Swiss Re

2016 Corporate Responsibility Report
Enabling sustainable progress

Cover

Guangdong Province is one of China's most important economic hubs, but is heavily exposed to natural disasters. In 2016, we helped to launch a major pilot scheme offering insurance protection against tropical cyclones and excessive rainfall in the province. You can read about this and other solutions building risk resilience on pages 18–27.

More information online:
reports.swissre.com/corporate-responsibility-report/2016/

The 2016 Corporate Responsibility Report sets out our commitment as a responsible company and describes the actions we have taken to **put this commitment into practice.**

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Executive statement

Walter B. Kielholz

Christian Mumenthaler

Dear stakeholders

Welcome to the 2016 edition of our Corporate Responsibility Report. With this annual publication, we seek to explain what being a responsible company means to us and give you an account of our key activities and achievements. Swiss Re's overall vision is to make the world more resilient, which requires tackling significant environmental, social and governance (ESG) topics. In 2016, we carried out a review of the most relevant ESG topics facing our company, based on our own risk know-how and insights from dialogue with our stakeholders. We have condensed the findings into a graphic Corporate Responsibility Map, which you can view on page 13.

As in recent years, the current report also serves as our official disclosure document for two commitments we have made to the United Nations: the UN Global Compact and the UNEP Principles for Sustainable Insurance (PSI). We remain committed to both of these important initiatives. In 2016, we also played an active role in developing the Financial Stability Board's Climate-related Financial Disclosures. We have started to integrate these new disclosure requirements in the "Corporate responsibility" chapter of our 2016 Financial Report and invite you to read this in parallel with the present publication.

Below we would like to summarise our recent achievements in the main areas in which we address our ESG priorities: In our core re/insurance business, we continued to work closely with our clients and partners to help them tackle climate and natural disaster risks and improve food security. Highlights completed in 2016 include a pioneering scheme protecting UK homeowners against flood risks, two major natural catastrophe pilots in China, and solutions offering better insurance protection to small businesses and smallholder farmers in Guatemala, Kenya and Indonesia. In addition, we supported sustainable energy solutions by becoming co-lead insurer of two large offshore wind farm projects.

While our re/insurance solutions aim to improve resilience to specific risks, in risk management our goal as a responsible company is to recognise and avoid certain risks we do not want to underwrite – because of their loss potential, ethical concerns or both. Through our Sustainability Risk Framework, we carried out due diligence checks on more than 7 000 potentially sensitive transactions, abstaining or proceeding with conditions if warranted. We also sharpened guidance for our underwriters on how to spot and deal with potential anti-bribery and corruption risks. Our highly regarded SONAR publication again presented our insights on selected emerging risks; in this Corporate Responsibility Report, you can read a case study about human-induced earthquakes.

As we said at the beginning, ongoing and open dialogue with you, dear stakeholders, gives us important insights on the issues we should tackle to help make the world more resilient. In 2016, we continued to foster dialogue on topics we also address through our re/insurance solutions, ie climate and natural disaster risks, food security, funding longer lives, and sustainable energy. A highlight among several new publications we published was a three-part report produced together with the World Energy Council and Marsh & McLennan Companies on "financing resilient energy infrastructure". We also hosted many events at our Centre for Global Dialogue, including our fourth data protection symposium focusing on ethics and e-health in insurance – an important topic raised by digitalisation.

Swiss Re is a knowledge company. As such, the environmental impact of our operations is relatively small. Nevertheless, we believe that minimising our environmental footprint is an important aspect of being a responsible company. Indeed, as part of our Greenhouse Neutral Programme we roughly halved our CO_2 emissions per employee since 2003 and have offset the remainder. Our current goal is to combine our growth strategy in new markets with keeping our per-capita emissions steady. We have committed to using 100% renewable energy by 2020 and are currently building a large solar power plant at our US headquarters in Armonk. In our supply chain, we have started to implement EcoVadis, a collaborative platform that will allow us to screen the sustainability performance of our suppliers more systematically.

Reflecting our long-standing commitment and the comprehensive range of our efforts as a responsible company, we were confirmed insurance industry group leader in the prestigious Dow Jones Sustainability Indices in 2016 – the tenth time we have earned this accolade since 2004. We are particularly proud of this achievement, because it represents an important stakeholder's view of Swiss Re.

Such continued success as a responsible company would not be possible without our employees, of course. We would like to take this opportunity to thank them sincerely for the professionalism and dedication they showed again throughout the past year. In this report you can also find out how we engage with our people through Swiss Re's unique culture of being "smarter together".

Zurich, 16 March 2017

Walter B. Kielholz
Chairman of the Board of Directors

Christian Mumenthaler
Group Chief Executive Officer

The Swiss Re Foundation in 2016 – Shared skills, resilient futures
This separate report describes how the Swiss Re Foundation helps communities to build resilience to risk.

UN GLOBAL COMPACT
WE SUPPORT

ROBECOSAM
Sustainability Award
Gold Class 2017

Who we are and what we do

Our vision: We make the world more resilient.

Swiss Re at a glance

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing directly and working through brokers, our global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. From standard products to tailor-made coverage across all lines of business, we deploy our capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend.

Working with our clients and partners, we help to protect assets and lives around the globe – for a resilient future.

Headquartered in Zurich, Switzerland, Swiss Re has operations across the world. At the end of 2016, we had over 80 office locations in more than 30 countries. Based on "net premiums earned and fee income from policy-holders", our ten biggest markets in 2016 were: the United States, the United Kingdom, China, Australia, Germany, Canada, Japan, Switzerland, Ireland and France. They accounted for 79% of the Group's total business over the year.

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

OUR GLOBAL PRESENCE

	Europe (including Middle East and Africa)
Net premiums earned and fee income in 2016 (USD billions)	10.9 (USD 10.3 billion in 2015)
Number of office locations as of 31 December 2016	28* (24 in 2015)
Number of employees (regular staff) as of 31 December 2016	8 531 (7 689 in 2015)

* Counting all Zurich premises as one location

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

Our strategic framework

Our Group strategy helps us to meet our financial targets and to make the world more resilient.

You can get more information on our strategy in the 2016 Business Report at: reports.swissre.com/2016/business-report/our-strategy.html

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

Americas	Asia-Pacific	Total
15.1 (USD 13.2 billion in 2015)	7.2 (USD 6.7 billion in 2015)	33.2 (USD 30.2 billion in 2015)
42 (36 in 2015)	15 (15 in 2015)	85 (75 in 2015)
3 595 (3 367 in 2015)	1 927 (1 711 in 2015)	14 053 (12 767 in 2015

