to share our insights on key risks, and support the United Nations Framework Convention on Climate Change (UNFCCC) process.

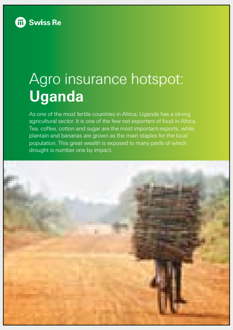
Working with academic institutions

- We have been supporting the Integrative Risk Management and Economics project at the Swiss Federal Institute of Technology (ETH) Zurich, which aims to advance a holistic approach to managing risks and educate a new generation of researchers;
- As a member of the steering committee of Swiss-based ProClim – Forum for Climate and Global Change – we support integrated research activities and get access to the latest scientific findings;
- We support the "20th Century Reanalysis" project of the NOAA Earth System Research Laboratory and the University of Colorado, Boulder. It contains objectively-analysed four-dimensional weather maps and their uncertainty from the late 19th to the 21st century.

Selected communication products of 2015

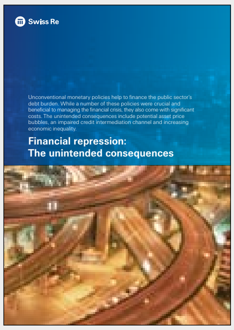
The publications and other media we produce in-house or in cooperation with our partners play an important role in our efforts to help clients and society form effective responses to key risks. Listed below are publications mentioned in this chapter. Further Swiss Re publications are displayed on pages 74–75.

Swiss Re publications



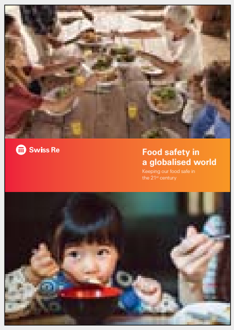
Agro insurance hotspot (on Uganda, Nigeria, Cameroon, Zambia, Angola, Senegal and Zimbabwe)

Closing the protection gap – Disaster risk financing: Smart solutions for the public sector

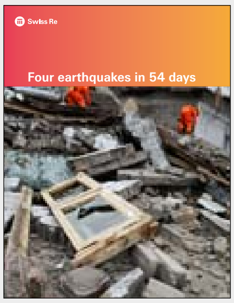


Financial repression: The unintended consequences

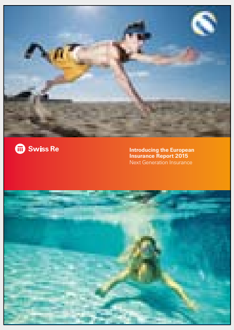
Flood Focus: Vietnam



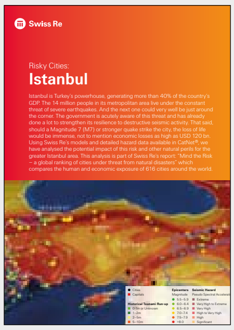
Food safety in a globalised world: Keeping our food safe in the 21st century



Four earthquakes in 54 days

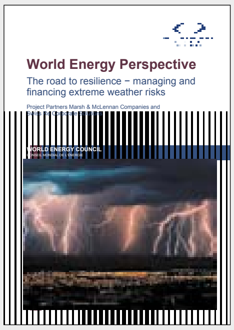


Introducing the European Insurance Report 2015 – Next Generation insurance



Risky Cities (on Istanbul and Bangkok)

Publication with partner organisation



With the World Energy Council:

World Energy Perspective: The road to resilience – managing and financing extreme weather risks

Reducing **our environmental footprint**

We want to lead by example and work to minimise the environmental impact of our operations. Tackling our CO_2 emissions and reducing energy consumption are key targets across the Group.

For more information see
swissre.com/corporate_responsibility/reducing_footprint.html

As a knowledge company in the financial services sector, we do not cause large environmental impacts through our own operations. Nonetheless, we firmly believe it is important for a responsible company to minimise its environmental footprint, thus leading by example.

For our core re/insurance business, climate change represents a key material issue. Reflecting this, we have been focusing on our own CO_2 emissions and energy consumption for many years. Our pioneering initiatives include the Greenhouse Neutral Programme and the CO_{you2} Programme. Both are now into their second cycles, running from 2013 to 2020.

Furthermore, we apply sustainability guidelines to our sourcing and construction activities. Extending our efforts beyond our company, we continue to take a leading role in the Swiss Climate Foundation.

Management system and certification

We operate an integrated global management system (GMS) at our Corporate Real Estate & Logistics division, which interlinks quality and environmental management and ensures that similar processes are seamlessly managed. Through a systematic, Group-wide reporting process, we monitor our environmental performance and implement appropriate improvement measures.

Environmental objectives and targets are defined centrally at our headquarters, but responsibility for implementing improvement measures also lies with the Corporate Real Estate & Logistics departments in our regions and individual locations. Some of them define additional environmental targets that reflect specific local conditions and challenges.

Until 2013, our policy was to have our largest locations certified according to the ISO 14001 environmental management standard (www.iso.org). We since decided to move to a centralised approach and have the whole Corporate Real Estate & Logistics division certified globally according to ISO 14001. This certification process was successfully completed in 2015. All our operations and employees are now covered by an ISO 14001-certified environmental management system.

3.2%

Total reduction in CO_2 emissions per employee since 2013

Goals of Phase 2 of the Greenhouse Neutral Programme:

- Maintain the emissions reductions we achieved between 2003 and 2013 regarding power consumption, heating and business travel;
- Fully offset the remaining emissions;
- Continuously reduce energy intensity (power consumption and heating) by 2% per year (kWh/FTE);
- Obtain 100% of power from renewable sources by 2020.

Our Greenhouse Neutral Programme

Climate change has been a strategic priority for Swiss Re for more than 20 years. It is a key material topic for a re/insurer, because it is likely to cause more extreme and more frequent weather events, resulting in rising damages and insurance losses. Our strategy to tackle climate change rests on four pillars, one of which is our pledge to reduce our own CO_2 emissions (see page 11).

Our Greenhouse Neutral Programme has been the principal initiative to achieve this goal. Originally launched in 2003 for a ten-year period, it combined two commitments: firstly, to reduce our CO_2 emissions per employee (full-time equivalent or FTE) by a specified amount; secondly, to fully offset all the remaining emissions by purchasing high-quality emission reduction credits, thus making the company greenhouse neutral for the whole period between 2003 and 2013.

Over the course of the ten years, we gradually raised our reduction target from 15% to 45% per employee. By the end of the programme's first cycle in 2013, we had achieved a total reduction in CO_2 emissions per employee of 49.3% compared to the base year 2003.

Goals and scope of the programme's second phase

Seamlessly continuing from the Greenhouse Neutral Programme's first ten years, we launched a second commitment phase, which runs until 2020. However, after almost halving our CO_2 emissions per employee in the previous ten years, the potential for further reductions is now much smaller. Our new target is to keep our CO_2 emissions per employee stable at the level of 2013. In view of our expansive business strategy, especially in high growth markets, we consider this to be an ambitious goal.

For the programme's second cycle, we also extended the scope of our emissions reporting and of our offsetting commitment. In addition to our Scope 1 and Scope 2 emissions (heating and power consumption) and a major source of Scope 3 emissions (business travel), our reporting now covers further activities along our supply chain (Scope 3): employee commuting, copy paper use, waste generation, water use and technical gases.

Based on this, we extended our commitment to offset the CO_2 emissions we cannot avoid to paper, waste, water and technical gases.

After a slight increase in 2014, total CO_2 emissions per employee (FTE) decreased by 4.3% during 2015, mainly driven by a further reduction in the energy intensity of our offices and decreases in the emissions from commuting and business travel (see page 49). The latter was due to the fact that our employees made fewer business trips in carbon-intense flight classes, even though the total distance they travelled increased slightly on average. Compared with 2013, our CO_2 emissions per employee were 3.2% lower in 2015.

For more information see
swissre.com/corporate_responsibility/greenhouse_neutral.html

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

	2013 kg/FTE	2014 kg/FTE	**2015 kg/FTE**	Change in % since 2014	Change in % since 2013
Power[1]	811	871	**839**	–3.7	3.5
Heating	379	308	**293**	–4.9	–22.7
Business travel	3 825	3 923	**3 842**	–2.1	0.4
Copy paper	40	31	**27**	–12.9	–32.5
Waste	51	51	**45**	–11.8	–11.8
Water	11	12	**12**	0	9.1
Technical gases	28	27	**25**	–7.4	–10.7
Commuting[2]	1 500	1 500	**1 350**	–10.0	–10.0
Total	6 645	6 723	**6 433**	–4.3	–3.2

1 Calculation based on a market-based approach taking into account the purchase of renewable energy instruments, with the exception of the UK where the government requires companies to report an average grid factor (see table below for our reporting of emissions from electricity).
2 Commuting data are gathered bi-annually by means of a survey. The figures are rounded and fraught with considerable uncertainty.

Underlying environmental data, Swiss Re Group

		2013	2014	**2015**	Change in % since 2014	Change in % since 2013
Power	kWh/FTE	4 575	4 435	**3 994**	–9.9	–12.7
Heating	kWh/FTE	1 940	1 584	**1 448**	–8.6	–25.4
Energy intensity	kWh/FTE	6 515	6 019	**5 442**	–9.6	–16.5
Business travel	km/FTE	13 862	13 931	**14 205**	2.0	2.5
Copy paper	kg/FTE	34	26	**23**	–11.5	–32.4
Recycling paper	%	70	70	**68**	–2.9	–2.9
FSC label	%	96	94	**97**	3.2	1.0
Waste	kg/FTE	182	192	**161**	–16.1	–11.5
Water	m^3/FTE	16	17	**17**	0	6.3

Indirect emissions from purchased electricity, Swiss Re Group

In line with the new Scope 2 Guidance of the Greenhouse Gas (GHG) Protocol, we report the emissions associated with our electricity consumption according to both a location-based approach representing the CO_2 intensity of the grids where we operate and a market-based method taking into account emission reductions from instruments such as Renewable Energy Certificates (RECs) and Guarantees of Origin (GOs).

	Location-based total	Market-based total	Instrument types	Percentage kWh
	t CO_2e	t CO_2e		
Switzerland[1]	993	363	GOs	34.4%
US[2]	9 660	279	RECs	26.4%
UK[3]	6 902	6 902	GOs, residual mix	21.1%
Rest of the world[4]	6 366	4 112	RECs, GOs, residual mix	18.1%
Total	**23 921**	**11 656**		**100.0%**

1 All Swiss electricity producers are required by law to declare the quality and quantity of the electricity produced. Swiss Re buys 100% green labelled electricity (naturemade star).
2 In the US, we cover our total energy consumption by buying green-e labelled Renewable Energy Certificates (RECs).
3 The UK government claims all green credentials of renewable electricity produced in the country. Even though 90% of the electricity we consume in the UK comes with Renewable Energy Guarantees of Origin (REGOs), we report the same emission figures for location-and market-based approaches.
4 The country with our next biggest share of electricity consumption is Slovakia, accounting for 2% of the Group's total consumption.

Using renewable power

Purchasing power from renewable rather than conventional sources has been a key measure of our Greenhouse Neutral Programme. After starting to use renewable power at four European locations in 2005, we set ourselves the goal of using 100% renewable power at all locations where it is available in reliable and trustworthy quality by the end of 2013. Based on our quality assessments of available energy sources, we believe we reached this goal and used 100% renewable power at 25 locations in Asia, Europe, North America and Oceania as per the end of 2013.

