Highlights of Swiss Re’s Environmental, Social and Governance (ESG) approach
November 2018
# Table of contents

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss Re’s approach to corporate responsibility</td>
<td>3</td>
</tr>
<tr>
<td>Swiss Re’s climate change strategy</td>
<td>10</td>
</tr>
<tr>
<td>Other key corporate responsibility topics</td>
<td>19</td>
</tr>
<tr>
<td>Investing responsibly</td>
<td>23</td>
</tr>
<tr>
<td>Engaging our people</td>
<td>29</td>
</tr>
<tr>
<td>Ensuring good corporate governance and compliance</td>
<td>35</td>
</tr>
<tr>
<td>Compensation framework</td>
<td>43</td>
</tr>
<tr>
<td>Summary</td>
<td>52</td>
</tr>
</tbody>
</table>
Swiss Re’s approach to corporate responsibility
Our approach to corporate responsibility

Swiss Re Group vision
We make the world more resilient

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

Sustainability as a guiding principle
Taking the long-term view,
playing our part in enabling sustainable progress

Corporate Responsibility Map
Focusing on relevant Corporate Responsibility Topics
Swiss Re’s Corporate Responsibility Map gives an overview of the topics we address.

See further information 2017 CR Report
## Corporate responsibility topics – links to the UN Sustainable Development Goals

<table>
<thead>
<tr>
<th>Swiss Re’s corporate responsibility topics</th>
<th>Links to the UN Sustainable Development Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing sustainability risks</td>
<td><img src="#" alt="8" />, <img src="#" alt="9" /></td>
</tr>
<tr>
<td>Advancing the climate transition</td>
<td><img src="#" alt="7" />, <img src="#" alt="10" /></td>
</tr>
<tr>
<td>Reducing our environmental footprint</td>
<td><img src="#" alt="7" />, <img src="#" alt="8" />, <img src="#" alt="11" /></td>
</tr>
<tr>
<td>Partnering for food security</td>
<td><img src="#" alt="1" />, <img src="#" alt="2" /></td>
</tr>
<tr>
<td>Funding longer lives</td>
<td><img src="#" alt="3" /></td>
</tr>
<tr>
<td>Advancing access to insurance</td>
<td><img src="#" alt="1" />, <img src="#" alt="2" />, <img src="#" alt="8" /></td>
</tr>
<tr>
<td>Navigating the digital transformation</td>
<td><img src="#" alt="7" />, <img src="#" alt="12" /></td>
</tr>
<tr>
<td>Investing responsibly</td>
<td><img src="#" alt="7" />, <img src="#" alt="8" /></td>
</tr>
<tr>
<td>Engaging our people</td>
<td><img src="#" alt="5" /></td>
</tr>
<tr>
<td>Swiss Re Foundation: Empowering communities</td>
<td><img src="#" alt="1" />, <img src="#" alt="6" />, <img src="#" alt="9" />, <img src="#" alt="10" />, <img src="#" alt="11" />, <img src="#" alt="12" /></td>
</tr>
<tr>
<td>Ensuring good corporate governance and compliance</td>
<td><img src="#" alt="12" /></td>
</tr>
</tbody>
</table>

For information on our respective goals and progress on these goals, see [Swiss Re Corporate Responsibility Report](#), pages 12-15
We manage sustainability risks in our business with the Sustainability Risk Framework

**Swiss Re’s Sustainability Risk Framework facilitates the identification, mitigation and elimination of potential environmental, social and ethical risks inherent to our business transactions and investments**

### Background to the Sustainability Risk Framework
- Group-wide framework established in 2009; Sustainability Risk Management in place since 2003
- Applies to insurance and investment business; rigor of application corresponds to level of influence
- 2017: conducted detailed analysis on 178 transactions; stopped 29
- Sensitive business risk compliance checks integrated into Group Internal Audit reviews

