Highlights of Swiss Re’s Sustainability approach
How we accelerate sustainable progress
May 2021
Who we are and what we do?

We make the world more resilient
We aim to operate as ‘One Swiss Re’

- **Reinsurance**: A leading global reinsurer
- **Corporate Solutions**: A specialised risk partner with direct access to corporate customers
- **iptiQ**: A globally leading digital B2B2C insurance platform
- **Group foundation**: A balanced approach to accountability, shared values and strengths
Our strategy offers more than traditional risk transfer
Reinsurance has built up industry-leading competitive advantages

**Core**
Traditional reinsurance offerings

**Transactions**
Tailored and structured reinsurance

**Solutions**
Additional value-adding services

**How we win**

- **Brand and reputation**
- **Scale and presence**
- **Ability to execute**
- **Balance sheet strength**
- **Joint risk sharing**
- **Tech, innovation and R&D**

**Putting strategy into action**

- **Increase support to Regional & National clients with traditional covers**
- **Balance Transactions between small, mid-sized and large deals**
- **Solutions support differentiation in Core and Transactions**

- **4-5% p.a. mid-term premium growth outlook in Core market**
- **Diversified book of Transactions with ~200 deals across regions**
- **>40% of our clients utilise one or more of our Solutions**

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1 Swiss Re Institute forecast of global ceded premium CAGR, 2020-2030
Corporate Solutions has taken actions to restore stability and underwriting profitability

Good progress in implementing management actions

- Pruning actions largely completed by the end of 2020
- 12% price increases achieved in 2019 and 15% further increases in 2020
- 2020 combined ratio of 116.5%

Combined ratio target **<97%** in 2021

Strategic priorities

While implementing management actions, Corporate Solutions will grow selectively in line with its strategic priorities

- De-commoditise our core business
- Grow with differentiating assets
- Expand through tech-driven solutions

Access to commercial lines risk pool and to corporate clients remains strategic to Swiss Re Group
iptiQ – a global B2B2C digital insurance platform aimed at both digital and traditional affinity distribution partners

**B2B2C model**

**Global expansion accelerating**

- iptiQ has become a standalone division, reporting directly to the Group CEO
- Successful launch of iptiQ P&C in Europe with 6 distribution partners already live
- COVID-19 accelerates shift to digital sales distribution channels, providing further long-term growth opportunities

>500k customers with 40 partners in 5 markets

We are further expanding our B2B2C offering while increasing scale of our existing partnerships
Swiss Re operates a truly global and diversified Group

<table>
<thead>
<tr>
<th>Region</th>
<th>Premiums per country</th>
<th>Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>USD 24bn</td>
<td>USD 19bn</td>
</tr>
<tr>
<td>EMEA</td>
<td>USD 19bn</td>
<td>USD 13bn</td>
</tr>
<tr>
<td>Asia</td>
<td>USD 15bn</td>
<td>USD 8bn</td>
</tr>
</tbody>
</table>

>100,000 P&C clients supported
>175 million family members supported through L&H Re

Swiss Re’s global access to risks and diversified earnings generation is exceptional in the insurance industry

1 EVM premiums and fees, FY 2020
2 US GAAP net premiums earned (including fee income from policyholders), FY 2020
We monetise our R&D capabilities, cementing Swiss Re as the leading knowledge company

**R&D value driver framework**

- Business steering
- Capital allocation
- Efficiency
- Commercialisation
- Risk selection and pricing

**Strategic focus areas**

- R&D for UW priorities
- Insurance beta
- Market intelligence
- Data, (automated) solutions
- Process re-engineering

**Project examples**

- Key perils risk views and pricing tools
- Risk engineering services
- Flood risk solutions
- Rapid Damage Assessments
- Insurance markets and cycle analysis
- Macroeconomic R&D
- Magnum, Life Guide, Engineering digital, SwiftRe 2.0
- Group data integration

550
2021 R&D FTEs

9 focused R&D teams and
6 Group- and BU-clustered activities

~100
R&D programmes
Our Group targets and capital management priorities remain unchanged

Group financial targets

Over-the-cycle targets

**Rf + 700 bps**

Return on equity\(^1\)

**10%**

ENW per share growth\(^2\)

Capital management priorities

Priority I

Ensure *superior capitalisation at all times and maximise financial flexibility*

Priority II

Grow the regular dividend with long-term earnings, and at a minimum maintain it

Priority III

Repatriate *excess capital* to shareholders

Priority IV

Deploy capital for business growth where it meets our strategy and profitability targets

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\(^1\) 700bps above 10y US government bonds. Management to monitor a basket of rates reflecting Swiss Re’s business mix.

\(^2\) The 10% ENW per share growth is calculated as: \((\text{current-year closing ENW per share} + \text{current-year dividends per share}) / (\text{prior-year closing ENW per share} + \text{current-year opening balance sheet adjustments per share})\)
What is Swiss Re’s approach to sustainability?

Through our Group Sustainability Strategy, we aim to reinforce our efforts to make the world more resilient and sustainable, thus helping to maintain our competitiveness, today and in future.
Building on our successful track record, we continue to implement our Group Sustainability Strategy.

Through our Group Sustainability Strategy, we reinforce our efforts to make the world more resilient and sustainable.

Our 2030 sustainability ambitions:
- Mitigating climate risk and advancing the energy transition
- Building societal resilience
- Driving affordable insurance with digital solutions

Our principles:
- Embed sustainability in all our business activities
- Lead sustainability-linked solutions and embrace opportunities
- Quantify sustainability performance and impact

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

More details on slides 14, 15, 19 and 28.

Read more online.
Our most material topics are identified through a holistic and structured process.

Our **Group Sustainability Strategy** guides us in deciding what is most material.

We follow a **structured process** to determine what topics are **most material** for our industry to achieve our goal of **advancing sustainability**.

We draw on our **internal risk expertise** and **dialogue with stakeholders** to identify material topics.

Key elements include:

- Business opportunities
- Sustainability risks in core business
- Emerging risks
- Stakeholder insights
- Data from third-party providers

Read more [online](#).
Our sustainability ambitions cover areas where we have significant positive impact to support sustainability and strengthen resilience

Ambition

Key 2020 achievements

- Weather-related nat cat protection
- 130 (sub-)sovereigns advised on climate risk resilience and USD 10.7 billion in protection offered
- Further involvement in offshore wind farm projects in Asia
- Revised thermal coal policy

Building societal resilience

- 296 000 beneficiaries of L&H insurance through partnership with Women's World Banking
- Provided insurance protection to smallholder farmers against various natural perils
- Jointly organised a four-part virtual event series with UNEP FI on Sustainability Leadership in Insurance

Driving affordable insurance with digital solutions

- Continued engagement with key stakeholders on embracing opportunities offered by digitalisation in a responsible and ethical way
- Increased access to insurance via digital means, thus helping to closing the protection gap. Examples include our iptiQ platform and a parametric insurance structure for the Indian state of Nagaland

Links to UN SDGs

Read more online
Swiss Re has a long tradition of sustainability and reinforces this with further ambitious steps towards net-zero emissions.

- **First sustainability-related publication**: 1979
- **2003**: Signing of the UN Global Compact
- **2007**: First sustainability-related publication
- **2009**: Adoption of PRI Principles for Responsible Investment
- **2012**: PSI Principles for Sustainable Insurance
- **2015**: Sustainable Business Risk Framework developed
- **2016**: Shift of investment portfolio to follow ESG investment benchmarks
- **2017**: FSB TCFD recommendations adopted
- **2018**: Reduced providing re/insurance to thermal coal
- **2019**: 100% powered by renewable sources
- **2020**: Commitments to UN Climate Action Summit
- **2023**: Stop providing re/insurance to most carbon-intensive oil & gas production
- **2050**: Net-zero GHG emissions across entire business

Key achievements:
- **2003**: Signing of the UN Global Compact
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- **2050**: Net-zero GHG emissions across entire business

**Net-zero GHG emissions**
- **Operations**: 100% powered by renewable sources
- **Entire business**: Net-zero GHG emissions

**More details on next slides and on slides 55 - 59**
Swiss Re continues to drive sustainability leadership and decarbonise its business activities

**Key recent highlights:**

### Sustainable underwriting
- Committed to fully decarbonise our re/insurance business by 2050: revised policies to exclude support to most carbon intensive oil and gas companies\(^1\), as well as reduce exposure to and phase-out of thermal coal completely by 2030 in OECD countries and 2040 in the rest of the world
- Intent to join the UN-convened Net-Zero Insurance Alliance at the COP26 Conference in November 2021 as co-founder

### Responsible investing
- Pioneering ESG approach helped reduce downside amidst financial market volatility
- Founding member of the UN-convened Net-Zero Asset Owner Alliance: committed to reach net-zero emissions in our investment portfolio by 2050. Aim to increase investments in renewable and social infrastructure by USD 750m and expand exposure to green, social and sustainability bonds of USD 4bn by the end of 2024. Announced 2025 carbon intensity reduction target\(^2\) and objective to exit coal-based assets by 2030

### Our own operations
- Reached RE100 goal of being 100% powered by renewable energy in 2020
- Committed to reach net-zero in our operations by 2030: triple digit internal carbon steering levy and target introduced to reduce business operations emissions from flying\(^3\)

### Transparent governance
- Linked sustainability-related KPIs and targets to compensation for Performance Year (PY) 2020
- Publication of enhanced tax transparency report

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\(^{1}\) From July 2021 and July 2023 respectively, Swiss Re will exclude business support to companies that produce the world’s 5% and 10% most carbon intensive oil and gas

\(^{2}\) Target of carbon intensity reduction of 35% for listed equities and corporate bonds relative to YE 2018

\(^{3}\) Internal carbon levy of USD 100 per tonne as of 2021, will gradually increase to USD 200 per tonne by 2030. 30% CO\(_2\) reduction target for air travel in 2021, relative to 2018
Swiss Re is committed to reach net-zero emissions by 2050 across our whole business