In making these quality assessments and selecting suitable sources, we have relied on a "minimum standard" that clearly states how we define renewable power and what requirements it needs to meet. At our Zurich headquarters, for example, we only buy "naturemade star" electricity (www.naturemade.ch), which meets high ecological quality standards in its production, beyond those required by environmental legislation. In Munich, we purchase our electricity from NaturEnergie (www.naturenergie.de), one of German's premier suppliers of renewable energy.

RE100

In a number of countries where we want to grow our business, there is a lack of renewable energy supplies in reliable quality. At the end of 2015, approximately 87% of the power we purchased across the Group thus came from renewable energy sources. We are committed to raising this figure to 100%, which is why we helped to establish the Climate Group's RE100 initiative in 2014 as a founding member.

The goal of this initiative is to unite 100 of the world's largest companies in a shared commitment to use 100% renewable power by 2020. To achieve this, the group approaches policymakers and regulators at national and sub-national level to make renewable energy more available. RE100 grew substantially in 2015 and now includes some of the world's largest companies.

theRE100.org

A solar power plant we installed on the roof of our Folkestone office can cover approximately 17% of its power consumption over the year.

Solar power plant at our Folkestone office in the UK

87%

Share of total power consumption from renewable sources in 2015

The UK is one of our most important markets and we have several offices there. Currently, renewable energy supplies available in the country cannot be taken into account for emission reductions as the UK government asks companies to calculate emissions from renewable electricity supplied via the grid by using an average grid emission factor.

Taking things into our own hands, we installed a solar power plant on the roof of our Folkestone office in the South of England. The idea was initially conceived during the ISO 14001 certification process completed in 2015 (see page 47). With a peak power of 40 kWp, the plant can cover approximately 17% of the building's power consumption over the whole year. It also makes good bottom-line sense, as the initial capital investment of GBP 56 000 is expected to have a payback time of merely seven years.

—

16.5%

Total reduction of energy intensity per employee since 2013

Reducing energy consumption

In parallel with our switch to using renewable power, we have made continuous efforts to lower the actual amount of energy consumed per employee, ie to reduce our energy intensity. In the first phase of our Greenhouse Neutral Programme, we set ourselves a 20% reduction target compared with 2003 levels, measured in kWh per employee. Through many small measures to improve energy efficiency and by concentrating back-office tasks in fewer and more energy-efficient buildings, we actually achieved a reduction of 46.5% by 2013.

For the second phase of our Greenhouse Neutral Programme (base year 2013), our commitment is to continuously reduce energy intensity by 2% per year. As a matter of fact, our energy intensity was 16.5% lower at the end of 2015 than in 2013. Partly, we achieved this by decommissioning existing office buildings and moving into more energy-efficient ones.

For instance, our new "Arabeska" office building in Munich has been built with environmentally friendly materials and meets very high standards in terms of energy efficiency. By using renewables such as geothermal energy for heating and cooling, it consumes at least 50% less energy than the limit set by current building laws.

Recently, we have also stepped up efforts to create more flexible and modern office environments that offer our employees optimal working conditions while, at the same time, use space and resources more effectively. The spread of digital communication and devices makes it possible to work seamlessly across different locations and devices, creating the foundation for a more flexible and informal workplace set-up that encourages team work. Although further reducing our environmental footprint is not the primary driver of these efforts, their potential to lower the energy intensity of our locations is nevertheless substantial. In 2015, we partly refurbished our offices in Bratislava, Hong Kong, London and Munich (see page 61).

Minimising business travel

As a result of the substantial cuts we have achieved in CO_2 emissions from power consumption and heating since 2003, business travel easily constitutes Swiss Re's largest emissions source today. Since the business trips our employees take are ultimately driven by client needs, they are difficult to influence. However, we have taken several measures to reduce the need for business travel and to curb unnecessary business trips:

For a start, we have built up a dense network of video conferencing equipment across the Group. Recently, we partly replaced these facilities with state-of-the-art telepresence technology, which creates a real-time, life-size virtual meeting experience in specially designed rooms. By the end of 2015, we had 63 video conferencing rooms and 64 telepresence facilities worldwide.

We continuously monitor all travel budgets and collect travel data centrally. Furthermore, we introduced an internal carbon levy on air travel in 2014, which uses the "polluter pays" principle. It allocates the costs of the Voluntary Emissions Reductions (VERs) we need to buy to offset our CO_2 emissions to the Group's Global Functions in proportion to their respective share of air travel; previously they had been borne centrally by Group Finance. This internal price on carbon heightens awareness of travel costs among our managers and employees and creates a further incentive to reduce air travel, in addition to flight costs.

Despite these measures, the amount of kilometres travelled per employee and the associated emissions have been rising in recent years. A key driver has been our continued expansion into high-growth markets. In 2015, too, the total distances our employees travelled on average increased slightly. But because they made fewer business trips in carbon intense flight classes, per-capita emissions still fell by 2.1%.

Paper, water and waste
In the second phase of our Greenhouse Neutral Programme, we expanded the scope of our emissions accounting to include copy paper use, water consumption and waste disposal, and are committed to offsetting these emissions.

The overview of all our emissions sources (see table on page 49) shows that paper, water and waste are of much less significance in our business than other environmental impacts. Furthermore, it is difficult for us to influence water use and waste generation at locations where we rent office space. However, in the office buildings we own we ensure appliances meet high standards of water efficiency.

Paper use, on the other hand, is much more responsive to managerial action. Although we have not set any quantitative targets, we have taken a number of measures to reduce the average amount of paper used by our employees in recent years. Through our Group Document Induction Process, employees can use a coordinated scanning service wherever they need it, and double-sided printing is set as the default option on our computers. Furthermore, by using a "gamification" approach in 2014, we encouraged our employees to compete as teams against each other to see who could achieve the biggest cut in paper consumption. In total, we managed to reduce our paper use by 11.5% per employee since 2014, and by 32.4% since 2013.

Concerning the ecological quality of the paper we use, our Group Sourcing Policy and our "minimum standard for copy paper" make clear demands: All our locations are required to give priority to recycled and/or FSC-labelled paper and to avoid paper made from virgin fibres (see page 54). In 2015, the share of recycled paper fell slightly from 70% to 68%, while that of FSC-labelled paper increased from 94% to 97%.

Waste generation decreased by 16.1% per employee in 2015, while water consumption remained stable. It needs to be stressed, though, that data quality is moderate at best for both categories.

Offsetting our remaining CO_2 emissions
The second commitment of our Greenhouse Neutral Programme is to compensate all CO_2 emissions we cannot avoid. For the seven emissions sources covered in the second phase of our Greenhouse Neutral Programme, we bought and retired VERs for a total of 70 600 tonnes of CO_{2e} in 2015.

We are keen to ensure that the VERs we buy are of a high environmental standard. Therefore, we have developed a set of criteria to select projects that generate certificates. In particular, we give priority to those which create strong social side-effects and benefit the poorest regions. In 2015, we involved 14 representatives from our top management ("Growth Market Ambassadors"), chaired by one of our key executives, in the decision on how to offset our remaining CO_2 emissions. You can read more about the project they selected on page 53.

External verification of our CO_2 reporting
Right from the start of our Greenhouse Neutral Programme in 2003, we have disclosed our CO_2 emissions, their principal sources and relative performance over time. The method we use to calculate our emissions is based on the guidelines of the Greenhouse Gas Protocol, the most widely-used emissions accounting standard (www.ghgprotocol.org).

Before our emission figures are published, PricewaterhouseCoopers checks them to verify our calculations. Their complete assurance report is included on pages 76–77.

A farmer in Vietnam uses a cooker supplied with fuel from a newly installed biogas digester. We supported this award-winning carbon offsetting programme by buying our Voluntary Emissions Reductions from it.

Biogas digesters for Vietnam

In 2015, we supported one major offsetting programme through our Voluntary Emissions Reductions, a "Gold Standard" project providing biogas digesters in Vietnam. Biogas digesters decompose animal manure and toilet waste to produce biogas, which can replace petrol, coal, wood or agricultural residues as a fuel for cooking, heating and lighting.

By making these biogas digesters available to low-income livestock farmers in Vietnam, the project helps them to tackle two common problems: costly and unhealthy cooking and heating practices, and untreated animal waste. Biogas digesters generate a reliable supply of clean and affordable energy, and reduce the health problems associated with animal waste and using wood as fuel. The economic savings a family can make on cooking fuel are estimated at USD 120 per year, meaning that a digester pays for itself in four or five years.

Coupled with these significant social, environmental and economic benefits for the farming families, the project generates massive greenhouse gas reductions. These come from three sources: less use of fossil fuels, prevention of methane release from animal waste and reduction of deforestation. On top of this, biogas digesters produce a by-product called bio-slurry, which the farmers can use to improve soil fertility.

The award-winning project is active in 52 of Vietnam's 63 provinces and municipalities. Until 2011, it had supported the construction of 110 000 plants; in its current Phase 2 it aims to support another 140 000 plants, benefiting a total of 840 000 people. The emissions reductions it achieved in 2015 were approximately 167 000 tonnes of CO_{2e}.

Sustainability in our supply chain

As a re/insurance company, Swiss Re does not have an extensive supply chain. Our core business does not require us to buy intermediate inputs like a manufacturing company. However, to run our operations, we need a range of goods and services.

When procuring these goods and services, we apply general and individual criteria. In line with our overarching Group Sourcing Policy, we select suppliers that offer the best value for money, meet high quality standards and adhere to the UN Global Compact. As a signatory to the Compact, we are committed to honouring all its ten principles; amongst other things, these prohibit any sort of discrimination or the use of child or forced labour, and require that the freedom of association and the right to collective bargaining be upheld.

We consider environmental criteria relating to materials and ingredients, production methods, recycling and waste. For some sourcing categories, we have developed "minimum standards" that further specify our requirements. Besides power (see page 49) and paper (see page 52), these cover cleaning services and agents, refrigerant agents and building materials. Each standard lists objectives, ecological aspects, ecological minimum standards, exceptions, controlling and labels.

When selecting new products and suppliers, we examine whether they comply with these requirements as part of the overall evaluation process. We take a fresh look at existing strategic suppliers in our periodical contract reviews, and we visit individual suppliers to inspect them onsite. Internally, we hold regular awareness trainings with all our sourcing staff.

In 2015, we started to participate in a collaborative platform for sustainable supply chain management, which covers a wide range of screening criteria across the topics of environmental impacts, human rights, labour practices and impacts on society. Once it is incorporated into our sourcing processes, this collaborative platform will allow us to assess the sustainability performance of our suppliers more systematically and to engage them in improvements. The collaboration will thus help to improve the goods and services we buy and reduce the risks associated with our supply chain. Implementation of the project will be completed in 2016.

Sustainable construction and Swiss Re Next

Swiss Re has over 70 offices in more than 30 countries. For new building or renovation work, we apply a number of principles. One of them is sustainability, which translates into criteria such as stringent construction standards, high-quality fittings and finishes, a comfortable ambient climate, environmentally sound, durable materials, low energy consumption and low maintenance and running costs. Constructing or renovating an office building in line with such sustainability criteria is the most effective way to minimise its environmental footprint.

For construction projects in Switzerland, the applicable criteria are defined in detail in the Energy Mission Statement of Swiss Re, Zurich. They stipulate that new buildings need to conform to the MINERGIE® standard (www.minergie.ch), a Swiss quality label specifying high levels of energy efficiency and superior user comfort. When we renovate old buildings, this standard is to be applied if feasible from an architectural, technical and financial perspective. Our pension fund in Switzerland applies the same criteria for all its direct investments into real estate projects.