The Swiss Re Group

Reinsurance

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

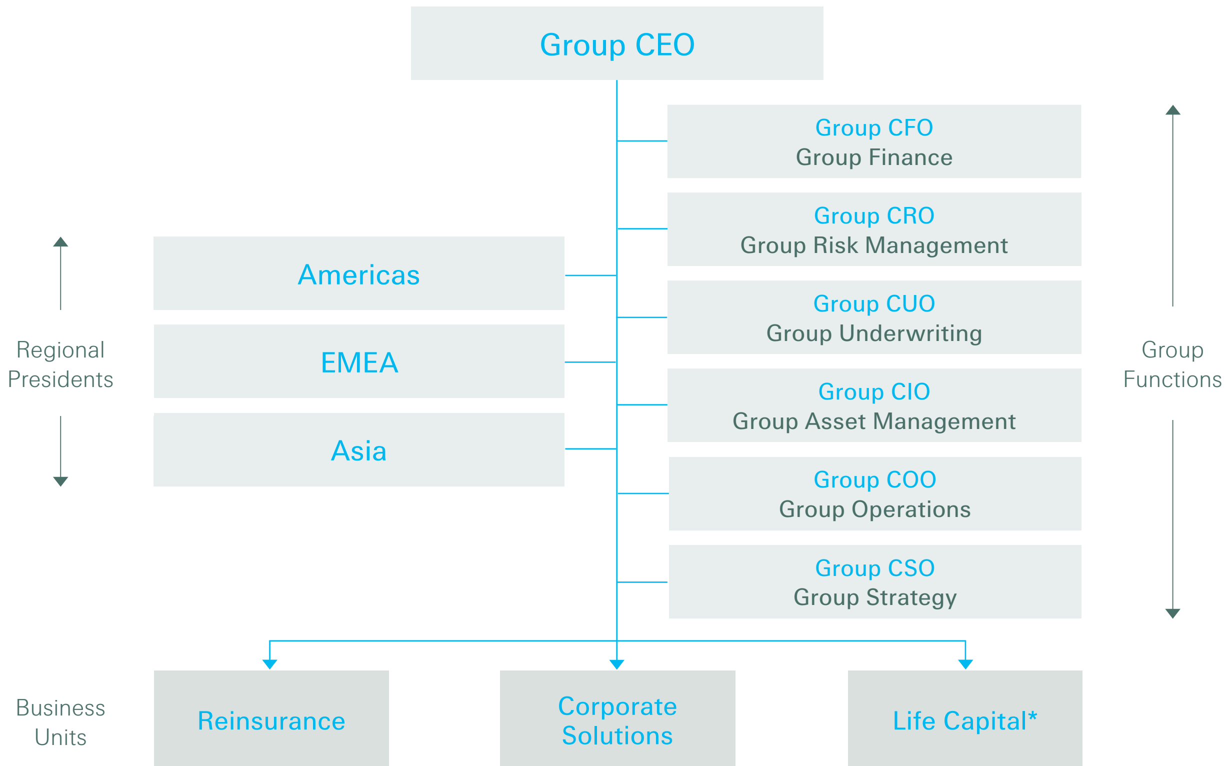
Corporate Solutions

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

Life Capital

Life Capital manages closed and open life and health insurance books. The Business Unit provides alternative access to the life and health risk pool, helping to generate stable returns and seize attractive new opportunities. For our clients and partners, it provides a primary insurance balance sheet, efficient policy administration services, life and health expertise and knowledge for reaching more markets and offering new products.

Operational Group structure



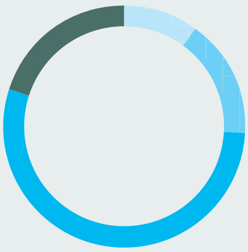
* Since 1 January 2016 Admin Re® is part of the Business Unit Life Capital.

Financial highlights

USD millions	2015	2016
Total assets	196 135	**215 065**
Total investments	137 810	**155 016**
Total liabilities	162 529	**179 349**
Total debt	12 812	**11 351**
Common shareholders' equity	32 415	**34 532**
Total revenues	35 714	**43 786**
Premiums earned and fee income	30 214	**33 231**
- P&C Reinsurance	15 090	**17 008**
- L&H Reinsurance	10 616	**11 527**
- Corporate Solutions	3 379	**3 503**
- Life Capital	1 129	**1 193**
Total expenses	–30 395	**–39 414**
Claims and claim adjustment expenses	–9 848	**–12 564**
Life and health benefits	–9 080	**–10 859**
Net income	4 597	**3 558**

Attribution of 2016 Group income (in USD millions)

- 10% Variable compensation
- 16% Income tax expense
- 54% Net income paid out as dividend or share buy-back
- 20% Net income added to retained earnings



Attribution of Group income to key stakeholders

USD millions (unless otherwise stated)	2015	2016
Income before tax and variable compensation	5 758	**4 773**
Variable compensation[1]	510	**466**
Income tax expense	651	**749**
US GAAP net income attributable to shareholders	4 597	**3 558**
of which paid out as dividend[2]	1 561	**1 572**
of which share buy-back	1 018	**1 017**[3]
of which added to retained earnings within shareholders´ equity	2 018	**969**

[1] Aggregate compensation for all employees was CHF 2 265 million in 2016. See 2016 Financial Report, page 140.
[2] FY 2016 is estimated based on average year-to-date CHF/USD FX rates as of February 2017. The dividend is subject to Annual General Meeting (AGM) approval and the amount depends on the final number of dividend eligible shares and FX rates upon dividend payout.
[3] Includes shares bought back between 4 November 2016 and 9 February 2017 as part of the buy-back programme authorised at the AGM 2016. The total amount represents an estimate translated at the 2016 average CHF/USD FX rate.

The financial figures in the table at the top provide information on the scale of the Swiss Re Group and income generated: total capitalisation broken down in terms of debt and equity, sales/revenues, operating costs and net income.

The information in the lower table shows the distribution of Group income to key stakeholders (employees, government and shareholders).

Our approach to corporate responsibility

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

Our commitment to corporate responsibility

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

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

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

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

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

- EP100: see page 54
- Principles for Responsible Investment (PRI): see page 39
- RE100: see page 54
- Task Force on Climate-related Financial Disclosures (FSB-TCFD): see page 17 and 2016 Financial Report, pages 123–130
- UNEP FI Principles for Sustainable Insurance (PSI): for our Public Disclosure of Progress, see page 86
- UN Global Compact: for our Communication on Progress, see pages 87–91
- Carbon Disclosure Project (www.cdp.net)
- ClimateWise (www.cisl.cam.ac.uk/)

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

For more information see
swissre.com/corporate_responsibility/

Our values mean doing business the Swiss Re way:

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

Our general commitment to corporate responsibility:

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

Sustainability as a guiding principle:

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

How we determine materiality

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

In order to identify our most relevant "Corporate Responsibility Topics", we use both our internal risk expertise and ongoing dialogue with our stakeholders.

Insights from our internal risk expertise

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

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

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

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

Insights from dialogue with our stakeholders

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

With regard to such issues, we consider the following groups as our principal stakeholders:

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

With the Centre for Global Dialogue near Zurich, we have our own in-house conference centre. Part of the Swiss Re Institute as from 1 March 2017, it allows us to actively manage and encourage collaboration with our stakeholders. In 2016, we held or hosted more than 100 stakeholder events at the Centre. Our publications form a second important element of our stakeholder dialogue: in 2016, we published 15 new expertise publications and 25 new fact sheets.

Complementing the insights we gain directly through dialogue with our stakeholders, we also evaluate and use data provided by specialised third-party organisations such as RepRisk (www.reprisk.com), Sigwatch (www.sigwatch.com), MSCI (www.msci.com) and Sustainalytics (www.sustainalytics.com) as well as the results of academic research.

Our process to identify Corporate Responsibility Topics

When identifying material Corporate Responsibility Topics, we draw both on our internal, embedded risk expertise and the insights we gain from our stakeholder dialogue. In addition, we take into account the views of various standard setters on materiality, eg: reporting requirements, materiality definitions by sustainability rating agencies, multilateral discussions such as the UN Sustainable Development Goals (see page 12), relevant academic research and regulatory developments.

To process the information from these three key sources, we use the following steps:

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

For more information see
institute.swissre.com/about/the_centre/

For more information see
swissre.com/library/

Review of our Corporate Responsibility Topics

Based on the sequence of steps described above, we conducted a comprehensive review of the key Corporate Responsibility Topics we are faced with as a global re/insurer, and have developed a graphic Corporate Responsibility Map on this basis. All in all, the survey has revealed a high degree of continuity, but has also resulted in some important adjustments to the topics we want to address:

- Seven topics we identified in the past remain highly relevant to our efforts as a responsible company;
- For the topic "Empowering our people" we have chosen the more comprehensive description "Engaging our people";
- The topic "Empowering communities" has been added to the map to account for all the activities carried out by the Swiss Re Foundation;
- Two topics we have so far addressed under other headings now appear as entries in their own right ("Investing responsibly" and "Reducing our environmental footprint");
- Finally, our review has led us to specify two new topics, "Advancing access to insurance" and "Navigating the digital transformation".