Swiss Re supports the worldwide reduction of greenhouse gas emissions and contributes to the goal of limiting global warming to 1.5°C above pre-industrial levels.
Our Climate Action Plan guides us in implementing the climate mitigation ambition of our Group Sustainability Strategy

<table>
<thead>
<tr>
<th>3 key objectives</th>
<th>Examples</th>
<th>Key 2020 achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading risk transfer products on physical climate risk</td>
<td>• Insurance for peak perils (e.g. tropical cyclones)</td>
<td>USD 10.7bn</td>
</tr>
<tr>
<td></td>
<td>• Insurance coverage for secondary perils (e.g. extreme precipitation, heat waves, droughts)</td>
<td>Total amount of climate protection offered to (sub-)sovereigns</td>
</tr>
<tr>
<td>Leading provider of re/insurance solutions for low-carbon transition opportunities</td>
<td>• Sustainable energy and infrastructure solutions (e.g. renewables such as wind and solar power)</td>
<td>&gt;5,600 Wind and solar farms insured</td>
</tr>
<tr>
<td>Partnering to develop scalable solutions to mitigate and adapt to climate change</td>
<td>• Partnering with cedents/insurers, corporate clients and public sector clients</td>
<td>&gt;400 Dialogue engagements with clients on thermal coal</td>
</tr>
<tr>
<td></td>
<td>• Solutions supporting the transition to a low-carbon energy systems</td>
<td></td>
</tr>
</tbody>
</table>

Read more online
Climate-related Financial Disclosures provide a foundation for investors and other stakeholders to assess and price climate-related risks and opportunities

Four pillars of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD)

<table>
<thead>
<tr>
<th>Governance</th>
<th>Strategy</th>
<th>Risk Management</th>
<th>Metrics and targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors (BoD) and Group Executive Committee (Group EC) engaged on climate risk opportunities. Board oversees implementation and execution of Climate Action Plan.</td>
<td>Regular assessment of actual and potential impacts of climate-related risks/opportunities on our business, strategy and financial planning.</td>
<td>Sound risk management, underwriting and asset management lie at the core of our re/insurance business; our existing processes and instruments are used to address climate-related risks.</td>
<td>We use several metrics and targets to assess and manage relevant climate-related risks and opportunities.</td>
</tr>
</tbody>
</table>

### Physical risks

- ✓ Physical risks arising from climate change can have significant economic consequences over time, particularly from a societal perspective.
- ✓ Nevertheless, they represent a limited and manageable risk for Swiss Re.

### Transition risks in our re/insurance business

- ✓ Transition to a low-carbon economy is not likely a significant financial risk for Swiss Re’s re/insurance business.
- ✓ The associated risks can be managed effectively, primarily due to the annual renewals.

### Transition risks in our investments

- ✓ We do not consider the transition to a net-zero emissions economy to pose a significant financial risk for our investment portfolio.
- ✓ We have a strong mitigation strategy in place and monitor our portfolio carefully.

2020 climate-related financial disclosures show that climate-related risks are deemed manageable for Swiss Re.
Our Sustainable Business Risk Framework (SBR Framework) allows us to manage sustainability risks across our business.

**SBR Framework**
- Ensures responsible and sustainable business practices by identifying, mitigating and eliminating potential ESG risks inherent to our business transactions and investments
- Applies to all lines of business of the insurance portfolio as well as investments and is fully embedded in our standard operating procedures

**Sustainability umbrella policies**

**Human rights**
We do not want to do business with countries and companies that are complicit in severe human rights violations

**Environmental protection**
We do not want to involve ourselves with companies that cause irreversible damage to the environment and in particular ecologically sensitive areas

**Company and country/industry exclusions**

**Sector specific guidelines**

- Animal testing
- Mining
- Nuclear weapons proliferation
- Dams
- Oil and gas (revised in 2019)
- Defence industry
- Thermal coal (revised in 2020)
- Forestry and logging

Read more online and find the SBR Framework [here](#).
Sustainable Business Risk (SBR) referral process: our approach to managing sustainability risks

**SBR Assessment Tool** is continuously improved to address new developments in each industry.

**SBR Framework training** raises awareness of sustainability issues among our underwriters and client managers.

Development of **risk assessment tools** designed to help the industry better understand and manage sustainability risks, in partnership with other re/insurers.

Read more [online](#).
Swiss Re’s Sustainable Business Risk Framework applies to all of our business transactions in re/insurance as well as investments.

**Sustainable business risks referred to our expert team in 2020, by sector/issue**

- **25.2%** Mining (excl. thermal coal
- **19.7%** Oil and gas
- **13.9%** Thermal coal
- **9.7%** Dams
- **9.7%** Forestry, pulp and paper, and oil palm
- **9.7%** Other: human rights
- **7.0%** Other: environmental issues
- **3.9%** Defence
- **1.2%** Animal testing

**Number of sustainable business risk referrals and decisions taken**

- **2017**: 150
- **2018**: 200
- **2019**: 250
- **2020**: 300

SBR transactions referred to our team of sustainability experts (up from 238 in 2019)

Read more online
Our journey towards net zero in underwriting

Transitioning out the most severe climate-related transition risks

✓ Since 2018, Swiss Re does not provide re/insurance to businesses with more than 30% thermal coal exposure
✓ Swiss Re introduces new thermal coal exposure thresholds for treaty re/insurance across its property, engineering, casualty, credit & surety and marine cargo lines of business

The thresholds will be lowered gradually and will lead to a complete phase-out of thermal coal exposure in OECD countries by 2030 and in the rest of the world by 2040

✓ In 2019, Swiss Re revised its Oil and Gas policy to shift away from the most carbon-intensive oil and gas production

Swiss Re will no longer provide individual/insurance covers for those oil and gas companies which produce the world’s 5% most carbon intense oil & gas from July 2021, and 10% most carbon intense oil & gas from July 2023

✓ Swiss Re is continuing work on a comprehensive carbon risk steering mechanism to measure our carbon intensity and associated risks embedded in our re/insurance business
✓ In 2020, Swiss Re measured the carbon intensity of our direct insurance portfolio, using the carbon footprinting methodology developed through the CRO Forum

Carbon steering supports reaching net-zero emissions on the liability side of our business by 2050

1 The weighted average carbon intensity of our direct insurance portfolio (Corporate Solutions) was estimated to be 120 tonnes of CO₂ equivalents per million USD of revenue.
Selection of Swiss Re’s sustainability-related memberships and commitments

- BUSINESS AMBITION FOR 1.5°C
- CDP
- TCFD
- The Net-Zero Asset Owner Alliance
- ClimateWise
- UN Global Compact
- PRI
- Development Forum
- RE 100
- PSI
- Science Based Targets
- The Climate Group
- CDP

Read more online
Selection of sustainability-related index listings and ratings

- MSCI AAA rating
- Dow Jones Sustainability Indices, Silver Class
- Bloomberg Gender-Equality Index
- Ethibel Sustainability Index (ESI), Excellence Global
- Euronext Vigeo Eiris Index: Europe 120
- FTSE4Good Global Index
- ISS QualityScore, Environmental, Social & Governance
- ISS ESG Prime
What sustainable solutions does Swiss Re offer?

We focus on mitigating climate risk and advancing the energy transition, building societal resilience, and driving affordable insurance with digital solutions to advance access to insurance.
Building on recent efforts, we focus on three overarching 2030 sustainability ambitions defined in our Group Sustainability Strategy.

- **Mitigating climate risk and advancing the energy transition**
  - Selected examples of climate risk resilience solutions, addressing both physical and transition risks
  - Includes nat cat solutions supported by proprietary modeling, climate mitigation and adaptation and energy solutions

- **Building societal resilience**
  - Selected examples of public sector solutions, supporting resilient economies and mitigating current and emerging risks
  - Includes supportive partnerships, nat cat and other peril solutions

- **Driving affordable insurance with digital solutions**
  - Selected examples of digital solutions advancing insurance access, reducing costs and increasing efficiency for customers
  - Includes digital platforms, smart analytics, parametric and cyber solutions
Swiss Re has a unique approach to nat cat underwriting; utilising proprietary modelling with rapid feedback loops

**In-house models**
- **State-of-the-art 190+ perils models,** unparalleled worldwide coverage
- **Rapid feedback loops** post event, incorporating learnings and latest scientific information in risk views and UW decision-making
- **Main risk trends** (urban development, socio-economic impact and climate change acceleration) *factored in modelling*

**Experts**
- **40+ scientists** and experts in natural sciences and statistics
- **Boutique-sized R&D:** holistic model experts, close to Underwriting
- **Track record of solid costing accuracy:** robust alignment of expected claims vs. loss experience across various time periods

**Integrated and transparent risk management**
- **Seamless integration of risk quantification and portfolio steering**
- **Portfolio steering based on integrated risk view** across entire value chain
Our proprietary probabilistic natural catastrophe model allows us to adapt to an ever-evolving nat cat risk landscape

- **Import any portfolio**
- **Encode geography & vulnerability**
- **Hazard**
- **Insurance loss simulation**

Business knows best (client know-how)

We employ engineers & follow science

We employ natural scientists & collaborate

We develop the software in-house

Current research focus

- Natural variability
- (Anthropogenic) climate change
- Sealing of surfaces, overbuilding in flood prone areas
- Flood protection measures
- Population growth
- Urbanisation
- Broader coverage

What is the hurricane activity in the next 5-10 years?

How to model rainfall/flooding
Selected solutions designed to advance the climate transition and adapt to physical climate risks

Supporting sustainable energy solutions

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

• Solution example: the Solar Revenue Put is an insurance product in the US that guarantees up to 95% of a solar farm’s expected output, helping to mitigate a central risk of generating solar power – lack of sunshine. The client pays a premium for the product and, if the plant does not generate enough power, Swiss Re covers the lost revenue

Protecting from storm surge

• A warming climate is a direct contributor to sea level rise, which in turn will directly increase the magnitude of storm surges, posing a long-term risk for low-lying coastal regions.