In practice, we usually go beyond these requirements and use further standards such as MINERGIE-ECO® – which also includes health criteria and demands on building materials – and MINERGIE-P-ECO®, which specifies the characteristics of a "passive house" that consumes even less energy than a MINERGIE®-certified building.

Swiss Re Next

Under the title of Swiss Re Next, we are currently constructing a replacement building for the former *Neubau* ("new building") at the Group's Zurich headquarters. From the start, sustainability was defined as one of the key features of the project. Our goal is to be awarded the MINERGIE-P-ECO® certificate as well as the highest

New and old: Our Swiss Re Next project in Zurich is taking shape, watched over by our original headquarter building from 1913.

Swiss Re Next online
Extensive background information on the Swiss Re Next project and its progress is available on a special website at next.swissre.com.

certification level of the US LEED system (usgbc.org/leed) – LEED Platinum. We have already received the preliminary MINERGIE-P-ECO® certificate and successfully passed the LEED design review.

Upgrading to a climate-friendly cooling agent

Originally, the heating and cooling system of Swiss Re Next was planned with equipment that uses a specific type of natural cooling agent (NH_3), in line with the requirements of the MINERGIE-P-ECO® und LEED Platinum labels. During 2015, we decided in talks with the planning engineers to switch to a different type of cooling unit that uses a newly developed cooling agent (HFO).

The key benefit of this new cooling agent is that it has a very low global warming potential and thus a negligible climate change effect. Furthermore, it is less dangerous for humans in the event of an accident such as a leakage. As a result of switching to a new cooling agent, the Swiss Re Next planning team had to adjust the security and safety concepts together with the local authorities. As this new cooling agent will be used for the first time in Zurich, finding appropriate solutions was a considerable challenge.

Spruced up communication

As Swiss Re Next is slowly but surely taking shape, we also introduced a new element to its project website. A number of green tiles with short aphorisms now draw attention to some of the building's key sustainability features. They engage the reader with the invitation to "let's talk about this together" and highlight environmental, social and ethical aspects of the project. Here are some examples "People who work in glass houses ...", "It's a hat trick – chapeau!", "Better than new?", "What's in a symbol", "Blessings from above".
To find out more, we invite you to go directly to www.next.swissre.com

2 361

CO_{you2} subsidies granted to our employees

(2 268 in 2014)

For more information see **swissre.com/corporate_responsibility/coyou2_programme.html**

The CO_{you2} Programme

Tackling our carbon footprint is one of four pillars of our climate change strategy (see page 11). In 2007, we launched the CO_{you2} Programme because we wanted to make our commitment more tangible for our employees and help them to become more aware of climate change. The programme offers subsidies for a range of investments through which our employees can reduce their private carbon footprints. To our knowledge, it was the first global corporate initiative of its kind at the time.

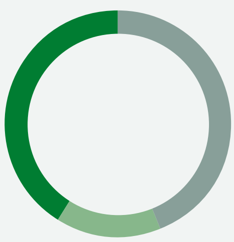
The investment options we offer for subsidies are clearly specified in the programme. Some of them are supported at all our locations, while others vary to account for regional differences in climate, living conditions etc. Our subsidies cover 50% of the investment amount up to a locally determined maximum allowance. All regular employees are entitled to apply and new employees can submit subsidy requests after three months following their hire start date.

In 2015, we granted a total of 2 361 subsidies spread across three product categories: home appliances, home infrastructure and mobility. For home infrastructure we introduced two new products in 2015: solar window films which can lower household energy consumption, and connection of homes to district heating. Over the past two years, electric-powered mobility has become more prominent with subsidies including e-bikes, e-cars and plug-in hybrid electric cars. In line with this trend, we introduced e-car charging stations at several locations.

Amongst the largest Swiss Re locations, uptakes per employee were highest in Slovakia, China, Germany and Switzerland. Our office in Slovakia has witnessed particularly strong growth recently and many new employees made use of the opportunity to claim subsidies in 2015. In Europe, in general, mobility is a popular category, with electric-powered vehicles and bicycles the most common subsidy types.

China is another location that has seen strong growth and, consequently, a high rate of subsidies. Energy efficient home appliances were particularly popular there, as elsewhere in Asia.

CO_{you2} payouts in 2015, by category



- 42% Home appliances
- 19% Home infrastructure
- 39% Mobility

Number of CO_{you2} payouts in 2015, per 1000 employees

Partner initiative: The Swiss Climate Foundation

In 2008, we set up the Swiss Climate Foundation with a number of partner companies. It was a response to the introduction of the Swiss CO_2 law, which provides the basis for the CO_2 levy on heating fuels in Switzerland. This levy is not a proper tax but an environmental market mechanism: It imposes a charge on the use of heating fuels and then reimburses the money thus raised – to private companies proportionate to their total salary expenses. For financial service providers, who use relatively small amounts of heating fuel but employ large workforces, this means they receive a total "net reimbursement".

The purpose of the Swiss Climate Foundation is to collect these funds and to use them to support various climate-friendly projects undertaken by small and medium-sized companies (SMEs) in Switzerland. In 2012, the Foundation broadened its scope and started to collaborate with the LIFE Climate Foundation Liechtenstein, generating more partner companies and enabling SMEs in Liechtenstein to benefit from the funds, too. By the end of 2015, 28 renowned financial service providers from Switzerland and Liechtenstein were partner companies of the Swiss Climate Foundation.

Since becoming operational in 2009, the Swiss Climate Foundation has supported more than 1 200 SMEs in Switzerland and Liechtenstein with CHF 14 million in total. In 2015, 263 SMEs were supported with a total of CHF 1.2 million. These projects are expected to help avoid about 40 000 tonnes of CO_2 emissions over the next ten years.

In addition to paying our net levy reimbursement, Swiss Re has been sponsoring the Foundation's managing director position since it was established in 2008.

For more information see
swiss-climate-foundation.html

Empowering **our people**

Our vision is to build an attractive organisation with a clear purpose, staffed by a flexible, global workforce of diverse talents, which embraces an inclusive culture that enables individuals to progress and develop. We want to attract the best people and to develop the best leaders who are passionate about "making the world more resilient".

In 2015, Swiss Re communicated a new compelling vision: "We make the world more resilient". To fulfil this ambition, we are committed to building a diverse organisation in which our leaders inspire and engage their teams to unleash their full potential.

Our goal is to make Swiss Re a place where the spirit of collaboration is "Let's be smarter together", since together we can achieve more than we could on our own. Where we build the foundation for the changing needs of the future, drawing on the know-how and experience of a diverse, multi-generational group of people. Where a flexible and inclusive culture is the norm and everyone can contribute to an organisation that is constantly looking for new ways to improve the wellbeing of society. Where there is trust, respect, cooperation and responsibility. Where *how* we achieve results is as important as *what* we achieve.

For this reason, we have developed a new People Strategy. This sets out our ambition to adapt to a changing and more diverse workforce and its needs, develop a more commercial edge as regards people management, improve the skills of our leaders so they can inspire and engage our employees, and create a culture of collaboration where employees feel empowered to act.

Swiss Re is a global company with a presence in all major markets. As of 31 December 2015, we employed 12 767 people (regular staff) from 89 nationalities: 60.2% of them were working in Europe (including the Middle East and Africa), 26.4% in the Americas and 13.4% in the Asia-Pacific region.

Employee data, Swiss Re Group

	2013	2014	2015
Total headcount regular employees	11 574	12 224	**12 767**
Full-time	10 611	11 159	**11 652**
Part-time	963	947	**973**
Temporary employees	244	271	**376**
Turnover rate (incl. company sales)	8.0%	9.8%	**10.6%**
Voluntary	5.5%	6.6%	**6.8%**
Involuntary	2.5%	3.2%	**3.8%**
Average tenure regular staff (in years)	9.1	9.3	**9.0**

For more information see **swissre.com/careers/**

Our People Strategy

We regard our new People Strategy as our "North Star": It provides us with clarity and direction, is embedded in everything we do and defines our ambition for the future of Swiss Re.

We have already implemented a number of changes that are aligned with this strategy and make it more concrete for our workforce:

- Listen to our people and act upon what they say: This is crucial and is why we introduced a new Employee Engagement Survey in 2015. By listening to the feedback and measuring the level of engagement of our people, we can identify the changes we need to implement in support of our People Strategy.
- Develop our leaders: We expect our leaders to have the skills to inspire and engage our people. Therefore, we have continued to develop our leadership development architecture, introducing new solutions to develop leadership skills and doubling the hours of leadership training we deliver.
- State clearly the behaviours we expect of all employees: Both our Leadership Imperatives and Personal Imperatives clearly define the behaviours we wish to see as a responsible company and which are needed to drive our success. Since their introduction in 2014, we have run more than 200 leader-led dialogue sessions to make sure our people understand why these imperatives are important and what is expected of them. We have also factored the imperatives into how we measure performance and reward our employees.
- New employer brand to attract the best talent: Our brand promise "Let's be smarter together" reflects the renewed energy and aspirations that Swiss Re has. It signals our ambition as a best-in-class employer to create an even better workplace by building on our strengths, while seeking opportunities to evolve and differentiating ourselves from our competitors.

In 2015, we launched our new employer brand "Let's be smarter together". We first addressed graduates, highlighting the culture and opportunities that come with our vision of "making the world more resilient".

In the following sections, we provide more insights on how our new People Strategy is embedded in everything we do, from our culture of diversity and inclusion, to the way we develop and mentor our people.

Employee Engagement Surveys

We recently introduced a newly designed Employee Engagement Survey to hear from our employees what we can collectively improve to live the spirit of our new People Strategy. In May 2015 we carried out the new survey for the first time and the reaction was overwhelming, with a response rate of 85% (9 889 employees responded) and more than 20 000 written comments. The results indicated that 64% of

Swiss Re employees are engaged, which is within the Financial/Insurance benchmark of 61% and the Global High Performance benchmark of 72%.

Good progress was made since we last ran our former survey in 2013, with positive trends on most questions, including reduced bureaucracy, ability to openly debate issues and employees feeling that their job has an impact on business outcomes.

In terms of key strengths, the survey revealed that our people feel they can accomplish something at work, are encouraged to take the initiative, able to express their views openly, and are empowered to complete their work autonomously.

The survey also highlighted a number of changes employees want us to implement to better support our People Strategy: more clarity on our business strategy, easier access to senior leadership and more career development opportunities within the company.

Diversity and inclusion

One of the key aspirations of our People Strategy is to attract and engage talented employees from different generational and cultural backgrounds by living a flexible, inclusive and open culture where dialogue and different perspectives are valued. This aspiration is reflected in our diversity and inclusion (D&I) vision: "See, feel and live diversity – diversity of gender, race, ethnicity, generation, sexual orientation (LGBT), physical abilities, personalities and experiences – at all levels, functions and regions of Swiss Re".

We are committed to this vision because it supports an environment in which our employees value each others' differences and where they can all bring their authentic selves to the workplace – an environment in which high performance is then a natural consequence. A diverse workforce, driven by a culture of inclusivity and collaboration, will thus enable us to truly live our "smarter together" brand promise within and outside the company.

Our 2015 Employee Engagement Survey tells us that our employees are positive about Swiss Re's open and inclusive culture, and see the value we place on diversity (favourable score of 76%, nine points above the industry average). But we have set our sights on reaching a top-quartile performance level and, to achieve this, we need to do more.