### Sector- and issue-specific policies
- Human rights and environmental protection
- Oil and gas
- Defence industry
- Mining
- Dams
- Forestry and logging
- Animal testing
- Nuclear weapons proliferation
- Thermal coal policy NEW

### Number of Sensitive Business Risk referrals

<table>
<thead>
<tr>
<th>Year</th>
<th>Proceed</th>
<th>Abstain</th>
<th>Proceed with conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Mechanism

**Exclusions**
- Companies
- Countries
- Activities as per sust. risk policies

**Due diligence process**
- Business practitioner through SBR Assessment Tool
- Group Sustainability Risk SBR Referral Tool

**Stakeholder engagements**

---

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

---

*Introduction of online assessment tool reduced sensitive business risk referrals, but allowed to screen significantly more transactions – see next slide*
We continuously refine and strengthen our approach to managing sustainability risks

- Online Sensitive Business Risk (SBR) Assessment Tool was rolled out in 2015 to facilitate sustainability checks by Swiss Re’s underwriters and client managers

- 178 critical transactions referred to our team of sustainability experts in 2017

- Continuous effort to strengthen and improve the SBR Assessment Tool
Swiss Re remains fully committed to maintaining its leadership in sustainability

Recent sustainability highlights

- Developed solutions for sustainability, including covers for offshore wind farm projects, wind risk hedges and parametric insurance policy covering a coral reef and the beach sand against impact of hurricanes
- Started to implement thermal coal policy to support transition to low-carbon economy – extending existing 30% investment threshold to underwriting
- Systematic integration of ESG criteria into investment process and portfolio
- Elected to the EU technical expert group on Sustainable Finance

External recognition

- Designed first-ever insurance solution for coral reefs
- New thermal coal policy supports progressive and structured shift away from fossil fuels
- ESG criteria applied across our investment portfolio
Swiss Re’s climate change strategy
Swiss Re's comprehensive climate change strategy

The four pillars of our climate change strategy

1. Advancing our knowledge and understanding of climate change risks, quantifying and integrating them into our risk management and underwriting frameworks where relevant

2. Developing products and services to mitigate or adapt to climate risk

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

4. Tackling our own carbon footprint and ensuring transparent, annual emissions reporting
Climate Change – Advancing our knowledge and understanding of climate change risks

Understanding nat cat risk and the impact of climate change

• Investing in proprietary, state-of-the-art nat cat models and collaboration with universities

New Storm Surge Zones models

• Storm surges triggered by hurricanes are a main force of destruction

• In 2017, we released our Global Storm Surge Zones

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

• Member of the FSB Task Force on Climate-Related Financial Disclosures (TCFD). First full TCFD disclosure published in the Annual Report 2017
Climate Change – Advancing our knowledge and understanding of climate change risks
FSB TCFD* recommendations integrated in Swiss Re’s 2017 Financial Report

Our actions are guided by sustainable, long-term value creation and have a tangible link to our financial performance.

*FSB TCFD: Financial Stability Board task force on climate-related financial disclosures
Climate Change – Developing products and services

Solutions to adapt to climate change

• Offering re/insurance protection against extreme weather events and weather volatility to help communities adapt to climate change and make them more resilient

Supporting biggest Chinese natural disaster insurance programmes and Economics of Climate Adaptation

• Launch of two significant parametric insurance programmes for two provincial administrations

• Both schemes cover losses to a maximum value of about USD 350 million respectively, making them the two largest commercial natural disaster protection schemes ever established in China

• Swiss Re provided support together with our partner GIZ in the city of Lishui in Zhejiang province in Eastern China to develop an Economics of Climate Adaptation (ECA) study
Supporting sustainable energy solutions

• As sustainable energy projects increase in scale and complexity, so do the risks associated with them. Innovative risk transfer solutions help reduce these risks and drive investment in the sector.

• Example: cover provided to a wind farm in the Belgian North Sea, to provide compensation for material damage and loss of profit, both in construction phase and first three years of the farm's operational phase (producing 309 megawatts at peak for approx. 285,000 households).