• Solution example: renovating the Afsluitdijk, the 32-kilometre Dutch causeway that has protected the country against storm surge and sea level rise for almost 90 years, will contribute to making the Netherlands and its economy more resilient to climate-related risks.
Renewable energy solutions: insuring offshore wind farms

>5600

Number of wind and solar farms to which Swiss Re provided risk cover, as at the end of 2020, avoiding over 22 million tonnes in CO₂ emissions

While Swiss Re is active in all types of renewable energy re/insurance, over the years we have become a recognised lead market for offshore wind risks.

- Offshore wind is considered one of the most promising renewable energy sources
- As sustainable energy projects increase in scale and complexity, so do the risks associated with them
- Innovative risk transfer solutions help reduce these risks and drive investment in the sector
- As an initiator and cofounder of the European Wind Turbine Committee established in 2011, Swiss Re was instrumental in launching the Offshore Code of Practice (OCoP), a best-practice guide for risk management in the sector
- In recent years, Swiss Re Corporate Solutions has participated in numerous offshore wind projects, including wind farms, stand-alone offshore sub-stations and stand-alone export cables

Read more online

Swiss Re is considered a “lead market” for offshore wind risks
Swiss Re analyses the impacts of climate change on L&H, as we expect the impacts to be relevant for the industry.

**The most pronounced effects from climate change affecting human health stem from heatwaves and vector-borne diseases**

Read more online in our SONAR report, which identifies new, changing and not-yet envisioned risks that the re/insurance industry needs to have on its radar.

Read our latest 2020 SONAR publication online.
Biodiversity considerations are fundamental business and investment decisions

Understanding the extent and impact of biodiversity and ecosystem decline is key to minimising further damage and making informed decisions.

Swiss Re’s Biodiversity Ecosystem Services (BES) Index, launched in 2020, brings together global research to present a kilometre-by-kilometre view of the state of biodiversity-related ecosystem services. It is fully integrated into Swiss Re’s online natural hazard information and mapping system, CatNet®

The BES Index informs our clients – businesses and governments – to factor in biodiversity and ecosystem issues into economic decision-making

The ecological data of the BES Index shows the state of each of the 10 ecosystem services as well as aggregated view at any spatial unit
In the context of disasters and shocks to a country, insurance can help to save lives, speed up recovery and reduce long-term impact on the economy.

<table>
<thead>
<tr>
<th>ECONOMIC</th>
<th>SOCIETAL</th>
<th>GEOPOLITICAL</th>
<th>TECHNOLOGICAL</th>
<th>ENVIRONMENTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal crises</td>
<td>Water crises</td>
<td>Interstate conflict</td>
<td>Cyber attacks</td>
<td>Extreme weather events</td>
</tr>
<tr>
<td>Financial mechanism failure</td>
<td>Infectious disease spread</td>
<td>Regional/global governance failure</td>
<td>Critical information infrastructure breakdown</td>
<td>Migration/adaptation failure</td>
</tr>
<tr>
<td>Asset bubbles in major economies</td>
<td>Large-scale involuntary migration</td>
<td>Terrorist attacks</td>
<td>Data fraud/theft</td>
<td>Natural disasters</td>
</tr>
<tr>
<td>Un/der-employment</td>
<td>Food crises</td>
<td>National governance failure</td>
<td>Adverse consequences of advances</td>
<td>Biodiversity loss &amp; ecosystems collapse</td>
</tr>
<tr>
<td>Critical infrastructure failure</td>
<td>Profound social instability</td>
<td>State collapse/crisis</td>
<td></td>
<td>Man-made environmental disasters</td>
</tr>
<tr>
<td>Energy price shock</td>
<td>Urban planning failure</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Governments are exposed to manifold risks...

... and only a small portion of catastrophe risks are insured

65% uninsured economic losses caused by natural catastrophes over the past decade

<table>
<thead>
<tr>
<th>Event</th>
<th>Total loss</th>
<th>% of GDP</th>
<th>% loss insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood, Thailand (2011)</td>
<td>USD 52 bn</td>
<td>12%</td>
<td>33%</td>
</tr>
<tr>
<td>Drought, Kenya (2017)</td>
<td>USD 1 bn</td>
<td>15%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Earthquake, Chile (2010)</td>
<td>USD 34 bn</td>
<td>9%</td>
<td>27%</td>
</tr>
<tr>
<td>Hurricane Irma, USA (2017)</td>
<td>USD 67 bn</td>
<td>&lt;1%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Source: sigma explorer
Swiss Re Public Sector Solutions is dedicated to helping governments at all levels to strengthen their resilience strategies.

1. First team in the reinsurance industry to be fully dedicated to the public sector.

+670 bound transactions since 2011 demonstrate the need for the covers we offer.

Global footprint providing tailored support to the specific needs of our public sector clients.

Always at the forefront, we are a pioneer in emerging and industrialized markets.

## Examples of Risk Management

- **United States**: Flood risk
- **Caribbean**: Hurricane, earthquake, and excess rainfall risk
- **Louisiana**: Hurricane risk
- **California/Utah**: Earthquake risk
- **Mexico**: Earthquake and hurricane risk
- **Mesoamerican Coral Reef**: Protection of reef damage following a storm
- **Pacific Alliance (CHL, COL, MEX, PER)**: Earthquake risk
- **Uruguay**: Energy production shortfalls due to drought
- **African Risk Capacity**: Government drought insurance pool
- **Kenya**: Livestock insurance
- **India**: Excess rainfall
- **Thailand**: Crop insurance
- **Switzerland**: Earthquake risk
- **Hurricane**: United States, Caribbean, Mexico, California/Utah
- **Flood**: United States, Turkey, Egypt
- **Earthquake**: Greece, Iran, Mexico, California/Utah
- **Earthquake pool**: United Kingdom
- **Crop insurance**: Kenya, China, Thailand
- **Health insurance**: Germany
- **Philippines**: Earthquake and tropical cyclone risk
- **Guangdong**: Typhoon/rainfall
- **United States**: Flood risk
- **Mexico**: Earthquake and hurricane risk
- **California/Utah**: Earthquake risk
- **Louisiana**: Hurricane risk
- **Turkey**: Earthquake
- **UK**: Flood risk
- **Thailand**: Crop insurance
- **Kenya**: Livestock insurance
- **Vietnam**: Agriculture yield cover
- **Philippines**: Earthquake and tropical cyclone risk
- **Guangdong**: Typhoon/rainfall
- **Egypt**: Hospital cash
- **Mexico**: Earthquake and hurricane risk
- **California/Utah**: Earthquake risk
- **Louisiana**: Hurricane risk
- **Pakistan**: Flood risk
- **South Korea**: Nuclear insurer
- **Heilongjiang**: Multiperil disaster risk
- **Beijing**: Agricultural risk
- **Vietnam**: Agriculture yield cover
- **Philippines**: Earthquake and tropical cyclone risk
- **Pacific Islands**: Earthquake and tropical cyclone risk

## Highlights of Swiss Re’s Sustainability Approach

- **1st team in the reinsurance industry to be fully dedicated to the public sector.**
- **+670 bound transactions since 2011 demonstrate the need for the covers we offer.**
- **Global footprint providing tailored support to the specific needs of our public sector clients.**
- **Always at the forefront, we are a pioneer in emerging and industrialized markets.**

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Swiss Re Public Sector Solutions is dedicated to helping governments at all levels to strengthen their resilience strategies.
Selected case studies

**Mexico’s catastrophe bond**

- ~40% of Mexico’s territory is exposed to hurricanes, storms, floods, earthquakes and volcanic eruptions. As a result, more than 70% of the country’s GDP is at-risk from two or more hazards
- In 2020, Swiss Re helped the government of Mexico place 4 tranches of cat bonds issued by the World Bank, providing up to USD 485 million of protection against natural catastrophe losses until 2024

**Satellite technology in Vietnam**

- ~10 million farmers in Vietnam rely on agricultural outputs for their livelihoods. Vietnam’s coastline makes it susceptible to tropical cyclones and coastal flooding, threatening food security, farmers’ livelihoods and one of the country’s main agricultural exports: rice
- In 2020, Swiss Re partnered with the Vietnam National Reinsurer to develop the first index-based rice insurance product

**Pandemic Emergency Financing (PEF)**

- In 2017, the World Bank and the World Health Organisation (WHO) designed an innovative response mechanism, the PEF, featuring a USD 425 million parametric insurance coverage against infectious disease outbreaks
- The PEF’s risk was placed with investors and re/insurers, with Swiss Re Capital Markets acting as joint structurer and sole bookrunner of the catastrophe bond
- By enabling the deployment of affordable insurance to farmers, insurance and satellite technologies are proving useful for public insurance schemes that wish to build resilience in their agricultural sectors
- COVID-19 triggered the coverage: USD 196 million was paid out to the World Bank. The funds were used to support public health response in the neediest countries

Read more online
Swiss Re’s partnership commitments...

To the United Nations

USD 10.7bn

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

• In September 2014 our then Group CEO Michel Liès pledged to the UN at its Climate Summit: “By the year 2020, Swiss Re commits to having advised 50 (sub-)sovereigns on climate risk resilience and to have offered them USD 10bn against this risk”

• As of the end of the commitment period in 2020, we had advised 130 (sub-)sovereigns and offered a total of USD 10.7bn in re/insurance protection

Read more online

With Women’s World Banking

2 million

Customers and their family members globally to benefit from partnership by the end of 2023

• In 2018, Swiss Re supported the expansion of a pioneering health microinsurance programme to address the protection gap in Egypt

• Our partnership aims to replicate insurance schemes, similar to that in Egypt, in additional countries. Despite the challenges in 2020, around 296,000 customers and their family members benefitted from insurance cover by the end of 2020.