Advancing gender equality

Over the last four years, Swiss Re has made progress in increasing gender balance at senior management level. To accelerate this trend, we stepped up our commitment in 2015 by joining forces with EDGE, Economic Dividends for Gender Equality (www.edge-cert.org), to pursue a rigorous gender equality assessment. Based on our commitment to assess ourselves and act on the findings, in 2015 we received the first-level EDGE certification for our Switzerland-based operations. We are using the insights we gained from EDGE to develop a global gender equality strategy, with a special focus on women in leadership.

Bridging generations

Generational diversity is strong at Swiss Re. With a share of 45%, Generation X (born 1966–1980) makes up the largest share

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

	2013	2014	**2015**
Total workforce	46.8	46.3	**46.4**
Executive/senior management positions*	21.5	21.4	**22.1**
All management positions*	31.1	31.5	**32.2**

* "Executive/senior management positions" comprises the management levels of Director/Senior Vice President upwards.
"All management positions" refers to Vice President and above.

For more information see
swissre.com/about_us/diversity/

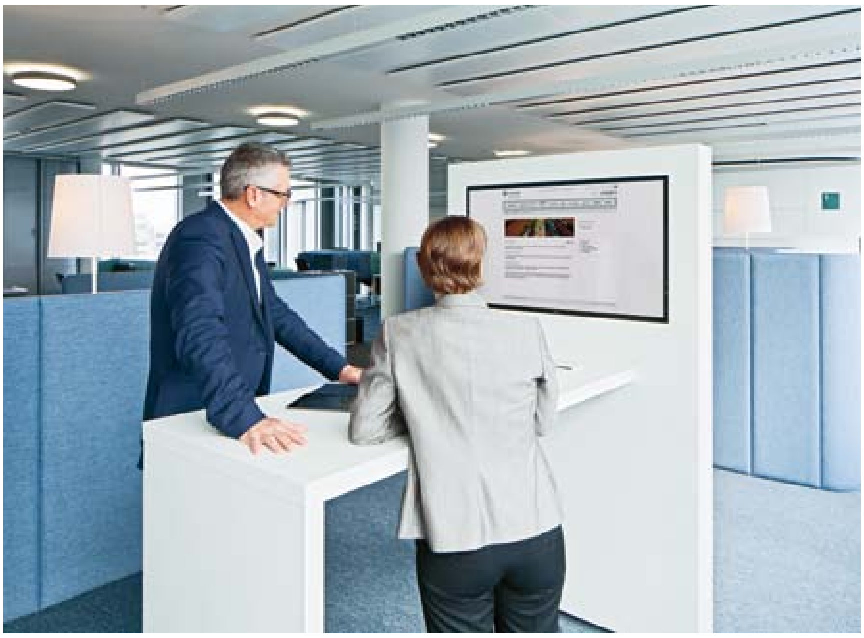
of our workforce, followed by Generation Y (born 1981–2000) at 32% and Baby Boomers (born before 1966) at 23%.

To effectively manage the multi-generational dynamics in Swiss Re's work environment, we have fostered a culture of open dialogue about and among different generations. Our Employee Engagement Survey results showed very little difference in employee perceptions across generations, and this has helped to challenge stereotypes. Reverse, or cross-generation, mentoring programmes have also become popular across Swiss Re.

Agile working

Our future success depends on our ability to create a flexible, global workforce that is responsive and highly resilient in responding to the needs of our business. Swiss Re is following an integrated, future-focused strategy that brings together our physical workplace, technology and people management practices to take us to the next level.

We have made considerable efforts in ensuring our employees own the way they work and can effectively collaborate in an agile and flexible working environment. This is reflected in a variety of formal and informal flexible working arrangements that focus on performance outcomes versus face time. Our trademarked programme, Own the Way You Work™, is a cultural change initiative, which gives managers and employees autonomy to decide how, when and where work is carried out, in compliance with the applicable laws, rules and regulations of their particular region. This has become a differentiating part of Swiss Re's employee value proposition.



New functional zones for concentration and communication in our Munich office support our employees' individual working modes and styles.

Inclusive culture

Given the important role each of our managers plays in fostering an inclusive culture and benefiting from its strengths, inclusive leadership behaviours are essential at Swiss Re. We have developed clear standards that describe exactly what behaviours we expect of our leaders and managers to foster an inclusive work environment for all employees. These are firmly embedded in our Leadership Imperatives and our leadership development curriculum.

To make these principles tangible for all our employees, we have also included them in our Personal Imperatives.

Unconscious bias

A key aspect of our People Strategy is to prevent stereotyping of individuals based on any and all dimensions of diversity. It centres on raising awareness of the "unconscious bias" that every one of us has and which can unintentionally influence our decision-making and our behaviour towards others.

We design and organise events as well as face-to-face and web-based training so that employees can participate in dialogues to increase their self-awareness of unconscious biases such as those related to generations, sexual orientation and gender. Our leadership development and management training also highlights the importance of overcoming unconscious bias in all kinds of decision-making situations in people processes such as recruiting, talent nominations and performance evaluation.

Code of Conduct

In line with Swiss Re's policy of fostering diversity, we have strong provisions in place to penalise any infringing behaviour. Our Group Code of Conduct clearly states that discrimination in the workplace against any employee or job applicant based on the person's age, (dis)ability, origin, gender, religion or sexual orientation (or any other characteristic protected by local law) is not tolerated under any circumstances. We encourage our employees to report violations of the Group Code of Conduct, laws, rules or regulations, and make it clear to them that reporting in good faith is treated with discretion and that retaliation will not be tolerated (see pages 70–71).

Development and training

Implementing effective programmes to further develop and train our employee and leaders lies at the heart of our People Strategy. This is also something that employees really want, as reflected in the Employee Engagement Survey results, where respondents asked for more development opportunities at Swiss Re.

Therefore, we made a number of changes to more effectively embed the 70/20/10 approach to development and growth. This approach advocates a shift from formal training (only 10%) to more actions that reflect "on-the-job experiences" (70%) and "learning from others" (20%).

These changes include introducing new skill development solutions for leaders called "masterclasses", revamping and improving our Talent Broker platform which facilitates internal rotations, piloting "reverse mentoring" and continuing with our "speed mentoring" offers.

In addition, we invested significant time in embedding the Leadership and Personal Imperatives we need from our people to ensure the future success of Swiss Re.

Senior management development and growth

Our ambition is to accelerate the development of leadership and managerial skills in order to inspire a multi-generational workforce. This is vital to ensure our leaders can inspire and engage through honest discussions across all levels in the organisation. They need to be able to give and be open to receiving timely and constructive feedback to improve individual, team and Group results.

Last year, the number of leadership training hours doubled in comparison to the previous year. We also designed and piloted a number of "masterclasses" for leaders on topics such as "Driving performance through effective leadership communication and feedback" and "Managing performance and reward decisions". Given our focus on this area, we are pleased to see that our Employee Engagement Survey indicates that a more open feedback culture is emerging.

We also developed a growth survey tool involving a 360° process. This survey is designed to provide feedback on the effectiveness of leaders and experts as well as to identify areas for further development. In 2015, 144 leaders participated in the survey as part of their enrolment process for our in-house leadership programmes.

Employee development and growth

In line with our 70/20/10 approach, we revamped and improved our Talent Broker platform to provide employees with more visibility and simpler access to job rotation opportunities. On average around 750 employees per month use the platform and the number of job rotations greatly increased in 2015 (+300% over the previous year).

Similar to Talent Broker, our Virtual Career Centre (VCC) provides employees with a clear oversight of career opportunities at Swiss Re. It includes extensive information on different roles in the organisation and brings together useful tools that our employees can use to raise their self-awareness, to reflect on and to plan their career. The number of employees who used the VCC averaged 1 530 per month in 2015, with a peak of 1 893 in July.

Mentoring

We also offer our employees a mentoring programme. This is a confidential relationship outside the reporting line that helps individuals develop their skills, knowledge and behaviours as well as to move successfully through times of change and transition. Our VCC includes a special search tool that helps our employees identify potential mentors. Currently, around 500 people have registered their interest in being mentored or acting as a mentor.

In 2015, we piloted "reverse mentoring", enabling senior leaders to learn new skills and hear fresh perspectives from younger employees. The pilot is currently running with 16 mentors and mentees (including our Group CEO). If the pilot is adopted, this will help us bridge generation gaps and support our efforts to develop a truly diverse and inclusive culture throughout the company.

For more information see
swissre.com/careers/professionals/development_opportunities/

We also continued with our "speed mentoring", involving 27 mentors and mentees. This offers a more informal way of mentoring where an equal number of mentees and mentors meet in pairs and chat for a few minutes before they move on to the next person. "Speed mentoring" gives mentees a chance to meet all prospective mentors in the room and to make their best-suited selection afterwards. It continues to be a greatly appreciated initiative.

Formal training

Formal training at Swiss Re combines technical, professional and leadership skills training. We design our training internally or in collaboration with leading external partners and deliver it through our long-established Swiss Re Academy. Our courses are well received by our employees; for instance, in leadership skills training we scored 4.35 out of 5 in 2015 (highest score ever recorded).

Swiss Re Academy has developed extensive professional and personal development curricula to respond to changing business needs. Currently, we offer more than 960 different training courses. Our employees attend training in areas as diverse as underwriting, finance, sales and negotiation, leadership, diversity and inclusion, interpersonal skills, project management, office tools and language skills. Certain courses, such as legal & compliance training, are mandatory. We recommend that employees who work directly with our clients invest at least two days per year in formal sales training.

To support the professional development of our employees, Swiss Re Academy provides a portfolio of "blended" learning paths, combining face-to-face learning, eLearning, peer-to-peer coaching and virtual classrooms. By combining and linking some of our training courses, they offer a flexible approach to learning. Topics addressed in blended learning paths include communication skills, conflict handling, influencing skills, presentation skills, and remote management and working.

In 2015, all our employees took part in our development and training programmes. They completed 204 225 hours of training overall, averaging 15.5 hours and learning costs of USD 1 024 per employee. This drop in per-capita training expenses is directly related to the increase in on-line learning and the decrease in classroom trainings. In addition, each of our Business Units organises a considerable amount of specialist training.

In line with our flexible development and training philosophy, the Swiss Re Academy intranet site gives our employees easy access to our global learning catalogue, links to regional learning offerings and a multimedia library. Close to 74% of our training is delivered through eLearning formats. This reduces the need for our employees to travel and spend time away from the office, while supporting our commitment to reducing our carbon footprint (see pages 48–52).

Embedding the behaviours we need for the future

Our Leadership and Personal Imperatives set out the behaviours we need and expect from our leaders and employees. Embedding them into our culture and processes is key in our view. However, we are aware that this cannot be achieved by simply communicating them to employees. For this reason, we have set out to embed them gradually over time through a change management approach and to systemically integrate them into other human capital processes. As a result, over the last two years, our Human Resources department has partnered with line managers to deliver more than 200 leader-led dialogue sessions to our employees.

In addition, we have integrated the Leadership and Personal Imperatives into both our performance management process and leadership development programmes.

Learning data, Swiss Re Group

	2013	2014	**2015**
Total learning hours recorded	163 305	159 551	**204 225**
Learning hours per employee	14.1	13.1	**15.5**
Learning costs per employee (in USD)	1 800	1 500	**1 024**

Two members of our Human Resources team were present at TheJobCrowd awards ceremony in London to collect our award for "Top Accountancy & Insurance Company for Graduates to Work For".

Award from TheJobCrowd

In 2015, Swiss Re was recognised with the award for "Top Accountancy & Insurance Company for Graduates to Work For" in 2015/2016. We received this award from TheJobCrowd (www.thejobcrowd.com), a popular graduate job review website in the UK.