Awards for innovative transaction

• Awards from Environmental Finance magazine for a wind risk hedge in Australia (2016), and for a solar hedge for photovoltaic power plants in China (2015).
Engaging in regular dialogue with stakeholders

• Sharing and exchanging knowledge through many channels: e.g. our renowned publications including sigma, international dialogue platforms, events at our Centre for Global Dialogue, the Swiss Re Institute, and cooperation with governments and academic institutions

Enhancing climate resilience...

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

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

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

• Support for clients with strategic expertise and integral risk assessment of natural disasters, including our ECA studies
Climate Change – Tackling our own carbon footprint

Reducing emissions with the Greenhouse Neutral Programme

- In first cycle of programme (2003-13), CO₂ emissions per employee were reduced by more than 49%
- Ambition for the programme’s second cycle (2014-2020): keep CO₂ emissions stable

Founding member of the RE100 initiative

- To meet our commitment to using 100% power from renewable sources by 2020, we helped establish the Climate Group’s RE100 initiative in 2014
- In 2017, 84% of the power which Swiss Re consumed came from renewable sources

Building a solar power plant at our US headquarters

- 2MW solar power plant at Swiss Re Americas' headquarters completed in 2017, generating more than 60% of the campus' power requirements
Climate Change – Tackling our own carbon footprint

Global ISO 14001 certification
- Global management system (GMS): integrated quality and environmental management
- Over 60% energy efficiency increase since 2003 (EP100 Member)
- Internal price on carbon – levy on travel budgets
- Carbon neutral since 2003 – CO₂ offsetting with 100% Gold Standard VERs

EcoVadis platform to drive sustainability performance in our supply chain
- Monitoring and management of our vendors’ sustainability across four dimensions: Environment, Labor/Social, Fair business/Ethics and own supply chain
- Tier 1 and Tier 2 vendors to be included in the EcoVadis platform by 2020

COyou2 programme to support our employees in cutting their own carbon footprints
- Pioneering initiative providing our employees access to subsidies for a range of emissions-cutting investments in their private lives.
- 2,528 COyou2 subsidies granted to our staff in 2017

See also slide 23 for further measures to tackle our carbon footprint
Other key corporate responsibility topics
We partner for food security

Protecting farmers against the perils of nature

- Innovative risk transfer solutions tailored to the needs of farmers, such as index-based solutions, which are cheaper and faster to deploy
- In 2017, we assembled stakeholders at our agricultural conferences in Mexico and China to discuss how farmers’ open roof business can be made more resilient against natural perils

Protecting Kenyan livestock farmers against drought

- Supporting the launch of the first-ever government livestock insurance scheme (KLIP) in Africa to protect Kenyan livestock farmers against drought in 2016
- In 2017, the KLIP programme made payouts to 14,000 Kenyan herders, thus saving an estimated 70,000 livestock sustaining 100,000 people

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

Keeping our finger on the pulse of life and health

• Longevity and health insurance are two of our strategic priorities in the life & health business
• Working closely with clients to develop affordable solutions to help minimise the protection gap

Funding longer lives

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

Social output analysis for Life Capital

• In 2017, Swiss Re launched a pilot project to assess the “social output” for Life Capital. The analysis showed that Life Capital scores well on several output indicators such as employment and partnership opportunities created, number of policyholders and claims paid
We explore new topics and shape our position on emerging societal challenges

**Advancing access to insurance**

- Access to insurance is an important contributor to economic development. However, 60% of the world’s population still remain excluded from appropriate insurance
- We work on advancing public awareness of the societal value of insurance and the role insurance plays in achieving sustainable economic development
  - Publication of sigma 4/2017 Insurance: adding value to development in emerging markets
  - Evaluating Swiss Re’s contribution on selected Sustainable Development Goals