Reflecting our two main insight sources and in line with current best practice, eg the recommendations of the Global Reporting Initiative (www.globalreporting.org), our Corporate Responsibility Map is structured along the two axes of "Stakeholder expectations" and "Relevance for Swiss Re" – in terms of the risks as well as the opportunities they may create. We have positioned all our Corporate Responsibility Topics within this map and classified them into "exploration", "management" and "priority".

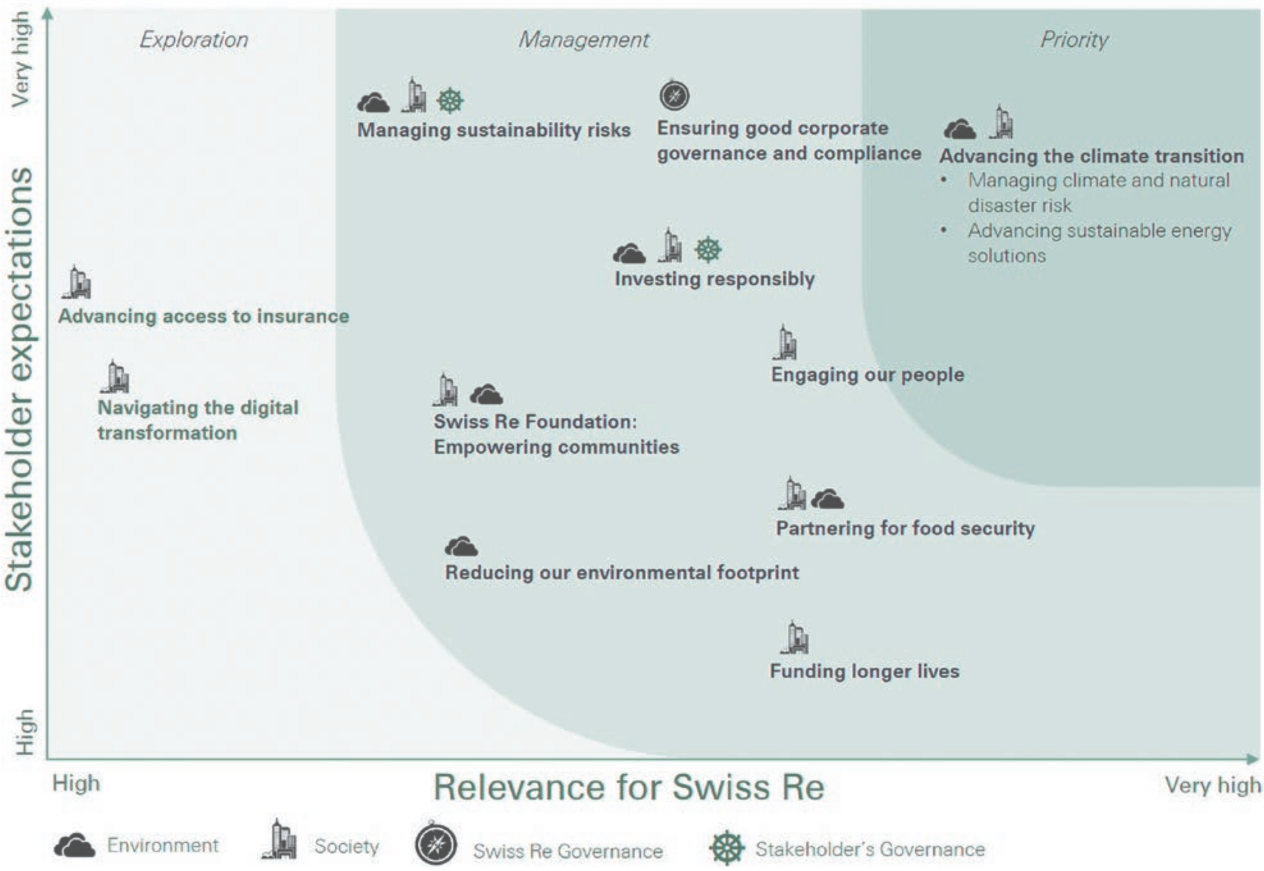
These three terms express different stages of relevance and maturity:

Exploration: Topics with increasing relevance from an internal perspective and an expected increase in stakeholder inquiries. Warrant further analysis.

Management: Topics recognised as being relevant and for which we have well-established management procedures. Stakeholder interest in them varies, though.

Priority: Topics with high stakeholder expectations as well as high internal relevance. Require continuous high attention and effort.

Our Corporate Responsibility Map:



Commitment to the UN Sustainable Development Goals (SDGs)
Swiss Re endorses the UN Agenda 2030. Many of our activities described in the present report contribute to one or several of the agenda's 17 global goals, in particular:

- Ensuring access to affordable, reliable, sustainable and modern energy (SDG 7);
- Taking action to combat climate change and its impacts (SDG 13);
- Ensuring sustainable consumption and production patterns (SDG 12);
- Partnering for the goals (SDG 17).

We are currently exploring how we can further align our activities with the SDGs.

www.un.org/sustainabledevelopment/sustainable-development-goals/

A community in Indonesia grappling with a flooded street. Helping to reduce the risk of natural catastrophes by advancing the climate transition remains one of our top priorities.

Climate change

Climate change has been our most important sustainability issue for many years: For a reinsurer, it constitutes a key topic because it will lead to an increase in the frequency and severity of natural catastrophes such as floods, storms, excessive rainfall and drought. In combination with growing asset concentrations in exposed areas and more widespread insurance protection, this will cause a steady rise in losses. Of our current Corporate Responsibility Topics shown on page 11, two are directly connected to climate change: "Managing climate and natural disaster risk" and "Advancing sustainable energy solutions".

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

The four pillars of our climate change strategy

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

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

Goals for our Corporate Responsibility Topics

For all our existing as well as the revised and new Corporate Responsibility Topics we have set goals – some quantitative, others qualitative. The overview on page 15 shows where you can find information on the progress we have made on these goals.

Managing climate and natural disaster risk

- For general strategic objectives, see special section on our climate change strategy on page 12;
- Based on our commitment made to the UN, offer USD 10 billion protection against climate risks to 50 sovereigns and sub-sovereigns by 2020.

Advancing sustainable energy solutions

- Use our capacity and technical expertise to provide effective risk covers for complex offshore wind farm projects.

Funding longer lives

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

Partnering for food security

- In cooperation with key stakeholders, create solutions to improve food security by giving farmers protection against natural perils;
- Through our commitment to the Grow Africa Partnership, offer up to 1.4 million smallholder farmers in Sub-Saharan Africa protection against weather risks by 2017.

Managing sustainability risks

- Consistently identify potential sustainability risks in our business transactions and abstain from them if warranted;
- Increase the effectiveness and efficiency of the Sensitive Business Risk (SBR) process by advancing automation of sustainability risk screening with our proprietary SBR Assessment Tool;
- Engage with clients and industry partners on how to address and reduce sustainability risks in business transactions, especially in high growth markets.

Engaging our people

- Continue to build an organisation of diverse people that have a passion to make the world more resilient;
- Achieve a top-quartile employee engagement score (EES >71%).

Ensuring good corporate governance and compliance

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

Investing responsibly

- Meet our investment target for green bonds of at least USD 1.0 billion.