Our graduates were asked to complete a survey on their work experience at Swiss Re. The survey covered questions such as: what are the best things about your company, what attracted you to the company, how do you rate the work/life balance, training and ethical/environmental balance. The results from our graduates were overwhelmingly positive.

Not only did we come top in the accountancy & insurance sector, we also ranked number three across all industries.

For more information see **swissre.com/careers/interns/**

For more information see **swissre.com/careers/graduates/**

For more information see **swissre.com/careers/apprenticeships/**

Our Early Joiners programmes
Each year, the graduates@swissre programme provides entry positions for around 50 university graduates who have little or no work experience. It offers an excellent opportunity for young talents to discover the exciting world of a leading global re/insurer.

Over a period of 18 months, the graduates receive on-the-job training in their respective functions. They also attend a number of classroom-based training sessions which are specifically designed for the programme and focus on Swiss Re's core business areas. At the end of 2015, around 350 graduates had either completed the programme since its launch in 2007 or were participating in it. They are employed across many different functions and regions.

In 2015, we employed 55 interns. This includes three internship positions for students from the African Leadership Academy (ALA) in support of our high growth market talent strategy in Africa. The interns@swissre programme is mainly aimed at university students who are pursuing a Bachelor's or Master's degree, and at graduates with less than one year of full-time work experience. Interns join teams in core business areas, where they take on specific tasks and various projects. In India, the US and the UK we offer traditional summer internships that typically last between eight and 12 weeks, while in Germany and Switzerland the internships usually span a period of three to six months.

Our Actuarial Development Programme (ADP) is designed to provide students with work assignments and projects that are challenging, educational and promote personal and professional development. We view superior actuarial expertise as a vital factor for our success. That's why we place great emphasis on recruiting top talents for our programme. We help develop actuaries in many ways – from study allowances to mentoring and career development. Every year, we hire approximately 12 college students to join the programme running from May to August, followed by possible full-time employment.

In three locations we offer a Junior Power programme. Originally launched in Zurich in 1981, the programme was extended to Munich in 2008 and, in 2014, to London. In total, we have trained over 550 apprentices and trainees through the programme. Currently, 95 apprentices and trainees, aged between 15 and 25, participate in it and are being trained in a broad range of occupations. We provide them with an innovative and high-quality learning environment that enables them to build up the competencies and skills they need for the labour market. In this way, we also make a positive contribution to youth employment.

In turn, our apprentices and trainees contribute to the success of their respective teams, add new perspectives to Swiss Re and challenge established practices. We offer training for business roles, computer specialists, chefs, hotel housekeepers and media specialists. About 25% of all our former apprentices and trainees are still working at Swiss Re.

Participants of our Early Joiner programmes have said that they particularly appreciate the multicultural and open environment we offer, as well as the daily exchange with specialists from various disciplines.

Our employees' wellbeing

We set high standards in terms of caring for the physical and mental wellbeing of our employees and offer a broad range of solutions on topics like crisis intervention, counselling, health prevention and diverse engagement activities.

We know that the nature of these activities is sensitive to local specifics – such as culture or local regulations. Therefore, we have decided to implement a consistent model across all regions where these services will be provided out of the local Human Resources units, supported by external partners when required.

Health and wellbeing
We aim to provide a healthy workplace that helps our employees take a constructive approach to their own wellbeing, while improving and retaining their ability to perform.

A healthy mind is as important as a healthy body. We offer a free, globally available Employee Assistance Programme, through which our employees can get confidential, impartial and professional assistance on issues of a personal or work-related nature. In this way, our employees can benefit from personalised support on emotional, family, financial and legal issues.

We also organise various local events on topics such as work stress, mental health and awareness trainings. For example, in China we held a tea tasting event, dedicated to the topic of managing work stress and becoming more engaged with each other. In Australia we regularly organise a Caring Week, where employees can participate in mental health awareness trainings, mindfulness sessions and physical checks. In the UK we organise wellbeing talks with external speakers and offer free flu jabs. Other health checks and services are also available to employees depending on what benefits package they select every year. We also offer employees access to free mortgage advice.

To help our people stay fit, we provide onsite fitness centres or classes and encourage employees to join the local gym. For instance, in Switzerland we provide fitness rooms where employees can work out or join lessons such as yoga or spinning. We also have a sport complex with a swimming pool, tennis courts and soccer court where our employees, their partners and children have unrestricted, free access. Our employees regularly enjoy spending quality time there, especially over the summer period when a number of social events take place.

We also provide relaxation rooms in our offices, where employees can take time out and recharge their batteries.

Parents@Swiss Re
It is important to us that our employees can always put their families first. Therefore, we offer a range of programmes, services and support in a number of locations.

The Parents@Swiss Re brochure provides our parents with important information on pregnancy and parenthood. From how to inform their line manager, to balancing family and work, the brochure contains helpful background information on labour law and the solutions Swiss Re offers.

In general, our employees can count on diverse options such as additional family allowance, one-off childbirth allowance, additional paid maternity and paternity leave, or the option to take unpaid leave. These benefits are tailored to the local needs of our workforce and therefore differ from region to region. In Bratislava – one of our high-growth locations – we introduced the concept of maternity buddies in 2015: Every mother on maternity leave has a "maternity buddy", who informs her about current activities in the team while she is on maternity leave.

To accommodate the needs of working parents, we have a number of initiatives in place. Last year, approximately 130 children in Switzerland attended our one-week vacation programmes during the spring and summer school holidays, enabling their parents to continue working. We also offer a number of reserved places at day care centres in and around Zurich. Furthermore, our external childcare provider helps parents find emergency nannies and gives guidance in all questions related to childcare.

Employee relations

We are a signatory to the UN Global Compact and support its ten principles in the areas of human rights, labour, the environment and anti-corruption. Many of our locations have active employee groups. These employee representatives play an important part in the company's success by contributing valuable perspectives and by helping to identify employment-related challenges.

These bodies are elected by local employees and have clearly defined information and consultation rights. Although there are significant local differences in the applicable legislation, their rights typically concern:
- Working conditions
- Benefits
- Reorganisation and restructuring
- Redundancies
- Disciplinary actions and conflict cases

At our Zurich headquarters, where almost a third of our total workforce is employed, we work closely with the Personnel Committee (PECO). Representing the interests of all Zurich employees, PECO aims to create and maintain a positive working environment. It is involved in changes or adaptions to the General Working Conditions or other important policies such as the Social Plan. The Committee also seeks to ensure the de facto equality of men and women, and places special emphasis on the challenges faced by employees with family obligations.

In the UK, Swiss Re has an Employee Liaison Group (ELG), made up of representatives from across all functions, who are elected by employees for a two-year term. The ELG provides a forum for employee representatives and managers to discuss company policy and practices which affect all employees. It is legally recognised as the collective consultation body for redundancy purposes. When a business unit is likely to be affected by proposed collective redundancies, the respective employee representatives are consulted.

At our Munich office we have a Works Council, with clearly defined codetermination rights in several areas. It has the legal obligation to support topics such as diversity, development and training, career opportunities and work-life balance. The eleven members of the Works Council are elected by the employees for a four-year term.

Our smaller branches in Europe (eg France, Italy, Luxembourg, and Denmark) also have Works Councils or Staff Delegates, depending on the size of the branch and local regulations.

Alumni networks
Our former employees have helped to make Swiss Re what it is today and form an essential part of our extended employee community. They remain important stakeholders for Swiss Re. Furthermore, as many of our alumni work for our clients, they also help to deepen our client relationships.

Employee health data:
Sick leave days, Switzerland regular staff

	2013	2014	2015
Number of employees	3 259	3 321	**3 326**
Number of employees who have recorded absence due to illness	1 893	1 900	**1 979**
Average number of sick days	7.0	7.4	**7.2**

Through the Swiss Re Alumni Network, we offer our former employees the opportunity to continue sharing their knowledge and experience, and to keep in contact with colleagues. Currently, we have more than 3 500 active members.

The network also includes our retirees. This important group of stakeholders continues to take great interest in the company. Through extended access rights, we enable them to utilise resources that are normally available to employees only.

Compensation and benefits

Swiss Re is committed to a compensation framework that is balanced and performance-oriented, and which aligns the interests of both shareholders and employees. Our compensation framework is designed to attract, motivate and retain the qualified talent the Group needs to succeed, while creating a tangible link between performance and pay. The aim is to provide compensation that is competitive in local labour markets, while ensuring that employees focus on delivering outstanding results in line with our business strategy, targets, risk awareness and corporate values.

For most employees, total compensation comprises the base salary and the Annual Performance Incentive (API), which is linked to both individual and business/company performance.

Swiss Re uses additional incentive programmes which reflect the longer-term nature of our business: Both the Value Alignment Incentive Plan (VAI), which is the deferred part of the API, and the Leadership Performance Plan (LPP) aim to reward sustained performance and long-term company success, rather than short-term results. This helps to align shareholder and employee interests more closely. The VAI applies to employees who have a total API in excess of a defined threshold, and the LPP is awarded to our senior executives and select key employees.

For more information see
swissre.com/about_us/alumni/

We also encourage our employees to own Swiss Re shares by providing the Global Share Participation Plan and the Incentive Share Plan. Our employees can get a comprehensive overview of all their incentive plans online.

The balanced compensation package is generally complemented by competitive pension plans and other employee benefits. Such benefits include, for example, the Continuous Contribution Award, which recognises the loyalty, commitment and continuous contribution of our employees by offering them opportunities at defined milestones to enjoy additional, paid time off.

Health benefits and financial protection in case of ill-health are also an important part of our overall packages. We provide medical, life and disability insurance in excess of state provisions in many of our locations. Furthermore, we support employees in accumulating retirement benefits to supplement any state provisions.

In addition, the CO_{You2} Programme continues to offer our employees the opportunity to claim subsidies from the company for a range of emissions cutting investments they want to make in their private lives (see page 56).

Further information on Swiss Re's approach to compensation and benefits can be found in our 2015 Financial Report (pages 130–152).

Simplifying performance management

We have undertaken significant work recently to simplify our performance management process, with the aim of focusing on *what* people achieve and *how* they achieve their goals.

We are leveraging our Leadership and Personal Imperatives to create more focus on the outcome of performance management through improved employee discussions, better performance differentiation and more transparent pay-for-performance.

Our new approach was rolled out gradually, allowing us to clarify the behavioural expectations, strengthen the change management effort and simplify processes and tools. As planned, the new approach was rolled out to all employees by mid 2015, supported by a series of change management activities. We assessed all eligible employees based on the two-dimensional approach during the 2015 year-end process, and this significantly helped us to differentiate performance.

Ensuring **good governance and compliance**

Swiss Re's corporate governance and compliance regimes aim at safeguarding the sustainable interests of the company and ensuring legal and ethical behaviour.

For more information see
swissre.com/about_us/corporate_governance/

Corporate governance

Swiss Re considers good corporate governance indispensable to maintaining long-lasting, valuable relationships with its stakeholders. We recognise that transparent disclosure of our governance structure fosters assessment of the quality of our organisation and business conduct.

Swiss Re's corporate governance adheres to the SIX Swiss Exchange's Directive on Information Relating to Corporate Governance, including its annex. It is also in line with the principles of the Swiss Code of Best Practice for Corporate Governance (Swiss Code) of September 2014, issued by economiesuisse, the Swiss business federation. Swiss Re, moreover, conforms to the Swiss Financial Market Supervisory Authority (FINMA) provisions on corporate governance, risk management and internal control systems, which came into effect on 1 January 2009. Swiss Re's corporate governance also complies with applicable local rules and regulations in all jurisdictions where it conducts business.