**Navigating the digital transformation**

- The digital transformation has the potential to radically transform the insurance industry. New analytical techniques as smart analytics, big data and FinTech boost innovation and modernization in product design, distribution, claims management and fraud detection
- As Swiss Re develops its ‘Digital DNA’, we are also advancing industry awareness of ethical challenges surrounding the digital transformation, such as through
  - 4th Swiss Re Symposium on Data Protection: Ethics and e-health in insurance
  - Research study on ‘Ethical and Legal Big Data Challenges in the Insurance Industry’ with the Centre for Ethics at the University of Zurich, funded by the Swiss National Science Foundation
  - Workshops on data ethics at EIOPA, discussions with various regulators and other insurance companies on this topic.
Investing responsibly
Swiss Re’s approach to responsible investing – we consistently integrate ESG criteria along the investment process

<table>
<thead>
<tr>
<th>Enhancement</th>
<th>Inclusion</th>
<th>Exclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switch to broad-based ESG benchmarks focusing on higher ESG-rated investments</td>
<td>Focus on themes and create related mandates, such as green bonds, renewable or social infrastructure</td>
<td>Exclusions based on the internal Sustainable Risk Framework. Avoid investments related to thermal coal</td>
</tr>
</tbody>
</table>

Systematic integration of ESG considerations into investment process and portfolio
Swiss Re is a responsible investor

Environmental, Social and Governance (ESG) considerations are an integral part of our investment approach: We look at ESG integration primarily from a view of generating sustainable long term returns, aligned with our Asset-Liability Management (ALM) framework.

**Governance**
- Responsible Investment Policy
- Voting Framework
- Sustainability Risk Framework

**Signatories to**
- Principles for Responsible Investment (PRI)
- Principles for Sustainable Insurance (PSI)
- ICMA Green Bond Principles

**Our approach to responsible investing**

**Enhancing**
- Implementing *benchmarks composed of higher ESG rated companies* for our active listed equity and credit mandates and *minimum ESG rating thresholds* for all other mandates, thereby setting additional incentives for a more resilient portfolio
- More than 97% of our external managers are PRI signatories

**Inclusion**
- We target a *green bond portfolio of USD 1.5bn*, primarily relying on “Green Bond Principles” from International Capital Market Association (ICMA)
- Focusing on renewables & social infrastructure in our infrastructure private debt mandates

**Exclusions**
- We avoid investments where we see high risk of stranded assets (eg companies with > 30% of revenues from, or usage of thermal coal & >20% revenue from tar sands operations)
- Sustainability Risk Framework also applied in Asset Management

**Swiss Re’s investment portfolio HY 2018**

- Cash and cash equivalents: 4%
- Short-term investments: 4%
- Government bonds: 41%
- Credit bonds: 35%
- Equities: 5%
- Mortgages and other loans: 3%
- Other investments (incl. policy loans): 8%

Cash and cash equivalents 4%
Short-term investments 4%
Government bonds 41%
Swiss Re’s responsible investments strategy supports higher risk-adjusted returns

**Enhancement**

**Holistic approach considering asset class specific characteristics**
- Strong focus on implemented ESG benchmarks (actively managed equity securities and corporate bonds)
- Minimum ESG rating threshold (govt bonds & buy-and-hold corporate bonds)

**Inclusion**

**Thematic and impact investing**
- Green bond investments: USD 1.4bn
- Infrastructure portfolio
  - 19% in social infrastructure projects
  - 21% in renewable energy projects

**Exclusion**

**Divestments**
- Coal-related companies: more than USD 1.3bn divested since 2016

---

**Systematic integration of ESG considerations into investment process and portfolio**

**Average MSCI ESG score¹ of active corporate bond mandates**

<table>
<thead>
<tr>
<th></th>
<th>Dec-16</th>
<th>Apr-17</th>
<th>Aug-17</th>
<th>Dec-17</th>
<th>Apr-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG BB+ Mandates</td>
<td>3.0</td>
<td>4.0</td>
<td>5.0</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Traditional Mandate</td>
<td>3.0</td>
<td>4.0</td>
<td>5.0</td>
<td>6.0</td>
<td></td>
</tr>
</tbody>
</table>