Read more online
Swiss Re is at the forefront of digital innovation, leveraging new technology to extend its insurance offering

Key objectives of providing digital solutions:

• Leverage technology to provide affordable cover for more types of risks across all income levels and ensure efficient claims handling

• Apply smart analytics and devices to enhance our risk knowledge and advise to improve risk prevention, mitigation and crisis management

• Integrate ethical aspects into digital business and provide solutions to manage risks of digital societies

Read more online
We strengthen our connection to clients by commercialising our digital platforms

Digital platforms have become a significant business facilitator for Swiss Re

> USD 3.8bn attributable EVM premiums\(^1\)  
> 1100 clients onboarded
iptiQ narrows the protection gap by offering simple, streamlined digital solutions at an affordable price

- iptiQ’s overriding goal is to offer simple, streamlined, digital solutions that remove traditional hurdles to purchasing protection and thereby protecting a larger amount of people

- iptiQ works in partnership with trusted brands and offers numerous easy-to-understand protection products with clear and transparent pricing

Solution example: iptiQ broadens its scope to provide flood protection in Germany
- Flood protection to 95,000 properties located in Germany’s highest risk flood zone
- Simple, streamlined risk assessment process, providing the client an edge over other broker pools

Read more online
Selected examples of innovative platform solutions utilising digital technology

Magnum Go

• Online, user-friendly, automated life insurance underwriting solution, reducing operating costs
• Automated underwriting decisions supported by Life Guide, which in 2020 integrated the latest knowledge related to COVID-19 risks and vaccine trials
• Further expanded into China in 2020

SwiftRe

• Online tool providing facultative reinsurance in real-time to clients
• Quick and automated access to medium-sized single risks or facilities
• One-stop-shop for clients to handle premiums, claims, financial accounting
• Transparency over entire own portfolio

PULSE Client Portal

• Online platform for clients and brokers of Corporate Solutions
• Monitor and manage insurance programmes in real-time
• One-stop-shop to review policy, track premium payments, submit loss notifications, risk improvements, etc.
Swiss Re combines smart analytics and devices to enhance data-driven risk knowledge

**Goals**

Advanced **risk knowledge** through internal and external data sources

**Solution example:** Microsoft

Creation of **Digital Market Center** using Microsoft’s **data analytics and Artificial Intelligence (AI) capabilities** will help to develop next-generation, large-scale tools to **transform the way the insurance industry predicts and manages risks**

**Advise on risk prevention, mitigation and crisis management** based on data insights

Powered by Microsoft’s **automotive data capabilities**, Swiss Re will be able to develop a **deeper analysis** of risks. For example, better understanding automotive risks enables insurers to **design new motor insurance products**, such as pay-as-you-drive covers

*Read more online*
Selected examples of parametric solutions, supporting fast and simplified claims payments

Windstorm insurance

- Innovative **parametric storm insurance for solar panels** in Puerto Rico
- Distinctive solution, covering two important risks: risk of **lost income**, and of **missed lease payments** on solar panels following a devastating hurricane

Nat cat protection

- **Increasing resilience of farmers** in Nagaland, India
- Solution covers **excess rainfall that can lead to severe flooding** in areas where agriculture constitutes about 70% of its economy
- Serves as a **model for** other Indian states looking for **similar innovative re/insurance solutions**

Agricultural cover

- “**Soil Moisture Deficit Index**”, a technology driven tool, using satellite data to measure **real-time soil moisture levels** around the world
- **Transparent, cost-effective and scalable** solution, providing access to financial protection from drought
- **Fast, simplified claims payments**, based on parametric triggers
Digital communication was a key enabler of business continuity during the COVID-19 lockdowns. However, it has exposed businesses and individuals to increased cyber risks.

Swiss Re’s Cyber & Digital Solutions team developed a customisable cyber insurance product development toolkit for clients wishing to develop their own cyber insurance offering, which includes support on policy wording, risk assessment, costing and claims handling. The Cyber Product Suite is suited to build tailor-made insurance solutions for SMEs and individuals and comes with reinsurance capacity included.

**Solution example: cyber combined with home insurance**
- Private cyber module as part of home contents insurance with Alte Leipziger
- Affordable and comprehensive consumers protection
- Includes support for young people against cyberbullying

Read more online

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1. Source: McAfee security software company
2. Source: Swiss Re Institute
How does Swiss Re invest responsibly in practice?

We integrate ESG criteria across our investment portfolio.

Our approach is based on three strategic cornerstones: Enhancement, Inclusion and Exclusion.
Sustainability in investments: built on three cornerstones...

We integrate Environmental, Social, & Governance (ESG) criteria along our investment process aiming to **generate higher risk-adjusted returns** over the long term.

USD 125.7bn

~100% assets considering ESG criteria
... we focus on climate action and set associated targets

**Climate Action**

Set targets, take actions, measure & report

Enable the transition to a net-zero emission economy and mitigate climate related risks

<table>
<thead>
<tr>
<th>Set targets¹</th>
<th>Take actions</th>
<th>Measure</th>
<th>Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set targets to achieve net-zero² by 2050</td>
<td>Actively manage climate risk &amp; support real economy transition</td>
<td>Measure &amp; monitor trajectory towards net-zero</td>
<td>Inform shareholders and other stakeholders transparently</td>
</tr>
</tbody>
</table>

**Targets by 2025**

- **Carbon intensity reduction³**
  - -35%

- Renewable & social infrastructure
  - USD +750m

- Green, social & sustainability bonds
  - USD 4bn

Investee company engagement in alignment with 1.5°C

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¹ In alignment with the Net-Zero Asset Owner Alliance Target Setting Protocol
² Net-zero refers to net-zero greenhouse gas emissions in the investment portfolio
³ Target for listed equities & corporate bonds relative to year end 2018
Swiss Re integrates ESG across all asset classes

ESG makes economic sense: improved risk-adjusted return

Information ratio (risk-adjusted return)
June 2015 – Dec 2020

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Enhancement</th>
<th>Inclusion</th>
<th>Exclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt bonds</td>
<td>A</td>
<td>🔄</td>
<td>🙅</td>
</tr>
<tr>
<td>Credit</td>
<td>A</td>
<td>🔄</td>
<td>🙅</td>
</tr>
<tr>
<td>Listed equities</td>
<td>A</td>
<td>🔄</td>
<td>🙅</td>
</tr>
<tr>
<td>Private equity</td>
<td>A</td>
<td>🔄</td>
<td>🙅</td>
</tr>
<tr>
<td>Real estate</td>
<td>A</td>
<td>🔄</td>
<td>🙅</td>
</tr>
</tbody>
</table>

Legend: 1 2 3 Level of ESG integration per asset class

Source: Barclays, Swiss Re
ESG makes economic sense for Swiss Re Asset Management, as it provides both upside outperformance and downside protection, while it delivers better risk-adjusted returns.
Our thematic investments support the SDGs

<table>
<thead>
<tr>
<th>Thematic investments</th>
<th>Renewable and social infrastructure loans</th>
<th>Green real estate</th>
<th>Impact private equity</th>
<th>Green, social and sustainability bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1,200 hospital beds</td>
<td>#120,000 students provided with school infrastructure</td>
<td>#600 student dorm rooms</td>
<td>#115m low-income individuals benefitting from access to financial services</td>
<td>#17.5m students educated</td>
</tr>
<tr>
<td>#6,000 MW of installed renewable energy capacity</td>
<td>#2m households with access to modern energy services</td>
<td>#261,000m² of green real estate floor space</td>
<td>#900m live-saving medical deliveries</td>
<td>#715,000 low-income individuals provided with health insurance and products acting as safety nets for health related risks</td>
</tr>
<tr>
<td>USD 0.9bn</td>
<td>USD 1.6bn</td>
<td>USD 65m</td>
<td>USD 2.6bn</td>
<td></td>
</tr>
</tbody>
</table>

Inclusion focuses on investment opportunities, stemming from transitioning to a more sustainable world.

Thematic investments should therefore serve a specific purpose, while targeting to achieve market returns.

1 Selected metrics reflecting overall project or company impact
2 Private equity KPIs’ Impact generated by selected portfolio companies during 2019
Our responsible investing approach supports the transition towards a low-carbon economy

**Swiss Re’s Carbon Footprint**

<table>
<thead>
<tr>
<th></th>
<th>31/12/2015</th>
<th>30/12/2016</th>
<th>29/12/2017</th>
<th>31/12/2018</th>
<th>31/12/2019</th>
<th>31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ tn</td>
<td>369</td>
<td>265</td>
<td>262</td>
<td>242</td>
<td>198</td>
<td>172</td>
</tr>
<tr>
<td>USD m revenue</td>
<td>168</td>
<td>161</td>
<td>51</td>
<td>91</td>
<td>82</td>
<td>73</td>
</tr>
</tbody>
</table>

- Portfolio optimisation drives the continued reduction of carbon intensity of our corporate credit and listed equities portfolio.
- In our 2020 Financial Report (TCFD disclosure), we provide further information on our climate change-related investment risk exposure.

**Green investments¹**

- **Infrastructure loan book**
  - 23% Green share
- **Real estate**
  - 31% Green share
- **Green bonds**
  - USD 2.3bn Green share

¹ As of 31 December 2020
² Task-force on Climate-related Financial Disclosures
Swiss Re encourages close collaboration among industry participants to enable broad-based ESG adoption.

Engage with regulators and policy makers

Thought leader in industry associations and alliances

Promote dialogue on Swiss Re’s ESG approach

Member of the technical expert group on sustainable finance

TCFD

European Commission

2019 Leaders’ Group

The Net-Zero Asset Owner Alliance

1 Up until end of mandate in September 2020
What does Swiss Re do about our own footprint?

We want to lead by example and work to minimise the environmental impact of our operations.