In our Corporate Responsibility Report, we highlight key elements of Swiss Re's corporate governance concerning the structure and independence of the Board of Directors and shareholder rights. Comprehensive information following the structure of the SIX Directive is available in the 2015 Financial Report, pages 74–113.

Binding AGM votes on Board of Directors and Group Executive Committee compensation

The Annual General Meeting 2014 had approved the amendments to the Articles of Association required to comply with the "Ordinance Against Excessive Compensation at Public Corporations" (Ordinance) which became effective on 1 January 2014. Based on the new provisions, the Annual General Meeting 2015 was asked to vote with a binding effect on the compensation for the Board of Directors and the Group EC. It approved all compensation-related motions with overwhelming majorities. For the detailed voting results of the Annual General Meeting 2015, please refer to: www.swissre.com/investors/events/151st_Annual_General_Meeting.html

Swiss Re's corporate governance framework

Swiss Re has a dual board structure: the Board of Directors is responsible for oversight, while the Group Executive Committee (Group EC) is responsible for managing operations. This structure maintains effective mutual checks and balances between the top corporate bodies.

Independence of the Board of Directors

Swiss Re's Group Bylaws stipulate that at least three-quarters of the members of the Board of Directors must be independent. Independence is defined in line with best practice corporate governance standards. To be considered independent, a Group Board member may not be, and may not have been in the past three years, employed as a member of the Group EC, or by any Subsidiary of the Swiss Re Group or may not have a material relationship with any part of the Swiss Re Group (either directly or as a partner, director or shareholder of an organisation that has a material relationship with the Swiss Re Group) other than serving as an independent board member in any Subsidiary. All the members of the Board of Directors meet our independence criteria with the exception of our Chairman. As a full-time Chairman he is not considered independent.

The members of the Board of Directors are also subject to procedures to avoid any action, position or interest that conflicts with an interest of Swiss Re Ltd or the Swiss Re Group or gives the appearance of a conflict.

The organisation of the Board of Directors is set forth in the Group Bylaws, which define the organisational structure and function of Swiss Re Ltd and the responsibilities and authorities of the Board of Directors, its committees and the Group EC and their members.

The Board has established Board committees to assist it in fulfilling its duties and has delegated certain responsibilities, including the preparation and execution of its resolutions, to the following five committees: the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee, the Finance and Risk Committee and the Investment Committee.

Audit Committee

The central task of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities as they relate to the integrity of Swiss Re's and the Group's financial statements, the Swiss Re Group's compliance with legal and regulatory requirements, the external auditor's qualifications and independence, and the performance of GIA and the Group's external auditor.

All members of the Audit Committee are non-executive and independent. In addition to the independence criteria applicable to Board members in general, additional independence criteria apply for members of the Audit Committee.

They are required to possess such additional attributes as the Board of Directors may, from time to time, specify. Each member of the Audit Committee has to be financially literate. At least one member must possess the attributes to qualify as an Audit Committee financial expert, as determined appropriate by the Board of Directors.

Shareholders' participation rights

Shares

All shares issued by Swiss Re Ltd are fully paid-in registered shares, each with a par value of CHF 0.10. Each share carries one vote. There are no categories of shares with a higher or limited voting power, privileged dividend entitlement or any other preferential rights, nor are there any other securities representing a part of the company's share capital. The company cannot exercise the voting rights of treasury shares.

Voting right restrictions, statutory group clauses and exception rules

There are no voting right restrictions and no statutory group clauses. Therefore, there are no procedures or conditions for cancelling restrictions and no rules on making exceptions to them. Accordingly, no such exceptions were made in 2015.

Statutory rules on participating in the General Meeting of shareholders

The share whose owner, usufructuary or nominee is entered in the share register as having voting rights on a specific qualifying day determined by the Board of Directors entitles its holder to one vote at the General Meeting of shareholders.

Swiss Re's Articles of Association allow any shareholder with voting rights to have his or her shares represented at any General Meeting of shareholders by another person authorised in writing or by the Independent Proxy. Such representatives need not be shareholders.

Business firms, partnerships and corporate bodies may be represented by legal or authorised representatives or other proxies, married persons by their spouses, minors and wards by their guardians, even though such representatives are not shareholders.

Defence measures

Swiss Re has not put in place any specific measures to defend against potential unfriendly takeover attempts. The Board of Directors believes that the company's best protection is a fair valuation of its shares, and that the efficiency of a free market is preferable to artificial obstacles, which can have a negative impact on the share price in the long term.

Compliance: Code of Conduct

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

The Code also offers practical guidance and examples for deciding the appropriate course of action and solving ethical dilemmas. It further sets out how all employees should react when they observe a possible breach of the principles in the Code. All employees are obligated to uphold both the letter and spirit of the Code and the Group's corporate governance principles in their daily business activities, and to respect and obey applicable laws and regulations in all jurisdictions where we do business.

We regularly review and update the Code to reflect changes in regulations and principles. A comprehensively overhauled version will be published in the second half of 2016.

Key topics and policies

Our current version of the Code (valid as of 31 December 2015) addresses the following key compliance topics, amongst others:

- Antitrust (compliance with competition laws)
- Bribery and corruption
- Data protection and privacy
- Fraud (including tax avoidance)
- Inside information and insider trading
- International trade controls and economic sanctions
- Licensing and permanent establishment (including tax compliance)
- Money laundering
- Whistleblowing

The Code is supported by detailed policies and guidelines that document Swiss Re's requirements in line with applicable laws and regulations.

The current Code is available to our employees in six languages: English, German, French, Italian, Spanish and Portuguese. The revised version will be published in two additional languages, bringing the total to eight.

Bribery and corruption

The Code addresses our position on bribery and corruption. This clearly states that "Swiss Re pursues a 'zero tolerance' policy with respect to bribery and corruption" and that "bribing governmental agents, regulators or other officials is a crime".

In support, we implemented our Group Anti-Bribery and Corruption Policy in 2012. This clearly states that bribery, facilitation payments and hospitality where the giver is not present are always prohibited. For gifts, hospitality, sponsorships and charitable contributions, the policy and guidelines specify the correct procedures to be followed.

Money laundering

The Code draws attention to the risk of becoming unintentionally involved in money laundering and emphasises the importance of due diligence.

Our Anti-money Laundering Guidelines set out in detail key principles and guidance in relation to our anti-money laundering and counter terrorism financing efforts, including obligations concerning "know your counterparty" and the reporting of any suspicious activities.

Swiss Re's commitment to sustainability

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

Whistleblowing

There are several ways in which alleged violations of the Code can be reported, both by internal and external sources. For our employees, these include a whistleblowing hotline, which they can use anonymously or with identification. The hotline is operated independently by an external vendor and includes translation services into numerous languages. The specific policies regarding whistleblowing differ between our offices, based on the applicable national laws of the respective country.

Training

All new permanent and temporary employees joining Swiss Re must undergo mandatory eLearning training on the Code. Completion of the training is tracked and instances of non-completion are escalated until resolution. The Code eLearning course was updated in 2015, putting the focus on ethical behaviour in accordance with the principles of the Code and its relationship to Swiss Re's values. It has an interactive character and requires employees to assess behaviour and actions in various scenarios.

All permanent and temporary employees need to complete a Code of Conduct Acknowledgement every two years. The latest acknowledgement round was completed in 2015; it used a similar approach to the eLearning module, putting the focus on ethical behaviour and requiring our employees to apply the Code to a specific scenario.

In addition, we conducted trainings for all our employees on the following topics between 2013 and 2015:

- Anti-money laundering and terrorist financing
- Fraud
- Inside information and insider training
- Data protection
- Information security

Validity for third parties

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

The Swiss Re **Foundation**

Empowering communities to build resilience.

Who we are

The Swiss Re Foundation reflects the social and humanitarian values of Swiss Re. We empower vulnerable communities to become more resilient to risk and to adapt to changing circumstances. Our programmes address the underlying causes and challenging effects of changes in the natural and social environment. Swiss Re's core competencies are thus directly relevant to our work.

How we help

Disaster risk reduction
We support initiatives aimed at preventing and preparing for the adverse impacts of natural disasters and the suffering they cause.

Capacity building
We help people and communities develop skills to improve their living conditions and their resilience.

Research and innovation
We fund efforts to develop new risk management approaches that can work in areas often thought uninsurable.

Social entrepreneurship
We support entrepreneurs whose ideas and connections can provide innovative solutions to critical social and environmental problems.

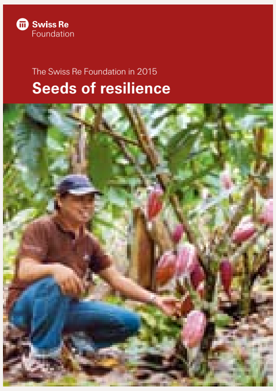
Emergency aid
Rapid assistance can save lives in a large-scale emergency. We respond through immediate grants and donation matching programmes for Swiss Re employees.

Community support
Our community programmes promote social welfare and protect the natural environment close to Swiss Re offices.

For more information see
swissrefoundation.org/

Serving low-income areas of Lima, Peru, that lack municipal sanitation, x-runner offers water-free toilets and solid waste pick-up at affordable prices.

The Swiss Re Foundation in 2015 – Seeds of resilience
This report presents the Swiss Re Foundation's approach, a focus section on building resilience and an overview of its programmes.



What we respond to

Threats to:
- Health
- Security
- Prosperity
- Opportunity

What our priorities are

- Climate
- Natural hazards
- Water
- Society

Who we support

- Social entrepreneurs
- NGOs
- Academic institutions that help communities increase their resilience

Where we help

- In emerging and developing countries
- In regions where Swiss Re has offices

Other Swiss Re publications

Our publications provide the gateway to Swiss Re's broad knowledge base and expertise. They cover a broad range of topics: from technical reinsurance issues and emerging risks to natural perils, economic trends and strategic issues in our industry. This is a selection of recent publications, in addition to those featured on page 46.

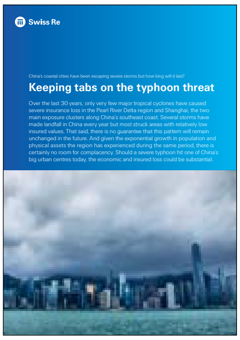
You can download or order our publications at
www.swissre.com/library/

Forestry insurance: A largely untapped potential

Forests are a vital resource for life on our planet but remain largely uninsured today. Swiss Re believes the re/insurance industry can make a big difference for forestry stakeholders by helping them close the protection gap with viable forest management solutions.

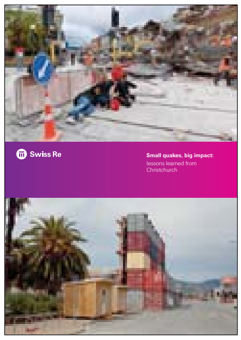
Winter storms in Europe: messages from forgotten catastrophes

This publication analyses severe weather events in the late 19th century and their potential impact on insurance today.



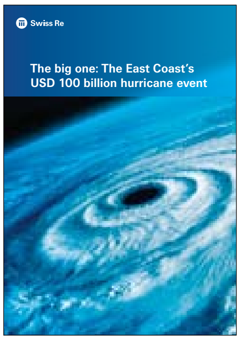
Keeping tabs on the typhoon threat

Smart modelling can help China strengthen its resilience to typhoon risk. In this publication, Swiss Re NatCat experts describe a modelling approach that could offer Hong Kong and Shanghai a way of preparing more systematically for natural disasters.