**Information ratio² of corporate bond benchmarks**

<table>
<thead>
<tr>
<th></th>
<th>0.4</th>
<th>0.5</th>
<th>0.6</th>
<th>0.7</th>
<th>0.8</th>
<th>0.9</th>
<th>1.0</th>
<th>1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Corp Int</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESG US Corp Int BB+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Investing responsibly makes economic sense by improving risk-adjusted returns over the long-term

Sources: Barclays, Swiss Re

¹ Scale from 0 to 10 with 10 being the highest score
² Performance statistics from May 2013 – April 2018, monthly data, annualised values; benchmark assumed to be a comparable duration government bond index
Swiss Re encourages close collaboration among industry participants to enable broad-based ESG adoption

**Major impediments to responsible investing**

- Lack of widely-accepted market standards on ESG integration
- Lack of common ESG measures
- Short-termism
- Lack of viable ESG investment alternatives

**Required action**

- Broad-based agreement on methodologies and standards
- Standardise key metrics to be reported on a regular basis
- ESG as an integral component of financial analysis
- Increase in ESG investment products
We have a history of thought leadership when it comes to long-term investing

Why?

- The re/insurance industry is a natural capital provider to the real economy
- Unlocking the USD 75trn long-term institutional investor asset base globally can help fill emerging financing needs and diversify the economy’s funding sources
Engaging our people
We are an organisation where diverse talents come together globally to apply fresh perspectives and knowledge to make the world more resilient.

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

**Focus areas**

- **Listening to our employees**: We foster a culture of open dialogue and frequent feedback on all levels.
- **Developing our employees**: The effective development of our people and leaders is key for our enduring success.
- **Engaging the next generation**: We support employees at all levels to maximise their potential.
- **Fostering a diverse and inclusive workplace**: We attract and engage talented employees from different backgrounds.
- **Caring for the wellbeing of our employees**: We set high standards in caring for the physical and mental wellbeing of our employees and aim to provide a healthy workplace.
- **Rewarding our people**: We are committed to having a compensation framework that is balanced and performance-oriented, and which aligns the interests of both shareholders and employees.

**External acknowledgements**

- **AON Best Employer Award** in four countries (France, Japan, The Netherlands, South Africa).
- **Glassdoor** – 2017 Top 20 ranking in their Global Companies for Employee Benefits & Perks and constantly high scores on Glassdoor (3.5 out of 5 in June 2018).
- **STEVIE Silver Award** in the area "Achievement in Workforce Development and Learning" with the new Finance Week Development Programme.
- **Job Crowd Award** Top 100 Company for Graduates to work for 2017/2018.
- **EDGE Assess-level certification** on Gender equality for Switzerland operations in 2015 and 2017.
Swiss Re fostering a diverse and inclusive workplace

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

- Swiss Re’s People Strategy key aspiration is to **attract and engage talented employees from different backgrounds** by providing a flexible, inclusive and open culture where dialogue and different perspectives are valued - our inclusive culture enables Swiss Re to truly live its “smarter together” brand promise
- Since 2013, **Own the Way You Work** programme gives managers and employees autonomy to decide how, when and where work is carried out
- We aim to **prevent stereotyping** of individuals based on any dimension of diversity; supported by **Understanding Unconscious Bias** training
- **Employee Engagement Survey 2017** shows that 84% of surveyed employees feel that Swiss Re values diversity and has an open, inclusive culture; this exceeds the Global Financial / Insurance Average Benchmark of 77%

**Workplace split by region (%):**

- Americas: 25.8%
- APAC: 14.7%
- EMEA: 59.5%

Swiss Re employs people with diverse backgrounds from more than 110 nations, in over 80 offices in more than 30 countries
Achieving gender diversity at Swiss Re