Bringing our CO$_2$ emissions to net-zero and reducing energy consumption are key targets across the Group.
We work to minimise the environmental impact of our operations and engage our vendors and employees on this journey

69%  
Reduction in energy consumption per FTE ¹

Credibly green: Environmental Management System and green labels

• Corporate Real Estate and Services (CRES) has an Environmental Management System (EMS) in place ²
• Outperformed the target to reduce energy intensity (power/heat per employee) by at least 2% per year

95%  
Key vendors ESG-assessed through EcoVadis and IntegrityNext

Drive sustainability in supply chain: EcoVadis platform

• Our partnership with EcoVadis has continued to develop and accelerate our goal towards having 100% of our Tier 1 and Tier 2 suppliers ESG-assessed
• New Vendor Development Programme (VDP) created, aimed at monitoring & improving minimum ESG standards within our supply chain
• Goal: 100% of vendors ESG assessed and pilot programme for VDP in 2021

>33 000  
Subsidy requests granted over the duration of the COyou2 programme ³

Engaging our employees: COyou2 programme

• Swiss Re’s pioneering employee engagement programme COyou2 ended in 2020. It helped our employees to avoid ~70 000 tonnes (t) of CO₂
• The programme will be replaced with a new, net zero behaviour-focused successor, with an even greater commitment from Swiss Re

¹ Reduction over the period 2003-2020 (excl. COVID-19 impact) ² EMS certified according to ISO 14001 since 2015 ³ COyou2 programme run over the period 2007-2020
We lead by example in clean energy, climate strategy and carbon removal

100%
Renewable power used in 2020

Committed to renewable power: RE100 Initiative

- Swiss Re and IKEA co-founded the Climate Group’s RE100 Initiative in 2014. By 2020, the initiative grew to over 290 member companies
- Swiss Re’s own RE100 commitment was achieved in 2020

54%
Reduction in CO₂ per FTE

Tackling emissions: Greenhouse Neutral Programme

- Swiss Re’s GHG Neutral Programme ended in 2020: through the programme, CO₂ emissions per employee were more than halved and all remaining emissions compensated via high-quality offsets
- The successor will be the CO2NetZero Programme, designed to achieve net-zero emission in operations by 2030

USD100/t
Real internal Carbon Steering Levy (CSL)

Path to net-zero: Net zero operational emissions by 2030

- Announced Group-wide 30% CO₂ reduction target for air travel in 2021
- New USD100/t CO₂ incentivizes emission reductions and provides the funding to ramp up carbon removal in our compensation mix
- Signed collaboration agreement with Climeworks, a leading carbon removal company

1 Reduction over the period 2003-2020 (excl. COVID-19 impact)
2 Commitment achieved through 1) own solar PV installations in Armonk, Zurich, etc., 2) virtual power purchase agreement for Americas, 3) high-quality renewable energy certificates
3 GHG Neutral Programme was run for the period 2003-2020
Sustainability in own operations: setting sail on our journey to net-zero

We are committed to net-zero operational emissions by 2030: “Do our best, remove the rest”

<table>
<thead>
<tr>
<th>“Do our best, ...”</th>
<th>“... remove the rest”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduce operational emissions</strong>, most material source is air travel: -30% flight CO₂ reduction target for 2021¹, ambition of -50% by 2025</td>
<td><strong>Balance residual emissions via carbon removal</strong>, move from 100% high-quality carbon offsets today to 100% high-quality removal certificates by 2030</td>
</tr>
<tr>
<td>Introduce triple-digit <strong>Carbon Steering Levy (CSL)</strong> incentivizing low-carbon decision-making: from USD 100/t in 2021 to USD 200/t by 2030</td>
<td>Deploy <strong>Carbon Removal Purchasing Strategy</strong> to secure the required certificates, open doors for the business, and catalyze the removals market</td>
</tr>
</tbody>
</table>
| Binding sustainability KPIs:  
  ▪ Flights: -30% 2021¹ (ambition: -50% by 2025)  
  ▪ Energy: -2% kWh/FTE per year¹ | Binding sustainability KPIs:  
  ▪ 10% removal certificates/90% offsets in 2021, 50%/50% in 2025, 100%/0% for net-zero in 2030 |

CO2NetZero Programme (2021-2030)
Swiss Re moves away from conventional carbon offsetting and starts supporting carbon removal projects in line with our net-zero ambition

- **Prior to 2003**: it was not possible to compensate emissions through carbon certificates

- **2003-2020**: Swiss Re pioneered the concept of emissions compensation at a time carbon markets did not even exist
  - Going forward, compensation through emission avoidance certificates (‘carbon offsetting’) is incompatible with a net-zero emissions target

- **2021-2030**: Swiss Re will pioneer emissions compensation through carbon removal certificates
  - Swiss Re has already started to engage in the emerging carbon removal market: last year Swiss Re signed a collaboration agreement with Climeworks, one of the world’s leading companies capturing CO₂ directly from air
Introducing triple-digit internal carbon price to incentivize low-carbon behaviour

Rationale behind the price level of USD 100-200 for our Carbon Steering Levy (CSL):

1. The UN Global Compact calls on companies to set internal carbon price at minimum to USD100/t CO₂:\(^1\); this becomes the starting price of our CSL
2. Price of carbon removal today is USD 10-1,000/t CO₂, dependent on quality and technology
3. Anticipated average price of high-quality carbon removal by 2030 is ~USD 200/t CO₂; this becomes the internal carbon price level in 2030, our net-zero target year
4. By 2050, scientists estimate an average price of carbon removal of ~USD 100/t CO₂:\(^2\)

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\(^1\) Put a Price on Carbon | UN Global Compact
\(^2\) IPCC, 2018. Special report on 1.5°C
How does Swiss Re engage our people?

We are an organisation where diverse talents come together globally to apply fresh perspectives and knowledge to make the world more resilient.
We aim to bring our entire organisation closer together as One Swiss Re and leverage strengths across the Group

Group People Strategy 2025

Our strategic ambitions are built on three pillars and One Swiss Re as desired outcome:

<table>
<thead>
<tr>
<th>Lead</th>
<th>Build</th>
<th>Perform</th>
</tr>
</thead>
<tbody>
<tr>
<td>- We are accountable for our own performance and development, and help others to be the best they can&lt;br&gt;- We create excitement for the future and connect on a personal and emotional level</td>
<td>- We understand, develop and build the capabilities to win in the future&lt;br&gt;- We embrace continuous learning and growth to make each one of us more resilient&lt;br&gt;- We have a strong employer brand and can attract the talent we need</td>
<td>- We all take responsibility and hold each other accountable for results, behaviour and integrity&lt;br&gt;- We invest and spend money with an “owner” mindset&lt;br&gt;- We challenge complexity and work in adaptable and cross-functional networks of teams that allow decision-making at the lowest possible level</td>
</tr>
</tbody>
</table>

Delivering on the Group People Strategy 2025 is a key enabler for the success of the new Swiss Re Group Strategy
Caring for the wellbeing of our employees during stormy times: the ongoing COVID-19 pandemic effects

**Personal Resilience**

Two wellbeing surveys, conducted in 2020, enabled us to listen to and understand how employees have been coping with the evolving situation. We actively sought their feedback on how to better support them.

**Support work from home**

Two discretionary monetary awards helped employees cover costs related to workplace at home. Additionally, employees were given an additional day off in January 2021, celebrating the first Swiss ReSilience Day.

**Employee Health**

We invested in additional activities to support the wellbeing our employees, such as Pathways, a global mental health network sponsored by executives, as well as mental health first aid training and free independent counselling.

87% of our employees believe Swiss Re is appropriately assisting employees during the COVID-19 pandemic.
At Swiss Re, we embrace and build a diverse workforce that brings together the best of multiple generations, cultures, skill sets and thinking

- Swiss Re’s People Strategy’s key aspiration is to attract and engage talented employees from different backgrounds by providing a flexible, inclusive 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. Own The Way You Work enabled a smooth transition to working from home during the COVID-19 induced pandemic measures.

- We aim to prevent stereotyping of individuals based on any dimension of diversity; training sessions that specifically address feedback discussions or recruiting include content and nudges on how to ensure fair and unbiased dialogue and decision-making.

- Employee Engagement Survey 2020: 81% of our employees say that we have an environment that is open to and inclusive of individual differences, which is 2 points above the global high-performance benchmark.

 Commitment to inclusiveness is key to our organisational performance and to reaching the goals set out in our People Strategy.

Workplace split by region:

- Americas: 26%
- EMEA: 54%
- APAC: 20%

Swiss Re employs people with diverse backgrounds from 121 nations, in 81 offices and 29 countries.

Find more people-related data online.

1. 47% of employees are represented by an independent trade union or covered by collective bargaining agreements.

Highlights of Swiss Re’s Sustainability approach | May 2021

63
Understanding and sourcing critical, strategic, future-ready skills is essential for our journey to be a tech- and data-enabled risk knowledge company

In-house training data for 2020

- 12,396 employees trained
- 2,432 managers trained with an average of 11.7 hours per manager
- Average of 10.4 hours spent on training by each employee

- 600,000+ available training sessions and resources
- 90+ mostly business-owned channels
- 600+ skills supported by artificial intelligence

• In 2020, we further leveraged our learning experience platform, LearningOne, which was introduced in 2019. It is a comprehensive platform aimed at making the learning experience seamless by providing employees with convenient access to their training needs.

• LearningOne was crucial to supporting employees and line managers with training opportunities during the COVID-19 pandemic, with over 367 distinct virtual sessions in 2020.

Employees have access to over 600,000 learning resources on our learning platform, LearningOne.
Our commitment to Inclusion and Diversity at Swiss Re

Our vision is to ensure our employees find meaning in their work and have a deep sense of purpose. We also aim to offer an attractive, flexible and inclusive workplace. We build an environment of trust, respect and responsibility: how we achieve results is as important as what we achieve.