Reducing our environmental footprint

- Keep per-capita CO_2 emissions from our own operations at 2013 levels, which we had reduced by 49.3% in the ten years since 2003;
- Reduce our energy intensity by an average 2% per year;
- Obtain 100% of power used for our own operations from renewable sources by 2020;
- Include our tier 1 and tier 2 vendors in the EcoVadis platform by 2020.

Swiss Re Foundation: Empowering communities

- Contribute to resilient societies by increasingly engaging Swiss Re employees with their skills and expertise.

Advancing access to insurance

- Advance our understanding of the societal impact of insurance and develop metrics to measure our impact on stakeholders.

Navigating the digital transformation

- Refine our understanding of societal challenges related to the digital transformation.

Implementation areas

We seek to address our Corporate Responsibility Topics across all the areas of our business where our activities can make a contribution to sustainable value creation. These areas are listed below:

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

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

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

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

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

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

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

The overview on the right shows in which implementation areas we addressed which Corporate Responsibility Topics in 2016, and where you can find corresponding information in the present publication or in "The Swiss Re Foundation in 2016" report. The overview reflects our new Corporate Responsibility Map and thus comprises all our Corporate Responsibility Topics, including those singled out, added and newly included at the "exploration" stage.

Overview: where and how we have addressed our Corporate Responsibility (CR) Topics

Implementation areas / CR Topics	Business solutions	Risk intelligence	Stakeholder dialogue	Our operations – Footprint – Our people	Active in society	Corporate governance & compliance
Managing climate and natural disaster risk	pages 18–25	page 35	pages 45–46, 48, 50	pages 52–61	SRF	
Advancing sustainable energy solutions	pages 26–27		pages 43–44	pages 54–55	SRF	
Funding longer lives	page 27		page 45		SRF	
Partnering for food security	pages 22–23, 25		pages 46–48		SRF	
Managing sustainability risks		pages 28–33	pages 32–33			
Engaging our people				pages 62–73	SRF	
Ensuring good corporate governance and compliance		page 31				pages 74–77
Investing responsibly		pages 38–41				
Reducing our environmental footprint				pages 52–61		
Swiss Re Foundation: Empowering communities					pages 78–79, SRF	
Advancing access to insurance	pages 21–25		pages 46–47, 50		SRF	
Navigating the digital transformation			pages 48–49			page 77

SRF = "The Swiss Re Foundation in 2016 – Shared skills, resilient futures" report

Board and senior management responsibility

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

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

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

Disclosure and accountability

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

Content definition
The structure of the present report reflects the "implementation areas" in which we address our Corporate Responsibility Topics: each of these areas is covered by an individual chapter – with one exception: Our role as an active citizen in society is described in a separate report published by the Swiss Re Foundation (see pages 78–79). Thus, the report includes the following six main chapters:

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

The content presented in these chapters primarily reflects our Corporate Responsibility Topics, as shown in the overview table on page 15.

Scope and publishing rhythm
Our Corporate Responsibility Report covers the whole Swiss Re Group as it was organised by 31 December 2016, ie the publicly listed holding company Swiss Re Ltd, its three Business Units Reinsurance, Corporate Solutions and Life Capital, and all directly or indirectly held subsidiaries. Our new Life Capital Business Unit was established on 1 January 2016, comprising the existing Admin Re® business. There were no other changes to the Group's organisational structure during the year.

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

In the 2016 reporting cycle, we have also started to integrate the disclosure recommendations recently developed by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (www.fsb-tcfd.org). In view of their clear focus on financially relevant information, we are using the dedicated "Corporate responsibility" chapter of our 2016 Financial Report for this purpose (see pages 123–130).

The present report follows the 2015 edition and covers the calendar year of 2016 ending 31 December 2016. We plan to maintain our annual publishing cycle and to present our next Corporate Responsibility Report in the first quarter of 2018, covering the year of 2017.

To get a complete overview of our actions as a responsible company, this report should be read in conjunction with Swiss Re's Annual Report and the report published by the Swiss Re Foundation (see pages 78–79).

Independent assurance

All the main chapters of the 2016 Corporate Responsibility Report have received independent assurance from PricewaterhouseCoopers. Their assurance report is included on pages 82–83.

Reporting frameworks

The present report incorporates our 2016 Communication on Progress for the UN Global Compact (www.unglobalcompact.org/). References to the Compact's ten principles are incorporated into the GRI Content Index (see pages 87–91). For the third consecutive year, we also report against the Principles for Sustainable Insurance, PSI (www.unepfi.org/psi). You can find our Public Disclosure of Progress on page 86.

Note on our implementation of the GRI G4 Guidelines

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

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

Note on Indicators G4-21 and G4-22 on internal and external "aspect boundaries": Of the "material aspects" to which we refer in the present report, we regard most as material "inside the organization". Those aspects that are also or primarily "material outside the organization" relate to our supply chain (supplier assessments regarding environment, labour practices, human rights and impacts on society), the human rights performance of our investees and re/insurance clients (investment, freedom of association and collective bargaining, child labour, forced or compulsory labour, and assessment) and the environmental and social performance of our investees (active ownership).

Furthermore, we include the two aspects "water" and "effluents and waste" of the environmental category in our reporting, even though they are not highly material for a non-industrial company. However, many rating organisations expect information and data on them from companies in the financial services sector, too.

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

Creating **solutions for sustainability**

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

—

USD 2.5 bn

Natural catastrophe premiums in our P&C Reinsurance business

(USD 2.6 billion in 2015)

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

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

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

Across our efforts, we seek to develop solutions that improve access to insurance protection, especially in emerging and developing countries.

If governments and communities are financially protected against risks such as windstorms, earthquakes, drought and flooding, they can better cope with the immediate consequences of a disaster.

Just as importantly, our solutions help to create the conditions for sustained social and economic development, as they help to safeguard investments, allow governments to stabilise budgets and give people the financial stability required to build and maintain businesses.

Natural catastrophes and climate change

Natural catastrophes are a key risk in our Property & Casualty (P&C) business. The damage caused by floods, storms, earthquakes and other natural disasters can affect millions of lives and the economies of entire countries. In 2016, the total worldwide economic losses from natural and man-made catastrophes were estimated at USD 175 billion – of these, USD 54 billion were insured. Having access to effective re/insurance protection against natural catastrophes creates significant benefits for our clients and for society at large. In 2016, we received USD 2.5 billion of P&C Reinsurance premiums for natural catastrophe covers (for losses larger than USD 20 million), which was equivalent to approximately 15% of total premiums in this business segment.

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

This general trend will continue. But crucially, losses will be further aggravated by climate change. The scientific consensus is that a continued rise in average global temperatures will have a significant effect on weather-related natural catastrophes. According to the Special Report on Extremes (SREX, 2012) and the Fifth Assessment Report (AR5, 2014), published by the Intergovernmental Panel on Climate Change (IPCC, www.ipcc.ch), a

A coastline in the US being battered by a hurricane. Understanding the impact of climate change on the frequency and intensity of natural catastrophes is vital for our business.

Natural catastrophe data
In our 2016 Financial Report we provide detailed quantitative information on natural catastrophe perils: the four perils with the highest expected annual losses (page 125) and the liquidity requirements stemming from four extreme loss scenarios ("insurance risk stress tests", page 73).

changing climate gradually leads to shifts in the frequency, intensity, spatial extent, duration and timing of extreme weather events.

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

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

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

In addition to providing re/insurance covers, we offer our clients strategic expertise and integral risk assessments of natural disasters and climate adaptation. These include our Economics of Climate Adaptation (ECA) studies, free access for our clients to Swiss Re's

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

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

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

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

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

CatNet® tool and our expertise publications. You can see a sample of our recent publications on pages 51 and 80–81.