Gender diversity @Swiss Re

• Swiss Re is deeply committed to the United Nation’s Sustainable Development Goal #5: “To achieve gender equality and empower all women and girls”; we believe that increasing gender balance in leadership is a strategic imperative that is critical to our future business success

• In 2017, Swiss Re took several important steps toward building and fostering a gender-balanced talent pipeline
  - Introduced Gender Promotion Ratio²
  - Global female sponsorship initiative launched, designed to enable high-potential female talent to reach their career aspirations
  - Group Executive Committee committed itself to closely monitoring the talent flows in their businesses and locations
  - We consider equal pay for equivalent work irrespective of gender to be a fundamental driver to achieving gender equality — statistical analysis conducted in 2017 by a leading consultancy does not indicate a statistically significant risk of gender bias at Swiss Re

Notes:
1) “All management positions” refers to Vice President and above
2) The goal measures whether the ratio of female promotions into middle management and above is equal to or higher than the ratio of females in the “donor pool” below

46.9
47.3
32.9
33.3

Ratio of woman in total workforce (%)  |  Ratio of woman in all management positions¹ (%)

2016  |  2017  |  2016  |  2017

External acknowledgements / activities

• Swiss Re is certified for the EDGE best practice standard for gender equality

• Swiss Re is a founding member of the Advance – Empowering Women in Swiss Business association; in 2017 Swiss Re again hosted their Annual Conference

• For many years, Swiss Re has partnered with The Insurance Supper Club, a network of senior women in the insurance industry, in several key locations; in 2017, we hosted their Zurich Leadership Networking Event
LGBTI+ inclusion at Swiss Re

LGBTI+ inclusion @Swiss Re

- **LGBTI+ inclusion** is part of Swiss Re’s core commitment to employees
- Launched in 2016, Swiss Re's 'Together with Pride' network promotes equal treatment for LGBTI+ (lesbian, gay, bisexual, transgender, gender fluid) employees and supports their integration at Swiss Re
- In 2017 'Together with Pride' network was strengthened further in Australia, New Zealand, Hong Kong and Latin America. **As part of the global rollout the “Together with Pride” network chapter in Zurich has been launched in June 2018**
- In 2017, Swiss Re launched the global 'LGBTI+ Ally network' in order to raise awareness and ensure equal treatment for our LGBTI+ employees across the globe. Any employee can sign-up as an LGBTI+ Ally to understand the unique issues that LGBTI+ colleagues may face and to make the effort to learn the right language, to challenge inappropriate behaviour and act as an advocate.

Christian Mumenthaler, Group CEO about Swiss Re’s LGBTI+ Ally initiative

“**If we are to make the world more resilient, we need everybody to be able to bring their true selves to work and to be fully engaged. I am an ally to our LGBTI+ community and am committed to ensuring that they do not feel marginalised or underrepresented alongside all other communities at Swiss Re**”
Empowering communities is at the core of the Swiss Re Foundation

Core goals

• Empower communities to build resilience in the focus areas of climate, natural hazards, water and topics relevant to society AND Swiss Re
• Contribute to promoting social welfare, protecting the environment and enhancing quality of life near Swiss Re locations
• Engage Swiss Re employees as local volunteers and expert consultants in the Foundation’s programmes
• Boost impact by teaming up with private and public partners that share our goals and complement our expertise including social entrepreneurs

Key figures 2017

• Total commitments: CHF 9.9 million
• Commitments by region: 14% Africa; 18% Americas; 10% APAC; 41% Europe*; 16% Worldwide
• Number of ongoing projects**: 78
• Number of Swiss Re volunteers: 2 020
• Swiss Re employee volunteering hours: 17 768