Our core Inclusion and Diversity beliefs

• Inclusion and Diversity (I&D) is a business and moral imperative and must be business led
• Creating an inclusive environment for all employees is the responsibility of everyone
• We want all our employees to feel heard, respected and included, regardless of their age, race, ethnicity, nationality, gender, religion, sexual orientation, disability or any other diversity dimension
• We draw upon our diversity to understand our clients and markets, develop smarter solutions and help the world to rebuild, renew and move forward, working towards our vision to make the world more resilient
• Our I&D activities also contribute to our Group-wide sustainability ambitions

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees</td>
<td>46.9</td>
<td>47.2</td>
<td>47.1</td>
</tr>
<tr>
<td>Executive/senior management positions¹</td>
<td>24.5</td>
<td>26.7</td>
<td>28.7</td>
</tr>
<tr>
<td>All management positions²</td>
<td>34.0</td>
<td>35.1</td>
<td>35.7</td>
</tr>
</tbody>
</table>

¹ Executive/senior management positions comprises the management levels of Director/Senior Vice President upwards
² All management position refers to Vice President and above

*The figures for 2018 and 2019 have been restated due to the sale of our ReAssure business in the UK

“The different background and viewpoints of my colleagues inspire me every day”

Sara Li
New Partnership Manager
Life & Health North Asia, Beijing
Global Inclusion & Diversity focus

Our aim is to create a truly inclusive culture where everyone can bring their true-self to work. We focus on the following topics globally:

### Inclusive Culture

**Our overarching goal:** Every employee feels heard, respected and included regardless of any diversity dimension

**Our cultural aspiration:** We are inclusive, agile and commercial

### I&D Enablers

We aim to ensure our processes, structures and practices support us in driving an inclusive culture at Swiss Re

- Committed to **equal pay for equal work** and apply equal pay analysis

### Mental Health

We are committed to concrete actions to foster good mental health

- Trained **100+ mental health first aiders** to support our employees
- **Pathways:** mental health employee resource group, focused on raising awareness around mental health topics and recruiting and training Mental Health First Aiders

### Gender

We are committed to advancing gender equality

- Group EC members monitor talent flows to ensure equal opportunities
- **Level Up:** employee resource group for all genders, aiming to advance gender equality, create awareness and identify and remove gender-related barriers

### LGTBI+

We are committed to provide an equal and safe work environment

- **Equal** leave, gift and insured benefits for our employees
- “Embassy status” achieved in 2019, thanks to **protective policies** and LGBTI+ supportive measures in place globally
- **Together with Pride:** employee resource group comprising over 1 000 allies and LGBTI+

### Race & Ethnicity

We are committed to embedding inclusion of race and ethnicity more deeply into our culture

- Partnered with relevant organisations to attract diverse talent
- Aspire to increase diversity of leadership teams
- **Mosaic:** employee resource group, driving culture change and inclusion, embracing race and ethnicity across the company and within society

Regions and locations are working on additional specific topics such as generations, neurodiversity etc.
External commitments and recognition

- Signed the United Nations (UN) Global Compact
- Committed to the UN Sustainable Development Goal #5: “Achieve gender equality and empower all women and girls”
- A signatory to the UN Free & Equal Standards of Conduct for Business to tackle discrimination against LGBTI+ people
- Recognised in 2019, 2020 and 2021 by Bloomberg Gender-Equality Index (GEI)
- Signed (2012) the Statement of Support for Women’s Empowerment Principles (WEPs), a set of principles established by UN Global Compact and UN Women offering guidance on how to promote gender equality and women’s empowerment in the workplace, marketplace and community
- Signed public pledge to advance workplace mental health
- Recertified (2020) in Switzerland as meeting the EDGE (Economic Dividends for Gender Equality) best practice standard for gender equality
- Partner with Advance, a business association for gender equality in Switzerland committed to increasing the share of women in management
- We light up our buildings in different locations to show our commitment and support to International Women’s Day and Pride Month
Swiss Re’s strong governance supports leadership during the COVID-19 crisis

“The Board of Directors’ dedicated commitment and strong leadership are key to navigate through a crisis.”

Walter B. Kielholz, Honorary Chairman of the Board of Directors
(Corporate Governance Report 2020)
Swiss Re’s governance framework

Swiss Re Ltd
Shareholders
Board of Directors
- Chairman’s and Governance Committee
- Nomination Committee
- Audit Committee
- Compensation Committee
- Finance and Risk Committee
- Investment Committee
Group Executive Committee
- Swiss Reinsurance Company Ltd (Business Unit Reinsurance)
  - Board of Directors
    - Audit Committee
    - Finance and Risk Committee
    - Reinsurance Executive Committee
- Swiss Re Corporate Solutions Ltd (Business Unit Corporate Solutions)
  - Board of Directors
    - Audit Committee
    - Finance and Risk Committee
    - Corporate Solutions Executive Committee
- iptiQ Group Holding Ltd (Division iptiQ)*
  - Board of Directors
    - iptiQ Executive Committee

* The Division iptiQ has been in place since 1 January 2021. The Business Unit Life Capital was disbanded at the end of December 2020.
Board of Directors skills and competencies

• The Board of Directors need to secure the necessary qualifications, skills and diversity to perform all required responsibilities

• It must assemble among 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

• Board membership requires experience in key sectors as well as leadership and decision-making experience in a large, complex financial institution

• The mandate also demands significant commitment, integrity and intercultural communication competence

Read more online
In addition to the skill sets and competencies of the Board members, the principles of gender and age diversity, inclusion, nationality, race, ethnicity, regional representation, transparency and the avoidance of conflicts of interest play an important role in the Board’s composition.

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

**Chairman’s & Governance Committee** (5 members)
- Advisor to the Chairman
- Corporate Governance
- Planning and coordination of Board work
- Succession planning
- Oversees annual performance assessment and self-assessment for Board and Group EC

**Nomination Committee** (4 members)
- Assists the Board in its responsibility to select, nominate and appoint Board members
- Evaluates nomination proposals for the Board members, the Chairman and the members of the Compensation Committee

**Compensation Committee** (5 members)
- Compensation strategy, principles and governance
- Establishment of compensation plans
- Oversight on compensation at Board and Group EC level

**Audit Committee** (5 members)
- Integrity of financial statements
- Compliance with legal and regulatory requirements
- External Auditor’s qualifications, independence and performance
- Performance of internal audit function
- Monitoring of financial reporting process and system of internal control

**Finance & Risk Committee** (6 members)
- Annual review of Group Risk Policy
- Risk Reports and business risk reviews
- Regular review of Risk Control Framework and important risk exposures
- Review of critical underwriting standards and principles used in internal risk measurement

**Investment Committee** (6 members)
- Strategic asset allocation
- Monitoring of investment performance
- Tactical asset allocation
- Risk analysis methodology and valuation
Board Committees: key focus areas 2020 (1/2)

Chairman’s and Governance Committee

- **COVID-19 crisis:** oversaw detailed COVID-19 business and operational updates with the Group EC, incl. emergency scenarios and increased number of meetings of the Board and frequency of Board Committee meetings
- **Sustainability:** oversaw the enhanced Group Sustainability Strategy (GSS), incl. the introduction of quantitative sustainability KPIs and targets
- **Proxy voting:** oversaw top investors’ feedback provided at the Chairman’s annual roadshow and during the Annual General Meeting (AGM) 2020 proxy solicitation and steered further improvements to ESG-related disclosures
- **Public Affairs:** led the launch of an effective global Public Affairs Strategy and organisation
- **Performance and self-assessments:** led the annual performance and self-assessment processes for the Board and the Group EC

Nomination Committee

- **Succession planning:** steered succession planning process for Board members elected by the AGM, incl. composition of the Compensation Committee

Compensation Committee

- **Compensation Framework and Compensation Plan design:**
  1. monitored effectiveness of the Compensation Framework and alignment with both shareholders’ interests and long-term business strategy thereby addressing i) pay for performance principles at business/individual level, ii) performance differentiation and iii) gender pay equity
  2. reviewed and assessed the current Compensation Framework with focus on the 2021 incentive compensation architecture
- **Legal and regulatory developments:** monitored legal and regulatory developments, incl. continued compliance with the Ordinance against Excessive Compensation at Public Corporations
- **Extraordinary topic:** assessed impact of COVID-19 on Compensation Plans and monitored developments (e.g. market practice, shareholder expectations)
Board Committees: key focus areas 2020 (2/2)

Audit Committee
- **P&C Reserving Process**: jointly, with the Finance and Risk Committee, led the review and benchmarking of Swiss Re’s P&C reserving philosophy, process and governance and the implementation of the identified improvement measures
- **Change in the reporting basis**: oversaw the setup of the IFRS project organisation to enable Swiss Re to adopt IFRS as of 1 January 2024 and to simplify its financial reporting landscape
- **Transition of external audit**: oversaw audit transition procedures including independence of incoming auditor, governance model and timeline of key activities
- **Finance Transformation**: led the creation of the Global Finance Transformation (GFT) Programme by merging the three Business Unit (BU) Finance Transformation projects with one core platform for the target finance landscape to ensure harmonisation and IFRS delivery
- **Recognition of COVID-19 impact**: in terms of complexity of losses, successful adjustments to work policies, procedures and sign-offs

Finance and Risk Committee
- **COVID-19**: closely monitored the business impact of COVID-19, in particular with regards to claims management, underwriting processes and operational resilience
- **Underwriting risk and capital management**: focused on developing tool to improve allocation of risk and capital
- **Social inflation**: monitored the impact of social inflation trends on the casualty business
- **Cyber**: continued to oversee cyber risk preparedness and improve data security

Investment Committee
- **Investment positioning**: reviewed Strategic Asset Allocation (SAA) positioning, risk usage and performance in the context of financial markets and BU developments
- **Reviewed ESG integration**: in investment process and choice of benchmarks, as well as the efforts to achieve net zero carbon emissions in investment portfolio by 2050
- **Monitored operational resilience**: of investment activities in light of COVID-19
Swiss Re’s governance documents