CatNet®: free natural hazard information for our clients

CatNet®, Swiss Re's online natural hazard atlas, makes regions' risk profiles visible. Clients can view these profiles in maps that are complemented by a geographical database with detailed information on natural hazards such as earthquakes, tropical cyclones, winter storms, tsunamis and floods. CatNet® thus provides a professional overview and assessment of risk exposures across the globe, quickly and easily.

We completely overhauled our CatNet® tool in 2016. It is browser-based and available free of charge to our clients. You can find more information by visiting swissre.com/catnet

Strengthening risk resilience: 2016 highlights

Hereafter, we describe some key transactions and initiatives we were involved in during 2016 to strengthen risk resilience. Covering a range of natural disaster and weather risks, they help communities become more resilient to such shocks by ensuring that adequate funding is in place for quick and effective responses.

Helping to make New Orleans more resilient

More than ten years have passed since September 2005 when New Orleans was hit by Hurricane Katrina and suffered massive damage through the ensuing storm surge and flooding. Culminating its fight back from disaster, the city's leadership launched Resilient New Orleans ("Resilient Nola", www.resilientnola.org) in 2015, the world's first comprehensive urban resilience strategy.

We have played a prominent part in this initiative, joining up with utility company Veolia to help make the city's vital systems more resilient to disasters, on the one hand, and to facilitate speedy relief and recovery on the other. At a ceremony celebrating Resilient Nola's first anniversary in September

Insurance-linked securities

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

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

In 2016, our registered broker-dealer subsidiaries arranged non-life ILS worth USD 1.33 billion, all of them for clients. This was equivalent to about a fifth of total new issuance in the non-life ILS market.

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

2016, the project's key measures were presented to the public. Since then, the baseline exposure and existing resilience of all the city's water, sanitation and related energy assets has been assessed to today's risk as well as the expected risk in 30 years' time, based on Swiss Re's proprietary catastrophe modelling and climate risk analysis.

With this analysis in hand, New Orleans is exploring ways to utilise the capacity of the private sector to ensure the city can respond faster after a disaster and safeguard its economic future.

Protecting homeowners in the UK against flood risk

In the UK, we started to provide support to Flood Re (www.floodre.co.uk), a pioneering scheme to make flood insurance more affordable for residential homeowners at risk. In recent years, floods have risen in frequency and intensity in the UK, causing unprecedented damage. Given the impact of climate change on northern European winter storms, this trend will likely continue or even increase.

Based on a partnership between the UK government and the insurance industry, Flood Re manages a central fund that allows insurers to pass on the flood risk of individual policies. When a homeowner suffers damage from flooding and makes a valid claim, the scheme reimburses the respective insurer out of this fund. This reduces insurance premiums for flood-prone homes.

Swiss Re supports the programme as a lead reinsurer. In total, Flood Re has secured GBP 2.1 billion of reinsurance cover, making it one of the five largest natural disaster schemes in the world. Ultimately, it is expected to reach some 350 000 households in the UK, providing valuable learnings for other countries at high risk of flooding.

Ramping up natural disaster insurance in China

In 2016, we helped to establish two significant insurance pilot programmes against natural disaster risks in China. Both offer protection of up to around USD 350 million, which makes them the largest commercial natural disaster insurance schemes in China to date. Furthermore, both use parametric triggers, which means they can pay out quickly in the event of a disaster.

The first of the two programmes involves the government of Heilongjiang Province and the Sunlight Agriculture Mutual Insurance Company of China. It protects farmers in 28 poor rural counties of the province against the financial consequences of natural catastrophes, specifically floods, excessive rain, drought and low temperatures. Combining a weather index product and a satellite-based parametric product, the programme covers harm to lives and property as well as loss of income.

Many towns in the north of England have been hit by major floods in recent years. In 2016, we started to support Flood Re, a pioneering scheme set up to offer vulnerable UK homeowners more affordable flood insurance.

As the programme's sole reinsurer and technical adviser, we used advanced modelling techniques to design this innovative solution – the first of its kind.

In the second pilot, we act as sole reinsurer to protect ten prefectures of Guangdong Province against damage from tropical cyclones and excessive rainfall, in cooperation with local insurers, including the People's Insurance Company of China (PICC, www.picc.com). This, too, is a parametric product, using rainfall and wind speed indices to allow for faster payouts. Having quick access to emergency funding after a natural disaster is particularly important in Guangdong. It is one of China's most important economic hubs and home to many global companies, but faces a severe natural disaster risk.

You can read more about the background of these pilot programmes on page 48.

Supporting a national rice insurance scheme in Thailand

Thailand is one of the world's top rice producers. Rice farming is prevalent across the entire country and provides large parts of the population with their livelihoods. However, rice farmers in the country face the latent threat of natural disasters, in particular floods and droughts. To address this, a rice insurance scheme, complementing the Government Disaster Relief Programme, was launched together with the Thai General Insurance Association (www.tgia.org) a decade ago, offering further financial assistance to farmers whose crops have been damaged by destructive weather conditions.

Unfortunately, a typical problem of such traditional crop insurance schemes is that their administration costs are often too high in the early stages when they do not yet have the critical mass of policies to make them viable for their key stakeholders, ie governments, insurance companies and farmers. To overcome this obstacle and scale up the scheme, we have worked closely with the Thai government over the last two years.

As a result of these efforts, the scheme was approved for a milestone budget of THB 3 billion (approximately USD 90 million) in 2016, with the goal of covering two million rice farmers. The plan for the future is to extend the scheme to further crops and to widen the policy covers.

Enabling MFIs in Indonesia to cope with earthquakes

The provinces of Aceh and West Sumatra in Indonesia are highly prone to earthquakes. The devastation caused by the tsunami of 2004, which was triggered by a magnitude 9.1 earthquake, is still in everybody's minds. Five years later, in 2009, an earthquake with a magnitude of 7.6 occurred 55 kilometres west of Padang, the capital of West Sumatra Province. It is estimated to have caused total losses of approximately USD 2.5 billion, of which only USD 55 million were insured.

Such earthquakes not only cost many lives and destroy homes and buildings, they also have serious consequences for economic growth and development in the region. Responding to this threat, we have partnered with PT Asuransi Wahana Tata (Aswata, www.aswata.co.id) and Mercy Corps (www.mercycorps.org.uk) in Indonesia to develop the first parametric insurance solution benefiting microfinance institutions (MFIs) in the area. It is triggered by the measured strength of an earthquake and then pays out automatically.

MFIs are crucial for economic development in the area because they provide credit and insurance to numerous small businesses that could not survive otherwise. As the insured MFIs receive emergency funds quickly in the event of a strong earthquake, they have the means to help their small business clients to stay afloat and rebuild. Swiss Re supports this innovative solution with product structuring, pricing and underwriting, as well as reinsuring the risk.

Protecting Kenyan livestock farmers against drought

Droughts are responsible for approximately 75% of livestock deaths in the Horn of Africa, repeatedly leaving herders, their families and entire communities destitute. To protect pastoralists against this persistent threat, we helped to launch the Kenya Livestock Insurance Program (KLIP), the first-ever government livestock insurance scheme in Africa.

KLIP was successfully piloted in late 2015 in Wajir and Turkana, two counties in the country's north, and is now being scaled up to benefit herders in remote areas across the whole of Kenya. It is an index-based livestock insurance scheme that uses satellite imagery to assess the state of grazing conditions by measuring deviation in the colour of ground vegetation. When a certain threshold is reached, the insured herders automatically receive a lump sum payment, allowing them to provide their livestock with feed and water.

The programme was developed with the support of Kenya's Ministry of Agriculture (www.mygov.go.ke), the World Bank (www.worldbank.org), local insurers and the International Livestock Research Institute (www.ilri.org) in Nairobi, with Swiss Re acting as the main reinsurance provider. Wholly funded by the Kenyan government, the programme involves preselection of beneficiaries from vulnerable households by county governments under the Hunger Safety Net Program (www.hsnp.or.ke). It covers up to five animals per household, but herders can choose to insure more animals at their own expense.