* Commitments in Europe include our support of Swiss Re 150th anniversary projects
** Ongoing projects over CHF 30 000 as of end 2017

www.swissrefoundation.org
Ensuring good corporate governance and compliance
Swiss Re's corporate governance framework

Code of Conduct
Corporate Governance Guidelines

AGM
Swiss Re Ltd

Board of Directors
Chairman

Chairman’s & Governance Committee
Audit Committee
Investment Committee
Finance & Risk Committee

Group Executive Committee
Group CEO

Group Functions
BU CEOs
Regional Presidents

Reinsurance
Corporate Solutions
Life Capital

Ensures sustainability
Fosters transparency and quality assessment of Group organization and business
Customized governance approach
Harmonized principles and procedures

Articles of Association (AoA), Bylaws, Charters
Swiss Re's Code of Conduct

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

- Swiss Re’s Code of Conduct provides key principles that guide Swiss Re in making responsible decisions and achieving results using the highest ethical standards

- Swiss Re’s Code of Conduct is built on the five Swiss Re Corporate Values:
  - Integrity, Team Spirit, Passion to Perform, Agility and Client Centricity

- The Corporate Values are put in action by the Leadership as well as Personal Imperatives

- All new permanent and temporary employees joining Swiss Re must undergo mandatory eLearning training on the code, focusing on ethical behaviour in accordance with the principles of the Code and its relationship to Swiss Re’s values. All permanent and temporary employees complete a periodic Code of Conduct Acknowledgement
Measuring a company’s corporate governance based on environmental, social and governance (ESG) criteria is gaining in importance

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

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

The Board of Directors closely **monitors Swiss and global corporate governance developments** and considers relevant studies and surveys.
Board members’ qualifications, skills and diversity

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

- The Board of Directors needs to assemble the necessary qualifications, skills and diversity to perform all required responsibilities. It must assemble amongst its members the balance of managerial expertise and knowledge from different fields required for the fulfilment of the oversight responsibility as well as for sound independent decision-making in line with the needs of the business

**Membership on the Board of Directors requires:**

- international, national, industry or specific experience in key sectors such as insurance and reinsurance, finance, accounting, capital markets, risk management and regulatory matters

- leadership and decision-making experience in a large, international, listed company

- significant commitment, integrity and intercultural communication competence

- The principles of gender and age diversity, inclusion, nationality, regional representation, transparency and the avoidance of conflicts of interest also play an important role in the nomination process
Succession planning is of high relevance to the Board of Directors

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

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

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

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

**No** Board member may have any **management or executive function** within the Swiss Re Group.
The members of the Board of Directors must annually confirm that they meet, in addition to other requirements, the following criteria

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

Swiss Re’s Corporate Governance...

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

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

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

...complies with the applicable local rules and regulations in all jurisdictions where we conduct business
Compensation framework
Swiss Re’s compensation framework is based on clear principles and is governed by the Board of Directors (BoD)

- A strong performance culture with a clear focus on risk-adjusted financial results
- Incentives for sensible, controlled risk-taking
- Strong value proposition as a competitive, attractive employer of choice
- A clear link between business results, individual contribution, compliance and reward
- Measurement and reward for long-term results

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

<table>
<thead>
<tr>
<th>Position</th>
<th>Total compensation</th>
<th>Deferred compensation</th>
<th>Relates to business performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Executive Committee (Group EC)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of BU EC(^1) or Group Managing Director (GMD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of BU EC(^1) or Managing Director (MD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Base Salary</td>
<td>Cash Annual Performance Incentive (API)</td>
<td>Deferred API (VAI(^2))</td>
</tr>
<tr>
<td>Vice President</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistant Vice President</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

\(^1\) Business Unit Executive Committee
\(^2\) Value Alignment Incentive
For senior executives and in particular the Group EC, a substantial portion of compensation is "at risk", i.e. in the form of variable and performance-related incentives.

Members of the Group EC are expected to own Swiss Re shares in the amount of 2 times their annual base salary (3 times annual base salary for the Group CEO) in order to increase the alignment of the interests of senior management and shareholders.