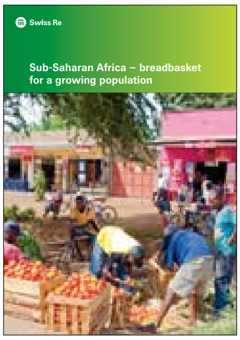
Small quakes, big impact: lessons learned from Christchurch

Discover how a small aftershock in Christchurch, NZ – a city not considered an earthquake hotspot – triggered one of the largest insurance losses ever. Our report points to soil liquefaction as a contributing factor and considers the potential for similar scenarios in Tianjin, Jakarta, Vancouver and Singapore.



The big one: The East Coast's USD 100 billion hurricane event

With its exceptional size, perpendicular track to the coast and record-breaking low pressure, Sandy is generally regarded as a 1-in-500-year event. The storm offered many new lessons to modellers, underwriters and coastal communities, but it should not be the only catastrophe benchmark in the quest for improved resiliency. This publication draws on hurricanes of greater magnitude to paint a scenario that will help plan for the future.



Sub-Saharan Africa – breadbasket for a growing population

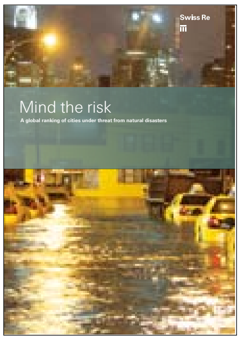
Farmers in Sub-Saharan Africa are heavily exposed to weather-related events like flood or drought. If they are hit by a natural catastrophe, they often abandon their land. Insurance can help to keep farmers in business and contribute to a more resilient society.

The risk of tropical cyclones in Brazil

Ten years after the first tropical cyclone ever recorded in the South Atlantic, we investigate the possibility and potential impact of another event like it. The study by Swiss Re and the Swiss Federal Institute of Technology (ETH) explores the main atmospheric conditions that lead to the development of tropical cyclones in the South Atlantic.

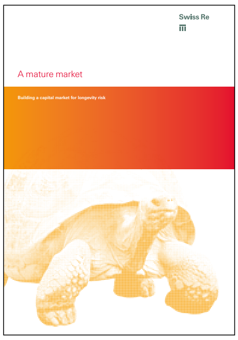
Building a sustainable energy future: risks and opportunities

With an expanding population and world economy powered by oil, coal and gas, fossil fuels have become a large part of our daily lives. But this has come at a price: greenhouse gas emissions, which adversely affect our climate. How much higher will this price rise before we achieve a more sustainable energy system?



Mind the risk: A global ranking of cities under threat from natural disasters

This publication provides a comprehensive analysis of natural disaster risk in locations around the world.

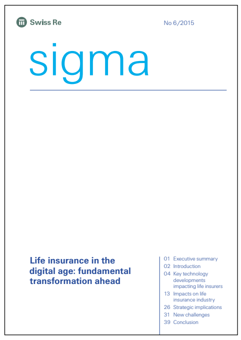


A mature market: Building a capital market for longevity risk

A capital market for longevity risk could help address the challenges of funding longer lives. Such a market would form part of an overall solution involving the cooperation and innovation of the public and private sectors to ensure that we continue benefiting from our ageing societies.

Flood – an underestimated risk: Inspect, inform, insure

Floods affect more people worldwide than any other type of natural disaster. But the risk from flooding is often underestimated. In many countries, flood insurance is not widely available or affordable.



sigma: the series

For more than three decades, the *sigma* series has been a trusted source of market information for managers and specialists in direct insurance companies worldwide. To ensure a truly global readership, *sigma* appears in six languages: English, German, French, Spanish, Japanese and Chinese.

Independent assurance report to the management of Swiss Re Ltd, Zurich ("Swiss Re")

We have been engaged to perform assurance procedures to provide limited assurance on the consolidated CO_2 emissions reporting and CR topics and sections disclosed with the 2015 Swiss Re Corporate Responsibility Report ("CR Report 2015").

Scope and subject matter

Our limited assurance engagement focused on the following data and information disclosed in the CR Report 2015 of Swiss Re and its consolidated subsidiaries, for the financial year ended 31 December 2015:

a) The management and reporting processes with respect to the consolidated CR reporting as well as the control environment in relation to the aggregation of data and information;
b) The organizational measures and internal key controls in place at the corporate level regarding aggregation of information obtained from the subsidiaries and reporting functions;
c) The consolidated data and information disclosed in the sections "Creating solutions for sustainability" on pages 16–25, "Extending our risk intelligence" on pages 26–37, "Exploring and shaping the risk landscape" on pages 38–46, "Reducing our environmental footprint" on pages 47–57, "Empowering our people" on pages 58–67 and "Compliance: Code of Conduct" on pages 70–71;
d) The consolidated CO_2 emissions 2015 (Scope 1, 2 and 3 in adherence with the Greenhouse Gas Protocol) of the tables entitled "CO_2 emissions per employee (full-time equivalent, FTE), Swiss Re Group" on page 49, "Underlying environmental data, Swiss Re Group" on page 49 and "Indirect emissions from purchased electricity, Swiss Re Group" on page 49 in the CR Report 2015 covering the reporting period from 1 October 2014 to 30 September 2015;
e) The retirement of 70 600 tonnes of CO_{2e} (CO_2 equivalents) described on page 52 of the CR Report 2015.

Criteria

The management reporting processes with respect to the CR Report 2015 were assessed against the internal and external policies and procedures as set forth in the following:

- "Internal Environmental Performance Indicators for the Financial Industry" published by the Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (VfU) published in 1997 and 2011;
- "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" published in 2001 by the World Resources Institute and the World Business Council for Sustainable Development;
- The framework document "Environmental Performance Indicators Reporting at Swiss Re", version 1.1 from August 2014 including Annex; and
- The defined internal guidelines, by which CR data and information are internally gathered, collated and aggregated.

The accuracy and completeness of CR indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the CO_2 emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Our assurance report should therefore be read in connection with Swiss Re's internal guidelines, definitions and procedures on the reporting of its CR performance.

Swiss Re's responsibility

The Swiss Re management is responsible for both the preparation and the presentation of the selected subject matter in accordance with the reporting criteria. Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the subject matter is not stated, in all material respects, in accordance with the reporting criteria.

Our responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified CR indicators are free from material misstatement.

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

The procedures selected depend on the assurance practitioner's judgement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants 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.

Summary of work performed

Our assurance procedures included the following work:

- **Evaluation of the application of Swiss Re CR reporting guidelines**

Assessing whether the methodology applied by Swiss Re is in line with the reporting criteria;

- **Interviews and management inquiry**

Evaluating the CR reporting and underlying performance indicators by performing analytical procedures and interviewing selected key contacts to assess whether the internal Environmental Performance Indicators Reporting guidelines and CR guidance were consistently applied by the selected locations; performing enquiries of personnel responsible for internal CR reporting and data collection at the Swiss Re corporate level to evaluate the reporting and aggregation process and to assess its appropriateness;

- **Reconciliation of CO_2 emissions data**

Reconciling the CO_2 emissions data for energy consumption, business travel, copy paper, waste, water, technical gases and commuting and CR data and information to the data used for the internal CR emissions reporting of the selected locations;

- **Assessment of the key figures**

Performing tests on a sample basis of evidence supporting selected CR data and information (sensitive business risk process, management of emerging risks, responsible investment, HR data and information, diversity and inclusion, development & training, sustainable energy solutions, the commitments to the United Nations and to the Grow Africa Partnership) to assess their completeness, accuracy, adequacy and consistency;

- **Review of the documentation**

Reviewing the relevant documentation on a sample basis, including Swiss Re's CR-related policies, the management of reporting structures, the documentation and systems used to collect, analyse and aggregate reported CR data and information;

- **Assessment of the processes and data consolidation**

Reviewing the appropriateness of the management and reporting processes for CR reporting; and assessing the processing and consolidation of data at Swiss Re's Group level; and

- **Review of verified emission reductions**

Reviewing the retirement of 70 600 tonnes CO_{2e} verified emission reductions (VER) according to the Voluntary Carbon Standard or Gold Standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our work performed and described in this report on the identified CR Reporting 2015 nothing has come to our attention causing us to believe that in all material respects:

a) Nothing has come to our attention that causes us to believe that the Swiss Re internal CR reporting guidelines are not applied in all material respects, in accordance with the reporting criteria;

b) Nothing has come to our attention that causes us to believe that the internal reporting processes to collect and aggregate CR data and information is not functioning as designed and does not provide an appropriate basis for the presentation of CR data and information, in all material respects;

c) Nothing has come to our attention that causes us to believe that the CR data and information disclosed in the 2015 CR Report is not stated, in all material respects, in accordance with the reporting criteria;

d) Nothing has come to our attention that causes us to believe that the CO_2 emissions data and information disclosed in the 2015 CR Report is not stated, in all material respects, in accordance with the reporting criteria; and

e) Nothing has come to our attention that causes us to believe that the retirement of 70 600 tonnes of CO_{2e} has not been conducted, in all material aspects, in accordance with the internal requirements.

Zurich, 31 May 2016

PricewaterhouseCoopers AG

Marc Schmidli Konstantin Meier

Memberships, commitments, awards and index listings

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

Memberships and commitments

CDP
CDP is an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP works with market forces to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them.
www.cdp.net

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

ClimateWise
ClimateWise is the global insurance industry's leadership group driving action on climate change risk. The group leverages the insurance industry's expertise to better understand, communicate and act on climate risks.
www.cisl.cam.ac.uk

Clinton Global Initiative
Established in 2005 by former US President Bill Clinton, the Clinton Global Initiative (CGI) convenes global leaders to devise and implement innovative solutions to some of the world's most pressing challenges.
www.clintonfoundation.org

FSB Task Force on Climate-Related Financial Disclosures
The Financial Stability Board (FSB) is an international body that monitors and makes recommendations about the global financial system. Its Task Force on Climate-related Financial Disclosures (TCFD) will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.
www.fsb-tcfd.org

Insurance Europe
Insurance Europe is the European (re) insurance federation. Through its 34 member bodies, the national insurance associations, Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs.
www.insuranceeurope.eu

International Risk Governance Council
IRGC is an independent organisation whose purpose is to help the understanding and management of global risks that impact on human health and safety, the environment, the economy and society at large.
www.irgc.org

Klimastiftung Schweiz (Swiss Climate Foundation)
The Swiss Climate Foundation is a non-profit foundation that directly champions the cause of climate protection in Switzerland, helping to fund small and medium enterprises that are proactive in their approach to reducing CO_2 emissions. Swiss Re is one of the foundation's members and is sponsoring its managing director.
www.swiss-climate-foundation.ch

Öbu ("Ecologically conscious enterprises" network)
Öbu is a Swiss think tank for sustainability and management topics. It carries out projects focusing on corporate and economic policy, and promotes experience-sharing among its members.
www.oebu.ch

Principles for Responsible Investment (PRI)
The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in integrating these factors into their investment and ownership decisions.
www.unpri.org

Principles for Sustainable Insurance
Launched at the 2012 UN Conference on Sustainable Development, 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.
www.unepfi.org/psi/

RE100
The Climate Group is partnering with CDP to encourage the world's most influential businesses to join RE100 and commit to going 100% renewable. The aim is for at least 100 companies to make a global 100% renewable commitment with a clear timeframe for reaching their goal.
www.theRE100.org

Swiss Sustainable Finance
Swiss Sustainable Finance (SSF) strengthens the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalysing growth. Currently SSF unites 90 members and network partners from financial service providers, investors, universities and business schools, public sector entities and other interested organisations.
www.sustainablefinance.ch

The Climate Group
The Climate Group is an independent, not-for-profit organisation working internationally with government and business leaders to advance smart policies and technologies to cut global emissions and accelerate a clean industrial revolution.
www.theclimategroup.org

The Geneva Association
The Geneva Association is a leading international insurance think tank for strategically important insurance and risk management issues. It identifies fundamental trends and strategic issues where insurance plays a substantial role or which influence the insurance sector.
www.genevaassociation.org

UNEP Finance Initiative
UNEP FI is a global partnership between UNEP and the financial sector. Over 190 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.
www.unepfi.org

Recent awards

Top Company for Graduates to Work for from TheJobCrowd
We were recognised as the "Top Accountancy & Insurance Company for Graduates to Work for" (larger intake) and came third overall.