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

A mother and daughter team preparing fresh black tortillas for a small restaurant in the northwest of Guatemala. Working together with MiCRO and other partners, we help to insure small businesses and smallholder farmers in the country against natural disaster and weather risks that may threaten their livelihoods.

Helping to insure small businesses in Guatemala

After the devastating earthquake that struck Haiti in 2010, Swiss Re helped set up the Microinsurance Catastrophe Risk Organisation, or MiCRO for short (www.microrisk.org). Combining the capital efficiency of the reinsurance market with donor capital, MiCRO specialises in developing attractive and affordable insurance solutions for low-income populations, especially micro-entrepreneurs and smallholder farmers.

In 2016, MiCRO launched a new product in Guatemala offering insurance protection against losses resulting from excessive rainfall, severe drought or earthquakes. It is an index-based solution, paying out automatically according to predetermined parameters and event data from objective sources, including NASA satellites. Local partners Banrural (www.banrual.com.gt) and Aseguradora Rural (www.aseguradorarural.com.gt) sell the policies. Swiss Re provided technical assistance during product development and reinsures the risks.

The agriculture and small business sectors are vital to the further development of Central American economies in general, but are highly vulnerable to weather-related risks. On top of this, climate change is expected to aggravate extreme weather events, increasing both their frequency and intensity. MiCRO plans to expand such index-based insurance products to further countries, and has already submitted one for approval in El Salvador. The goal is to reach 250 000 people in the region by 2019.

Payouts to our clients in 2016

Innovative solutions, as described on these pages, all help to extend insurance protection. Three such solutions we have helped develop in recent years showed their practical benefits in 2016 by making payouts to their clients.

In the Caribbean, Hurricane Matthew caused many casualties and brought widespread destruction across the region. CCRIF SPC (www.ccrif.org), formerly the Caribbean Catastrophe Risk Insurance Facility, which we have been reinsuring since 2008, made payouts totalling USD 29 million to the governments of Haiti, Barbados, St. Lucia, St. Vincent and the Grenadines within two weeks of the disaster. This brought the total of emergency payouts to 21 since 2007, worth USD 68 million.

In southern China, Typhoon Haima fortunately had a less severe human toll but destroyed many houses and crops. The city of Shanwei in Guangdong Province is one of the prefectures that earlier in the year had signed up to our parametric insurance programme against natural disaster risks and so received a payout less than a week after the impact.

In Mexico, the MultiCat cat bond, which we helped to develop in 2009 in cooperation with the World Bank, made a payout of USD 50 million to the Mexican government early in the year. The payment was triggered by Hurricane Patricia in October 2015. When the storm formed off Mexico's western coast, it was one of the strongest hurricanes on record. Fortunately, it weakened before making landfall and took a track over more rural areas, sparing many lives.

—

USD
3.9 billion

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

—

1 million

Smallholder farmers benefiting from the Grow Africa Partnership in 2016

Our commitments

... to the United Nations

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

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

We have agreed with the United Nations to report publicly on the progress we make on this commitment. By the end of 2016, we had advised 26 sovereigns and sub-sovereigns on climate risk resilience and offered them a total of USD 3.9 billion in re/insurance protection.

... to the Grow Africa Partnership

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

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

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

Working together with different partners, we helped to bring weather insurance to 1 million smallholder farmers in 11 Sub-Saharan countries by the end of 2016. This is less than the 1.6 million recorded in the previous year. The reasons for this decrease are twofold: Firstly, developing schemes that promise to become commercially viable continues to face significant challenges, in particular regarding the creation of effective distribution networks and overcoming market fragmentation. Secondly, the entry of additional capacity providers into some existing schemes has led to a reduction of Swiss Re's participation share in them.

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

35

Offshore wind projects we have participated in over the last five years

Sustainable energy solutions

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

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

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

In the last five years, Swiss Re Corporate Solutions has participated in 35 offshore wind projects, including wind farms, standalone offshore substations and standalone export cables. In 2016, we were involved in nine offshore wind farm projects worldwide and were the lead insurer in five of them.

Rentel offshore wind farm

These five projects include two we signed in 2016 as co-lead insurer. One of them is Rentel (www.rentel.be) in the Belgian North Sea, situated approximately 34 km from Zeebrugge and 40 km from Ostend. It is being developed by a consortium of eight Belgian shareholders with a strong track record in offshore wind, who joined forces in a strategic competence centre. The insurance cover offers Rentel compensation for material damage and loss of profit, both in the construction phase and the first three years of the farm's operational phase.

Offshore wind farms come with complex risks. Swiss Re Corporate Solutions has the financial capacity and the technical know-how to offer effective insurance for such risks.

Rentel will comprise 42 wind turbines of 7.35 megawatts each, in total producing 309 megawatts at peak. The turbines are connected to an offshore transformer station, from which the power will be transmitted to an onshore substation at Zeebrugge and fed into the grid. The electricity generated by the wind farm will supply approximately 285 000 households with climate-friendly energy. Construction started in early 2017 and is expected to be completed by the end of 2018.

Merkur offshore wind farm

The second new facility we underwrote in 2016 is Merkur Offshore Wind Park in the German sector of the North Sea, 45 km off the island of Borkum. It is a joint venture between Windreich and Belgium-based DEME. Merkur, too, is insured against material damage and loss of profit in its construction phase and the first three years of its operational phase. Beyond this, the insurance cover also protects the manufacturers of the wind turbines and foundations.

Merkur will consist of 66 wind turbines of 6 megawatts each, resulting in a total installed capacity of 396 megawatts. As the wind park is located a considerable distance away from the German mainland, the power it generates will be transmitted to a converter station currently being built (DolWin gamma) and converted to direct current. This technology makes it possible to minimise transmission losses over the 80 km long sea cable.

Award for an innovative wind risk hedge

In 2016, Swiss Re Corporate Solutions won the second consecutive award from Environmental Finance magazine for a particularly innovative transaction in the "weather risk management" category. The award recognised a wind risk hedge we developed for Infigen Energy, the largest owner of wind energy capacity in Australia. This hedge is the first of its kind because it looks at actual energy production across multiple sites. In contrast, traditional wind protection solutions are tied to single sites and are based on modelled wind speed indexes.

In practice, the new product pays Infigen Energy a fixed amount for each megawatt hour of energy production lost due to low wind, below a specified trigger across its entire 557 megawatt Australian portfolio of six wind farms. This helps our client to raise cash flow predictability and to reduce earnings volatility. As renewable energy investment continues to grow, we expect demand for effective risk management solutions such as this to increase substantially over the next few years. We already won this award in 2015 for a solar hedge for photovoltaic power plants in China, underlining our ability to respond to this demand.

Life & health insurance and funding longer lives

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

Longevity and health insurance remained two of our strategic priorities in the L&H business. The demand for longevity solutions is expected to grow further as demographics shift. We have invested in research and development to improve our ability to predict mortality and longevity trends.

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

Longevity solutions

With life expectancy rising, pension schemes face the risk that they will not be able to meet all their commitments. Longevity transactions cover this risk by insuring the schemes' liabilities in case their members live longer than expected.

In recent years, we have completed a number of landmark longevity transactions with different clients in the UK:

- The Scottish & Newcastle Pension Plan (19 000 members)
- The Aviva Staff Pension Scheme (19 000 members plus partners)
- One of AkzoNobel's pension funds (17 000 members)
- The LV= pension fund (more than 5 000 members)
- The Royal County of Berkshire Pension Fund (11 000 members).

We have described these transactions in more detail in recent editions of our Corporate Responsibility Report.