Compensation in general and also for the Group EC is periodically reviewed against relevant market data.
Attribution of Group income to key stakeholders

- The table shows the dispersal of Group income to key stakeholders (employees, government and shareholders).
- Typically in years where there has been a relatively benign natural catastrophe environment, variable compensation payouts have been positive but not excessive.
- In an adverse environment such as 2017, the negative impact has been substantive but also proportionate, given the need to carefully manage key talent and retention risk.

[Table showing attribution of group income to key stakeholders]
Financial results and qualitative criteria are the basis to determine the variable compensation pool

- Three-step process based on business performance; creating a clear and transparent link between business performance and compensation
- Financial assessment covers return on equity (ROE), net operating margin, Economic Value Management (EVM) profit (% of economic net worth/ENW) and ENW growth measures for both the Group and each Business Unit
- Multi-year comparisons and an assessment of the quality of earnings also considered
- Compensation Committee and BoD view these results in the context of sustaining and increasing Swiss Re's shareholder value
Leadership Performance Plan (LPP) focuses on shareholder value creation

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

Source: Swiss Re 2017 Financial Report, page 161
Since the “Minder” Ordinance was implemented, SR has consistently received strong support from shareholders on its compensation approach.

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

Shareholders continue to strongly support Swiss Re's approach to compensation.
The 2017 Compensation Report was further enhanced to provide greater transparency and clarity in specific areas

- **Enhanced API disclosure**
  - Aggregate Target API amount for Group EC and individual Target API amount for Group CEO
  - Weighting of key performance indicators (KPIs)
  - Visualisation of KPI achievement versus target
  - Additional narrative explaining the Group API pool outcome 2017

- **Enhanced LPP disclosure**
  - Grant policy including the relationship between grant and annual base salary
  - Performance outcomes for all plan years since the first grant in 2012
  - Peer group increase from 12 to 16 for 2017 grant

- **Enhanced disclosure of BoD committee fees: more granularity on**
  - Committee chair and membership fees
  - Vice chairman and subsidiary fees
Summary
Our vision: We make the world more resilient

- Swiss Re is a leading and highly diversified global re/insurance group with more than 150 years experience
- Swiss Re is committed to being a responsible company. Playing our part in enabling sustainable progress serves as a guiding principle for our actions
- Swiss Re is included in the main ESG indices and received a MSCI AAA-rating in May 2017 and May 2018
- ESG considerations are an integral part of our investment approach
- Swiss Re is committed to a compensation system that is balanced and performance-oriented, and that aligns the interests of employees and shareholders
Corporate calendar & contacts

Corporate calendar

2019

21 February  
14 March  
17 April  
03 May  
23 May  

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 February</td>
<td>Annual Results 2018 Conference call</td>
<td></td>
</tr>
<tr>
<td>14 March</td>
<td>Publication of Annual Report 2018</td>
<td></td>
</tr>
<tr>
<td>17 April</td>
<td>155th Annual General Meeting Zurich</td>
<td></td>
</tr>
<tr>
<td>03 May</td>
<td>Q1 2019 Key Financial Data Conference call</td>
<td></td>
</tr>
<tr>
<td>23 May</td>
<td>Management Dialogues London</td>
<td></td>
</tr>
</tbody>
</table>

Investor Relations contacts

<table>
<thead>
<tr>
<th>Hotline</th>
<th>E-mail</th>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>+41 43 285 4444</td>
<td><a href="mailto:Investor_Relations@swissre.com">Investor_Relations@swissre.com</a></td>
<td>Philippe Brahin</td>
<td>+41 43 285 7212</td>
</tr>
<tr>
<td>+41 43 285 3878</td>
<td>Iunia Rauch-Chisacof</td>
<td>Chris Menth</td>
<td>+41 43 285 7844</td>
</tr>
</tbody>
</table>