- Ensure sustainability
- Foster transparency and quality assessment of the Group’s organisation and business
- Harmonised principles and procedures
- Key governance requirements throughout the Group
- Ensure efficient and consistent governance across the Group

Corporate Governance Guidelines

Code of Conduct

Group level

- Articles of Association (AoA)
- Bylaws
- Committee Charters

BU/Division level

- Committee Charters
- Bylaws
- Articles of Association (AoA)

- AoA

Highlights of Swiss Re’s Sustainability approach | May 2021
Swiss Re’s Code of Conduct

- We believe we 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
  - Client Centricity
- The Corporate Values are put in action by the Leadership and Personal Imperatives.
Governance principles throughout the Group

Our Corporate Governance Guidelines

• implement a **consistent** Group-wide governance framework

• **harmonise** the governance principles and processes across the Group

• ensure an **efficient and consistent** approach to corporate governance across the Group

• introduce a **customised governance** approach taking into account the size, the nature and the complexity of the Group’s legal entities when applying governance standards and requirements
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 (incl. its annex)¹

... the Swiss Code of Best Practice for Corporate Governance (Swiss Code)²

... the Swiss Financial Market Supervisory Authority FINMA provision on corporate governance, risk management and internal control system at insurers

... the applicable local rules and regulations in all jurisdictions where Swiss Re conducts business

¹ Dated 20 June 2019, effective as of 2 January 2020
² of 28 August 2014, issued by economiesuisse, the Swiss business federation
Our sustainability governance framework

- Swiss Re has a well-defined **governance framework** to define, implement and monitor our **Group Sustainability Strategy**

- At Swiss Re’s highest governance level, the **Board** is responsible for overseeing the development and adoption of the Group Sustainability Strategy, whilst the **Group EC** ensures the implementation of the strategy

- The Group EC established the **Group Sustainability Council (GSC)**, an advisory body composed of senior management members, to better coordinate and align sustainability activities at Group level

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1. Only those Board committees with allocated responsibilities related to sustainability and climate change listed.
2. Dedicated sustainability and climate change roles, networks and/or committees in all Group Functions and on Business level.
3. The iptiQ Division has been in place since 1 January 2021. The Business Unit Life Capital was disbanded at the end of December 2020.

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**Read more online**
Sustainability-related targets and KPIs linked to compensation

• As part of our Group Sustainability Strategy implementation, we introduced sustainability as an additional qualitative assessment dimension for determining our Group Annual Performance Incentive (API) pool.

• This establishes a clear connection between sustainability targets and compensation for all employees, including the Group EC.

• The sustainability assessment for 2020 was primarily based on qualitative key performance indicators (KPIs) and targets, aligned with our 2030 Sustainability Ambitions and our net-zero commitments.

• In the course of 2020, we further enhanced the framework by defining quantitative KPIs and respective targets, which will form the basis for the 2021 performance assessment. Swiss Re will continue refining sustainability-related KPIs and targets to ensure we are reaching our ambitious sustainability commitments.

More details on slides 93 and 94.
Corporate governance trends: sustainability remains a top priority

- Legislators, regulators, asset managers, shareholders and other stakeholders are increasingly looking to corporate governance as a means of improving transparency and accountability for sustainability. Companies are expected to have appropriate governance structures and governance priorities to address environmental, social and governance (ESG) issues.

- Corporate governance objectives, over which boards have assumed greater oversight responsibility in recent years, such as diversity, better alignment of executive compensation and stakeholder engagement, are increasingly seen as having ESG aspects, making these topics even more important. In investment decisions and in corporate disclosure, ESG is featuring more prominently particularly in Europe, but also in the United States and other jurisdictions.

- We expect to see an increased focus on corporate disclosure, particularly around climate change. We also expect that demonstrating leadership on ESG topics will be seen by stakeholders, incl. employees and customers, as a differentiating factor, providing advantages across a range of areas for those able to demonstrate a commitment to, and significant transparency around, ESG themes.

Read more online about Corporate Governance at Swiss Re
Cyber risk

• The cyber threat landscape is constantly evolving, and the Board continues to closely monitor Swiss Re’s cyber threat resilience

• The Finance and Risk Committee (FRC) recently reviewed an in-depth report on cloud security with the focus on protecting Swiss Re and client data related to public cloud services

• The FRC also reviews the annual cyber risk assessment report, which evaluates Swiss Re’s cyber risk exposure and cyber threat resilience. The regular re-assessment enables Board members to understand how well the company’s assets are protected against the evolving risks of intrusions, data breaches, and loss of access

• Members of the FRC regularly share their cyber expertise with Management and the topic of cyber risk remains a standing item on the FRC agenda

• Swiss Re’s cyber risk strategy continues to be a key focus area for the Board and its Committees
Securing and protecting Swiss Re’s assets in a constant state of flux

Threats constantly change and evolve…

70% of organisations fall victim to Public Cloud security incidents with organisations running multi-cloud environments 50% more likely to suffer a cloud incident than those running a single cloud\(^1\)

41% of malware families identified in 2020 have never been seen before to demonstrate that not only are cyber criminals innovating but they are also monetizing their operations faster\(^2\)

57% of IoT devices are vulnerable to medium- or high-severity attacks, with an estimated 127 new IoT devices connected to the internet every second\(^3\)

16 million of identified threats in 2020 were related to COVID-19, 90% of which were malicious spam\(^4\)

As part of the Cybersecurity Programme 2021, we strengthened Swiss Re’s security position and are now sharpening our focus on these seven crucial topics:

- Public Cloud Security
- Identity & Access Mgmt.
- Convergence of Cyber & Physical
- Vulnerability Mgmt.
- Enterprise Security Architecture
- BCM & Operational Resilience

\(^1\) Sophos, The State of Cloud Security 2020 survey
\(^2\) FireEye, 2020 M-Trends report
\(^3\) Palo Alto Networks, 2020 Unit 42 IoT Threat Report
\(^4\) Trend Micro, 2020 Annual Cybersecurity Report
Data Protection and Privacy Compliance at Swiss Re

Swiss Re has a comprehensive, **global data protection compliance framework** which...

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

- ... fulfills our responsibilities to protect personal data including tools which allow us to quickly identify, assess and remediate potential incidents and areas of high-risk processing

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

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

In 2020, Swiss Re received no complaints concerning breaches of customer privacy
Swiss Re develops digital best practices, integrates digital ethics and provides solutions to manage risks associated with a digital society

Swiss Re has started to develop our own ethical guidance to enable swift digitalisation, while ensuring that we maintain customers’ trust, differentiate our services, and safeguard our reputation as a leading re/insurance company.

Swiss Re seeks to improve understanding, create awareness and proactively address ethical challenges surrounding digital transformation. We actively engage on the topic of digital ethics:

- Provide feedback to consultations and regulatory questionnaires
- Participate in industry groups and regulatory expert groups
  - Swiss Re representative appointed to EIOPA’s consultative expert group for digital ethics
- Contribute to studies and reports
  - “Between Solidarity and Personalization – Dealing with Ethical and Legal Big Data Challenges in the Insurance Industry” conducted by researchers at the University of Zurich and the University of Applied Sciences HTW Chur
  - “Promoting Responsible Artificial Intelligence in Insurance” published by the Geneva Association

Active promote digitalisation across the re/insurance value chain to enhance value provided to customers

Use of artificial intelligence and digital personal data raises ethical concerns regarding fairness, inclusion, hardship and solidarity. Various regulators around the world identify the need for regulations on the topic of big data and digital responsibility.

Read more online
Preventing Bribery and Corruption at Swiss Re

Swiss Re operates a global Anti-Bribery and Corruption Risk Framework in order to give effect to our prohibition on all forms of bribery and corruption by identifying, mitigating and managing this key compliance risk.

### Implementation
- Key compliance risks are addressed throughout the Swiss Re Compliance Framework
- One key compliance risk is bribery and corruption

### Responsibility
- The Compliance function has primary operational responsibility for the Compliance Framework
- Executive responsibility lies with the Group Audit Committee, Group Executive Committee and BoD
- Group Internal Audit has responsibility for providing an independent assurance function

### Application
- The Compliance Framework applies to every full or part-time employee of a companies within the Swiss Re Group, incl. all affiliates worldwide
- It also applies to everyone working for or on behalf of Swiss Re
- Finally, it applies to our business partners including contractors, outsourced providers and agents

### Structure
- As a key risk, bribery and corruption has its own framework that is structured around the following four pillars:
  - policies, standards and processes
  - tools and technology
  - assurance, investigations and reporting
  - training and awareness

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No fines penalties or settlements in relation to corruption have been imposed in 2020.
Swiss Re is proud of its customer satisfaction levels, and continues to ensure clients remain at the centre of the business.

### Latest Business Capability Index (BCI)

<table>
<thead>
<tr>
<th>Year</th>
<th>P&amp;C Reinsurance</th>
<th>L&amp;H Reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>#1, results released July 2020</td>
<td>#2, results released April 2021</td>
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</tbody>
</table>

#### Client Advocacy Score (CAS) and BCI ranking development

<table>
<thead>
<tr>
<th>Year</th>
<th>P&amp;C</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>CAS (score)</td>
<td>42</td>
<td>42</td>
<td>51</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>BCI (rank)</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>L&amp;H</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAS (score)</td>
<td>8</td>
<td>5</td>
<td>12</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>BCI (rank)</td>
<td>#2</td>
<td>#2</td>
<td>#2</td>
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</tbody>
</table>

Swiss Re aims to maintain, and wherever possible, improve its already high levels of customer satisfaction.

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1. Business Capability Index (BCI) is a proprietary methodology of NMG Consulting, which provides an assessment of which reinsurers are delivering the best overall value propositions to insurers. It is a single composite score (0-100) that aggregates insurer feedback across key capability areas.