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

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

Extending **our risk intelligence**

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

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

Risk management is an integral part of Swiss Re's business model and key to the controlled risk-taking that underpins our financial strength. It is embedded throughout our business and ensures that the Group and the three Business Units have the necessary expertise, frameworks and infrastructure to support good risk-taking (see 2016 Financial Report, pages 54–55 and 63–79).

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

Sustainability, political, regulatory and emerging risks are particularly relevant in this respect. We have developed instruments and know-how that help us to identify and assess all of them. This allows us to determine the specific risks we think we should avoid – because of their loss potential, for ethical reasons, or both. This extended risk awareness is also key to managing our assets responsibly. The risk assessments we make through our Sustainability Risk Framework, in particular, flow directly into our investment decisions.

Our Sustainability Risk Framework

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

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

Our Sustainability Risk Framework is an advanced risk management instrument, specifically designed to identify and address the potentially negative effects of our transactions on local communities, workforces and the environment. This framework applies to all of our business transactions in re/insurance as well as investments, to the extent that we can influence their various aspects.

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

Illegal, uncertified or insensitive logging can have serious consequences on local environments and on the climate. A dedicated policy of our Sustainability Risk Framework clearly states when our underwriters need to carry out due diligence checks.

Policies and guidelines

Our Sustainability Risk Framework is based on the overarching principles of respecting human rights and protecting the environment, encapsulated in two umbrella policies that are valid for all our transactions. In addition, specific guidelines apply these overarching principles to seven sectors or issues in which we perceive major sustainability risks: the defence industry; oil and gas (including oil sands and hydraulic fracturing); mining; dams; animal testing; forestry, pulp & paper and oil palm; and nuclear weapons proliferation.

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

We regularly review all the policies and guidelines of our Sustainability Risk Framework to ensure they reflect important new developments.

You can read a summary of the main concerns they currently address on page 30.

The Sensitive Business Risk process

Each of the two umbrella policies and seven sector guidelines of our Sustainability Risk Framework contains criteria and qualitative standards which define precisely when a transaction may present a "sustainability risk". We assess such transactions through our Sensitive Business Risk (SBR) process, which consists of two due diligence mechanisms – the SBR online assessment tool and the SBR referral tool.

The online tool, which we first introduced in mid-2015, enables our underwriters to screen all transactions for their possible impacts on the local environment and on the human rights of the people and workforces affected. It is easy to access, provides clear guidance on what to assess in further detail and ensures consistent documentation in our standard underwriting tools. At the same time, it enables our central sustainability management unit to incorporate relevant new information by adjusting key policy parameters and making these effective "at the push of a button".

Main concerns in key sectors

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

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

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

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

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

Animal testing
- Unethical and inhumane treatment of animals.

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

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

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

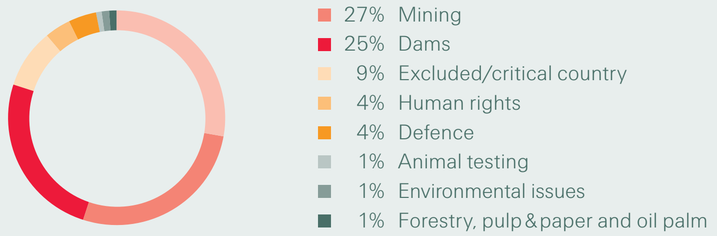
This decision takes the form of a binding recommendation either to go ahead with the transaction, to go ahead with certain conditions attached, or to abstain. If there is disagreement about the recommendation, the case can be escalated to the next management level and, ultimately, to the Group Chief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

The online SBR assessment tool is now fully implemented. In 2016, our underwriters used it to carry out sustainability checks on 7 137 transactions. As the tool precisely identifies those transactions that require further assessment from our sustainability experts, the number of referrals has fallen since its introduction in mid-2015. Of the 219 transactions referred in 2016, we issued negative recommendations in 21 cases and positive recommendations with conditions attached in 20 cases.

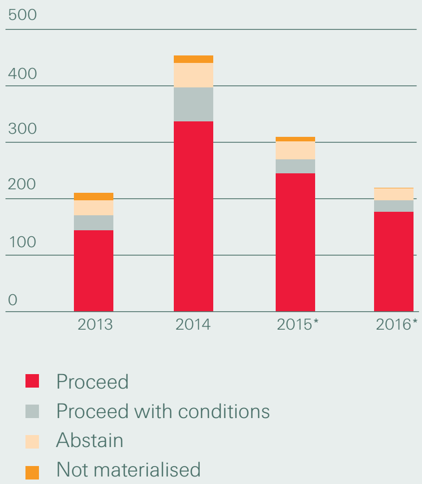
When making these decisions, we refer to internationally recognised ethical principles. Swiss Re complies with the UN Guiding Principles on Business and Human Rights (the Ruggie Framework) and is a signatory to the UN Global Compact, which derives its human rights principles from the Universal Declaration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

This web of ethical principles helps us to make decisions that are aligned with universal fundamental rights. However, this is not sufficient for decisions in a business context. We also need to consider the social and economic

Sensitive Business Risks referred to our expert team in 2016



Number of Sensitive Business Risk referrals



* Starting in mid-2015, we have refined our SBR process, which has led to a decrease in the number of referrals

219

Sensitive business transactions referred to our team of sustainability experts

(309 in 2015)

7 137

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

(3 550 in second half of 2015, after introduction)

implications of our decisions in their respective cultural contexts and, last but not least, the implications for our business. Balancing these different aspects requires us to carefully and consistently assess transactions and their local effects, often in collaboration and dialogue with external experts and local stakeholders.

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

Integrating anti-bribery & corruption guidance

Swiss Re prohibits all forms of bribery and corruption, as expressed by our Code of Conduct. We clearly state this position and explain what it means for daily business conduct through our Group Anti-Bribery and Corruption (ABC) Policy and detailed Group ABC Guidelines (see page 76). In 2016, we took further steps to mitigate our potential exposure to bribery and corruption risks by integrating corresponding guidance in our SBR assessment tool, thus ensuring appropriate due diligence on our counterparties.

This guidance specifies both the countries and industries with a heightened risk of bribery and corruption, and instructs our underwriters how to carry out additional due diligence in order to assess the risk. In grave cases, our due diligence procedure leads to an automatic requirement to abstain from the transaction. If there is disagreement about this, the transaction needs to be discussed with our internal legal and compliance team who can provide additional advice.

Company exclusions

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

Country exclusions

Swiss Re also excludes certain countries from its business that have particularly poor human rights records. This step goes further than compliance with international trade controls (ITCs). Our goal is to refrain from directly underwriting risks or making investments in entities that are based in these countries. At the end of 2016, the list of excluded countries comprised the Central African Republic, Chad, DR Congo, North Korea, Somalia, Sudan (both North and South) and Syria. We review this list annually based on independent human rights assessments and update it if warranted. The review carried out in 2016 did not produce any changes.

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

Independent internal assurance

In 2016, we further strengthened our internal procedures to monitor compliance with the Sustainability Risk Framework. This is now part of the remit of Group Internal Audit (GIA), an independent body whose responsibility is to ensure that internal control processes and risk management are operating effectively.

Training

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

In 2016, we developed a new eLearning course for our in-house training. While this continues to be compulsory for all our employees who work in underwriting and with our clients, it is now mandatory for all our new entrants, as well. In total, 2 712 employees completed the mandatory training course in 2016.

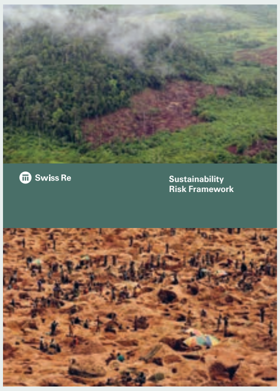
Complementing this eLearning course, we provided instructor-led training personally or via web-based conference to 205 experienced underwriters and graduates.