Employer of the Year award at the 2014 Asia Insurance Industry Awards
We won the inaugural edition of this award for our talent development and diversity initiatives.

ANZIIF Women's Council Employer of the Year 2014
In recognition of our ongoing commitment to diversity and inclusion, we received this award at the 2014 Australian Insurance Industry Awards.

Ethisphere World's Most Ethical Companies 2014
Swiss Re was once again listed as one of the world's leading ethical firms by Ethisphere, a leading international think tank.

European Diversity Awards 2013
Jean-Jacques Henchoz, Swiss Re's CEO Reinsurance EMEA, won the 2013 European Diversity Award in the "Inspirational role model of the year" category.

Selected index listings and ratings

Dow Jones Sustainability Indices, Industry Leader 2016

ECPI Indices

Ethibel Sustainability Index (ESI) Excellence Global

Euronext Vigeo index: Eurozone 120

FTSE4Good Index Series

oekom research, Prime investment status

WE SUPPORT

The Principles for Sustainable Insurance (PSI):

Our Public 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
We are keen to support the spread of sustainable business practices in the re/insurance industry. Not only are we one of the original signatories to the Principles of Sustainable Insurance, we have played an active role in their development and currently provide one of its board members.

We support the PSI's call for transparency and disclose our progress on implementing its principles below.

PSI
Principles for Sustainable Insurance

Principle 1
We will embed in our decision-making ESG issues relevant to our insurance business.

→ As described in our "approach to corporate responsibility", we seek to embed ESG issues in both our business solutions and risk management (see page 12).

→ We plan to achieve this by:
a) developing innovative risk transfer solutions (eg index insurance products and cat bonds) and by working closely with partners both in the private and public sectors;
b) using tailor-made tools in our risk management to address sustainability risks;
c) integrating ESG criteria in our asset management.

→ Key actions taken in 2015:
a) for business solutions, see achievements described on pages 16–25;
b) for risk management, see achievements described on pages 26–34;
c) for asset management, see achievements described on pages 34–37.

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 our "approach to corporate responsibility", we engage in regular dialogue with our clients and other stakeholders, and apply ESG guidelines in our sourcing activities (see page 12).

→ We plan to achieve this by:
a) interacting with clients and taking an active role in industry initiatives to advance sustainable business practices;
b) sharing and advancing our risk expertise with a special focus on five Top Topics, supported by our own dialogue platform, the Centre for Global Dialogue;
c) applying overarching guidelines and specific "minimum standards" in our sourcing activities.

→ Key actions taken in 2015:
a) for client and industry cooperation, see achievements described on page 30;
b) for general risk dialogue, see achievements described on pages 38–46;
c) for sourcing guidelines, see achievements described on page 54.

Principle 3
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues.

→ As described in our "approach to corporate responsibility", we engage in regular dialogue with all our stakeholders (see page 12).

→ We plan to achieve this by: sharing and advancing our risk expertise with a special focus on five Top Topics, supported by our own dialogue platform, the Centre for Global Dialogue.

→ Key actions taken in 2015: See stakeholder dialogue achievements on pages 38–46.

Principle 4
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

→ Starting in 2012, we have been disclosing our progress in implementing the Principles on an annual basis, as an integrated part of our Corporate Responsibility Report.

For more information see
www.unepfi.org/psi/

GRI Content Index

with UN Global Compact Communication on Progress (COP) references

This Corporate Responsbility Report contains Standard Disclosures from the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). The corresponding GRI Content Index (indicator G4-32) is provided below.

References to the UN Global Compact principles addressed as part of our Communication on Progress (COP) are incorporated into the GRI Content Index, in line with UN recommendations.

		UN Global Compact principle	Page
General standard disclosures			
Strategy and analysis			
G4-1	Chairman's and CEO's statement	Statement of continuing support	2–3
G4-2	Key impacts, risks and opportunities		11–13, 16–25, 26–30, 38–42
Organisational profile			
G4-3	Name of the organisation		4
G4-4	Brands, products and services		4, 6
G4-5	Headquarter location		4
G4-6	Countries of operation		4, FR 182
G4-7	Nature of ownership		4, FR 78–83
G4-8	Markets served		4–7, FR 172–182
G4-9	Scale of the organisation		4–5, 7, FR 156–160
G4-10	Employment data	6	58, 60
G4-11	Collective bargaining agreements	3	66
G4-12	Description of supply chain		54
G4-13	Organisational changes		6, 14
G4-14	Precautionary principle		8–11, 16–22, 32–34
G4-15	External charters and principles		8, 78–79
G4-16	Memberships		78–79
Identified material aspects and boundaries			
G4-17	Scope of financial report		FR 162, 237–239
G4-18	Content definition		12–14
G4-19	List of material aspects		11–13
G4-20	Internal boundaries of material issues		15
G4-21	External boundaries of material issues		15
G4-22	Restatements		14
G4-23	Changes in scope		14

FR = 2015 Financial Report

	UN Global Compact principle	Page
Stakeholder engagement		
G4-24 List of stakeholders		10
G4-25 Basis for stakeholder identification		10
G4-26 Approaches to stakeholder engagement		10
G4-27 Key topics raised by stakeholders		10, 38–46, 59–60
Report profile		
G4-28 Reporting period		14
G4-29 Most recent previous report		14
G4-30 Reporting cycle		14
G4-31 Contact point		86
G4-32 GRI content index		81–85
G4-33 External assurance		76–77
Governance		
G4-34 Governance structure		14, 68–69, FR 76, 92-96
Ethics and integrity		
G4-56 Values and Codes of Conduct	10	9, 70–71

Specific standard disclosures

Material aspect	Indicator	UNGC principle	Page	Omissions
Economic category				

Disclosure on management approach:
Our management approach to the economic category is primarily disclosed in our 2015 Financial Report. Specific aspects ("implications of climate change" and "indirect economic impacts") are disclosed in this report in the "Who we are and what we do", "Creating solutions for sustainability" and "Exploring and shaping the risk landscape" chapters.

Material aspect	Indicator	UNGC principle	Page	Omissions
Economic performance	G4-EC1 Direct economic value generated		7, FR 156–161	
	G4-EC2 Implications of climate change	7	11, 16–17	
	G4-EC3 Benefit plan obligations		FR 223–230	
Indirect economic impacts	G4-EC7 Infrastructure investments		35–36, 42–43	
	G4-EC8 Significant indirect impacts		4–7, 16–22	

Environmental category

Disclosure on management approach:
We provide comprehensive disclosure on our management approach to all material aspects of the environmental category in the chapter "Reducing our environmental footprint".

Material aspect	Indicator	UNGC principle	Page	Omissions
Materials	G4-EN1 Materials used by weight/volume	8	49, 52	
	G4-EN2 Recycled materials used	8	49, 52	
Energy	G4-EN3 Direct energy consumption	7, 8	49	
	G4-EN4 Indirect energy consumption	8	49	
	G4-EN5 Energy intensity	8	49	
	G4-EN6 Reduction of energy consumption	8, 9	49–51	

FR = 2015 Financial Report

Material aspect	Indicator	UNGC principle	Page	Omissions
Water	G4-EN8 Water use	7, 8	49, 52	
Emissions	G4-EN15 Direct greenhouse gas emissions (Scope 1)	7, 8	49	
	G4-EN16 Indirect greenhouse gas emissions (Scope 2)	7, 8	49	
	G4-EN17 Other indirect greenhouse gas emissions (Scope 3)	7, 8	49	
	G4-19 Reduction of greenhouse gas emissions	8, 9	48–51	
Effluents and waste	G4-EN23 Total weight of waste	8	49	
Transport	G4-EN30 Environmental impact of transport	8	49, 51	
Supplier environmental assessment	G4-EN33 Negative environmental impacts addressed in supply chain	8	54	

Social category

Sub-category: Labour practices and decent work

Disclosure of management approach:
Our management approach to all material aspects of the sub-category "labour practices and decent work" is disclosed in the chapter "Empowering our people".

Material aspect	Indicator	UNGC principle	Page	Omissions
Employment	G4-LA1 New hires and turnover	6	58	
Labour/ management relations	G4-LA4 Minimum notice periods	3		We always respect minimum notice periods and in some cases exceed them.
Occupational health and safety	G4-LA6 Lost days due to illness		66	
Training and education	G4-LA9 Average hours of training	6	63	
	G4-LA10 Skills management and life-long learning		62–65	
	G4-LA11 Regular performance reviews	6	67	
Diversity and equal opportunity	G4-LA12 Breakdown of employees	6	58, 60	
Equal remuneration for women and men	G4-LA13 Ratios of basic salaries	6		We adhere to the principle of equal pay as part of our commitment to diversity & inclusion but do not disclose such salary data.
Supplier assessment for labour practices	G4-LA15 Negative impacts on labor practices addressed in supply chain		54	

Material aspect	Indicator		UNGC principle	Page	Omissions
Sub-category: Human rights					
Disclosure on management approach: We address human rights aspects relevant to our business through our Sustainability Risk Framework, our sourcing guidelines and employee relations policies. The corresponding management approaches are disclosed in the chapters "Extending our risk intelligence", "Reducing our environmental footprint", and "Empowering our people", respectively.					
Investment	G4-HR1	Coverage of human rights screening	2	35	
	G4-HR2	Human rights training	1	30	
Freedom of association and collective bargaining	G4-HR4	Addressing risks to freedom of association and collective bargaining	3	26–30, 54, 66	
Child labor	G4-HR5	Addressing risk of child labor	5	26–30, 54	
Forced or compulsory labor	G4-HR6	Addressing risk of forced labour	4	26–30, 54	
Assessment	G4-HR9	Human rights screening	1	26–30	
Supplier human rights assessment	G4-HR11	Negative human rights impacts addressed in supply chain	2	54	
Sub-category: Society					
Disclosure on management approach: We provide information on our management approach for the "local communities" aspect in the report of the Swiss Re Foundation and the "Creating solutions for sustainability" chapter; for "anti-corruption" in the "Ensuring good governance and compliance" chapter; and for our supply chain in the "Reducing our environmental footprint" chapter.					
Local communities	G4-SO1	Local community engagement	1	72–73, SRF 5, 22–23	
	FS14	Initiatives to give access to disadvantaged people		19–22	
Anti-corruption	G4-SO4	Anti-corruption training	10	70–71	
Supplier assessment for impacts on society	G4-SO9	Negative society impacts addressed in supply chain		54	

SRF = The Swiss Re Foundation in 2015

Material aspect	Indicator	UNGC principle	Page	Omissions
Sub-category: Product responsibility				
Disclosure on management approach: We disclose our management approach to developing products with specific social or environmental benefits in the "Creating solutions for sustainability" chapter and on "active ownership" in the "Responsible investment" section of the "Extending our risk intelligence" chapter.				
Product portfolio	FS7 Products with specific social benefit		17–22, 25	
	FS8 Products with specific environmental benefit	9	17–24	
Active ownership	FS11 Environmental and social screening	1–5, 7	36–37	

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