2. Client Advocacy Score (CAS) is NMG Consulting’s measure for each reinsurer representing insurers’ likelihood to recommend/promote.

In 2020, Swiss Re Group administered USD 2.6bn in Total Taxes Borne and Collected worldwide.
Building resilient societies is at the core of the Swiss Re Foundation

**Key 2020 figures**

- **CHF 10.4m**
  Total commitments, incl. CHF 5.4m COVID-19
- **29**
  Countries supported with COVID-19 grants
- **82**
  Partners supported with COVID-19 grants
- **521**
  No. of Swiss Re volunteers
- **9 404**
  Volunteering hours of Swiss Re employees

**Focus areas**

**Access to health and income opportunities**
We ease access to healthcare and viable income opportunities in underserved communities

**Innovation for societal resilience**
We fund research that sheds light on what drives resilient societies and support worthy causes near Swiss Re locations

**Natural hazard and climate risk management**
We support people in preparing for, preventing and bouncing back from catastrophes and coping with climate risk

**Total commitments by focus area**

- **Access to health and income opportunities**: 27%
- **Innovation for societal resilience**: 36%
- **Natural hazard and climate risk management**: 21%

*Read more online*
What is Swiss Re's compensation framework?

A balanced and sustainable performance-oriented framework, aligning the interests of employees with those of shareholders.
Compensation framework based on clear principles and governed by the Swiss Re Ltd Board of Directors

- Support a culture of sustainable high performance with a focus on risk-adjusted financial results
- Foster compliance as well as sound and controlled risk-taking, and avoid conflict of interest
- Ensure alignment of compensation to long-term business results and individual contribution, recognising both what was achieved and how it was achieved
- Attract, motivate and retain the qualified talent the Group needs to succeed globally
- Align the interests of employees with those of Swiss Re’s shareholders and society at large

Compensation principles
Compensation framework designed to promote sustainable long-term performance

- The level of compensation that is "at risk" in the form of variable and performance-related incentives increases with seniority.
- For senior executives, and in particular the Group EC, over two thirds of compensation is "at risk" in the form of variable and performance-related incentives.
- Compensation is periodically reviewed against relevant market data.
- To increase alignment of the interest of senior management with that of our shareholders, members of the Group EC are expected to own Swiss Re shares in the amount of at least two times their annual base salary (three times annual base salary for the Group CEO).

78% Base salary
17% Cash API
2% VAI
3% LPP

31% Base salary
20% Cash API
17% VAI
32% LPP

26% Base salary
20% Cash API
20% VAI
34% LPP

1 Annual Performance Incentive (API), Value Alignment Incentive (VAI), Leadership Performance Plan (LPP); variable/performance related, whereby VAI and LPP are deferred.

Read more in the 2020 Financial Report (pages 118-127)
Financial results and qualitative criteria are considered when determining the variable compensation pool (Group API pool)

Three-step process based on business performance: creating a clear and transparent link between business performance and compensation

- Sustainability is one of six qualitative assessment dimensions (step 2 of the funding process)

- The Compensation Committee and Swiss Re Ltd BoD review the preliminary Group API pool considering a number of different perspectives including pay for performance linkage, reasonableness in the market context and the proportionality of value sharing among employees and shareholders

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### Group API pool funding process

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assessment</td>
<td>Qualitative assessment</td>
<td>Overall assessment</td>
</tr>
</tbody>
</table>

- **Step 1 Financial assessment**
  - Four equally weighted KPIs: ROE, Net operating margin, EVM profit (% of EVM), ENW growth per share
  - Includes assessment of the financial performance versus targets, a multi-year view and review of the quality of earnings that then impacts the overall assessment.

- **Step 2 Qualitative assessment**
  - Six dimensions: Client and service quality, Risk and control behaviour, Franchise building, Human capital and talent management, Strategic initiatives, Sustainability/ESG

- **Step 3 Overall assessment**
  - Series of overarching tests including pay for performance linkage, assessment of market competitiveness and affordability checks.
  - Overall Group assessment and proposal from management to the Compensation Committee: The Compensation Committee reviews, may request adjustment to any of the steps and recommends the final pool for approval to the full Board of Directors.

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*Read more in the 2020 Financial Report (pages 121-122)*
Strong link between sustainability-related performance targets and compensation

Swiss Re’s sustainability-related performance targets

- Sustainability-related performance targets are defined for the Group and for each Business Unit/Group Function
- At the end of the year, the Group as well as each Business Unit/Group Function report on their performance against such targets
- The outcome of this reporting is considered as one of six qualitative assessment dimensions in the Group API pool funding process
- This establishes a strong link between sustainability and compensation for all employees, including the Group EC

1 Examples being climate change, sustainable business and stakeholder engagement

Read more in the 2020 Financial Report (pages 121-122 and 131)
Leadership Performance Plan 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 Business Unit Executive Committees and Group Managing Directors the plan duration is five years
- Absolute Economic Net Worth (ENW) growth introduced as a third performance metric as of 2020 grants to strengthen the focus on growth as an incentive driver
- All three performance metrics have a linear vesting line, with payout between 0% and 100% for the Return on Equity and ENW growth metrics, and between 0% and 200% for the relative Total Shareholder Return metric
- Forfeiture conditions apply for the full three-year performance period; clawback provisions apply

Read more in the 2020 Financial Report (pages 123-124)
Swiss Re has consistently received support from shareholders on its compensation approach

- **Consultative Vote**
- **Binding Vote**

Shareholders continue to support Swiss Re’s approach to compensation

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

### Compensation Report
- Aggregate amount of variable short-term compensation for members of the Group EC for the prior Financial Year (FY)
- Maximum aggregate amount of fixed/variable long-term compensation for members of the Group EC for following FY
- Maximum aggregate amount of compensation for members of the BoD for term of office between AGMs

<table>
<thead>
<tr>
<th>Year</th>
<th>% For</th>
<th>% Against</th>
<th>% Abstain</th>
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<tbody>
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<td>2021</td>
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</tbody>
</table>
2020 Compensation Report was further enhanced to provide greater transparency and clarity in specific areas

Enhanced performance disclosure

• Added transparency on the Group API pool funding process, including disclosure of performance factors applied to determine the pool

• Enhanced disclosure on the use of, and rationale for, discretion in determining the Group API pool

• Increased transparency on achievements for each of the financial KPIs considered in the Group API pool funding process

Enhanced disclosure on sustainability

• Added details on sustainability-related performance targets, performance against those targets and their consideration in the Group API pool funding process
Find out more about Sustainability at Swiss Re

**Sustainability Report 2020**

**TCFD\(^1\) disclosures 2020**

**What lies ahead:**

**Sustainability in underwriting**
- Quantify and grow sustainability opportunities
- Continue to build lasting partnerships to develop scalable solutions addressing sustainability challenges

**Sustainability risks**
- Further enhance Sustainable Business Risk (SBR) Framework
- Include quantitative ESG risk assessments for insurance underwriting in SBR process

**Responsible Investing**
- Progress on 2025 targets and climate action plan
- Continued optimisation of ESG considerations to further improve risk-adjusted returns

**Targets and metrics**
- Roll-out of internal carbon levy and travel reduction strategy
- Continue journey on net-zero CO\(_2\) ambitions (operations by 2030, Asset and Liability side by 2050)

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\(^1\) Task Force on Climate-related Financial Disclosures, see pages 148-180 of [Financial Report 2020](https://www.swissre.com/sustainability)
# Corporate calendar & contacts

## Corporate calendar

### 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 July</td>
<td>H1 2021 Results</td>
<td>Conference call</td>
</tr>
<tr>
<td>29 October</td>
<td>9M 2021 Key Financial Data</td>
<td>Conference call</td>
</tr>
<tr>
<td>01 December</td>
<td>Investors’ Day 2021</td>
<td>Zurich</td>
</tr>
</tbody>
</table>

### 2022

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 February</td>
<td>2021 Annual Results</td>
<td>Conference call</td>
</tr>
</tbody>
</table>

## Investor Relations contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Hotline</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Bohun</td>
<td>+41 43 285 81 18</td>
<td>Deborah Gillott +41 43 285 25 15</td>
</tr>
<tr>
<td>Daniel Bischof</td>
<td>+41 43 285 46 35</td>
<td>Marcel Fuchs +41 43 285 36 11</td>
</tr>
<tr>
<td>Olivia Brindle</td>
<td>+41 43 285 64 37</td>
<td>Chiara Mantovani +41 43 285 48 12</td>
</tr>
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</table>

## Sustainability Team contact

<table>
<thead>
<tr>
<th>Name</th>
<th>E-mail</th>
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<tbody>
<tr>
<td>Reto Schnarwiler</td>
<td><a href="mailto:Reto_Schnarwiler@swissre.com">Reto_Schnarwiler@swissre.com</a></td>
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Highlights of Swiss Re’s Sustainability approach | May 2021
Highlights of Swiss Re’s Sustainability approach | May 2021
Cautionary note on forward-looking statements

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

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

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism or acts of war;
- mortality, morbidity and longevity experience;
- the cyclicality of the reinsurance sector;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- increased volatility of, and/or disruption in, global capital and credit markets;
- the Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group’s financial strength or otherwise;
- the Group’s inability to realize amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- the Group’s inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;
- changes in legislation and regulation, or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability;
- the outcome of tax audits, the ability to realize tax loss carryforwards and the ability to realize deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on the Group’s business model;
- changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities;
- changes in accounting standards, practices or policies;
- strengthening or weakening of foreign currencies;
- reforms of, or other potential changes to, benchmark reference rates;
- failure of the Group’s hedging arrangements to be effective;
- significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than-expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
- extraordinary events affecting the Group’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- changing levels of competition;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- limitations on the ability of the Group’s subsidiaries to pay dividends or make other distributions; and
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