Client and industry interaction

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

In 2016, our sustainability risk management unit decided in 20 SBR assessments to proceed with conditions. In most cases, these conditions required the particular underwriter to engage with the client on specific questions about human rights issues or environmental protection, in line with the requirements

Sustainability Risk Framework
The revised version of our publication on the Sustainability Risk Framework explains how we define such risks, provides a detailed description of the framework's policies and guidelines, and illustrates how we apply these in practice.
swissre.com/library/archive/sustainability_risk_framework_sustainable_business_is_good_business.html



of the Ruggie Framework. In addition, we engaged with strategic clients that have a comparatively low sustainability performance. This open dialogue allowed us to explain our own positions on human rights and environmental protection, and draw attention to specific practices we consider problematic.

On an industry-wide basis, we have played a major role in establishing and advancing the Principles for Sustainable Insurance (PSI) introduced in 2012 by the UN Environment Programme Finance Initiative, UN EPFI (www.unepfi. org/psi). We were one of the initiative's original signatories and currently act as one of its board members. The PSI address environmental, social and governance (ESG) issues in the re/insurance industry, spanning risk management, underwriting, product and service development, claims management, sales and marketing, and investment management. Our Public Disclosure of Progress for 2016 is included in this report on page 86.

Two years ago, we partnered with the UN Environment Programme (UNEP) to co-host a roundtable on "Insurance 2030: Policies and partnerships for sustainable development" at our Centre for Global Dialogue near Zurich. Around 60 leaders and executives from re/insurance companies and regulatory bodies, the UN, governments, think tanks and civil society reflected on the policies and partnerships needed to realise the full potential of re/insurance in promoting sustainable development.

In 2016, we participated in a practical follow-up event held in Munich, entitled "Insuring for sustainable development: Making it happen". Its key objective was to assess and discuss progress on the initiatives launched after the 2015 roundtable to further mainstream sustainability across the insurance value chain.

We also participated in the UN Forum on Business and Human Rights in Geneva where we presented our Sustainability Risk Framework and explained the fundamental role that the principle of respecting human rights plays in the way Swiss Re does business. The event provided a valuable opportunity to bring various stakeholders together and gain further insights on our own approach.

Supporting our efforts to promote best practices in sustainable risk management, we updated and expanded our publication on the Sustainability Risk Framework in 2016.

Political risks

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

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

Our understanding of political risks is also highly relevant to ensuring sustainable business operations in line with ESG principles. Several of the sectors and issues covered by the umbrella guidelines and policies of our Sustainability Risk Framework (see pages 29–31) have a significant political dimension. Implementing these policies, both through SBR assessments and exclusion policies, thus requires a solid grasp of political risks. This is particularly true with regard to human rights violations, the proliferation of armaments in conflict areas and the identification of areas prone to civil unrest.

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

Regulatory risks

Regulatory risk represents the potential impact of changes in the regulatory and supervisory regimes of the jurisdictions in which Swiss Re operates. In 2016, Swiss Re remained strongly engaged in the regulatory debate, striving to mitigate potentially negative impacts while supporting reforms that could enhance the overall health of the sector, facilitate convergence of regulatory standards or generate business opportunities.

While Solvency II took effect in 2016 and applies across the European Economic Area, national discretions and different supervisory interpretations (eg the recognition of reinsurance) distort a level playing field. The European Commission will review Solvency II in 2018, in part to address such inconsistencies. Additionally, the European Insurance and Occupational Pensions Authority intends to add a macro-prudential framework for insurance to Solvency II, to regulate systemic risks across the insurance industry.

Prudential regulation is developing towards more risk-sensitive and economic-based capital regimes, yet regulatory fragmentation remains high. Local capitalisation rules often fail to fully recognise the benefits of risk mitigation and diversification. In addition, there are moves to limit the use of internal models influenced by post-crisis banking regulation. Swiss Re strongly supports the use of internal models, full recognition of risk mitigation and diversification, appropriate consideration of counterparty default and concentration risk, and efficient application of eligible capital instruments.

National protectionism restricts the free flow of risk and capital. The outcome of the Brexit negotiations between the UK and the EU could potentially limit the ability to benefit from the free movement of services, including reinsurance. Swiss Re is advocating for removal or reduction of market access barriers, so that policyholders, governments, taxpayers, and national economies can fully benefit from international diversification and therefore reliable, quality, and affordable risk cover.

Climate change
In view of the strategic importance climate change has for our core business, we closely monitor related regulatory developments. Governments' and regulators' interest in climate change and natural catastrophes has continued to build, leading to an increase in climate-related reporting requirements.

In the US, for example, several state insurance regulators are evaluating the impacts of climate change on re/insurers, including through insurer surveys. The State of California even requires insurers to disclose investments in fossil fuels and is asking them to divest voluntarily from thermal coal concerns. In Europe, certain EU insurance supervisors, including the UK's Prudential Regulation Authority (www.bankofengland.co.uk/pra), are examining the impact of climate change on insurer underwriting and investment risks.

Such initiatives form part of a wider effort by public-sector bodies to integrate sustainable development criteria into the financial system. Recent examples include the G20's proposal to establish a Green Finance Study Group and the EU's announcement to develop a strategy on sustainable finance.

Reflecting governments' growing concern over the implications of climate change, the Financial Stability Board (FSB) has recently established a Task Force on Climate-related Financial Disclosures, TCFD (www.fsb-tcfd.org). The FSB is an international body that monitors and makes recommendations about the global financial system, coordinating national financial authorities and international standard-setting bodies.

Starting from the premise that climate change creates physical, liability and transition risks, the TCFD aims to develop consistent and effective financial disclosures that will allow stakeholders to properly assess the climate risks faced by companies and to take appropriate action. In 2016, the task force published its Phase 1 report for public consultation. After processing the inputs received from key stakeholders, it launched its "Recommended disclosures" in December 2016. Swiss Re supports the work of the task force and has been providing one of its members since its launch. We have started to integrate the recommended disclosures in our 2016 Financial Report, pages 123–130.

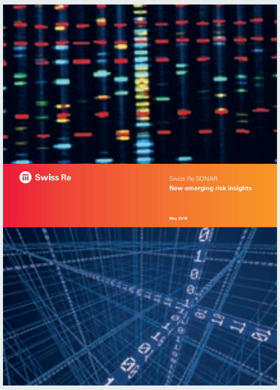
We were also present at the launch event of the Sustainable Insurance Forum for Supervisors, held by the California Department for Insurance and the UN Environment Programme. The Forum's goal is to promote cooperation on critical sustainable insurance challenges, such as climate change. Increasingly, insurance regulators and supervisors are exploring how these factors impact upon their goals of ensuring the safety, soundness and accountability of the sector. For the first time, the Forum provides them with an international platform to share experience and explore common approaches.

Emerging risks

Re/insurers operate in an ever more complex and rapidly changing risk landscape. New demographic, economic, technological, socio-political, regulatory and environmental developments are all capable of changing risks or creating new ones. In addition, growing interdependencies between these developments can lead to accumulations of risk and create significant knock-on effects. The general business environment is undergoing significant changes, as well. People's risk perceptions are shifting, liability and regulatory regimes continue to evolve and stakeholder expectations are growing.

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

Swiss Re SONAR: New emerging risk insights
The Swiss Re SONAR report features emerging risk themes that have the potential to impact the insurance industry in the future. These topics were mainly derived from our SONAR process and were assessed by our emerging risk management experts.
media.swissre.com/documents/SwissRe_SONAR_2016.pdf



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

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

Our SONAR framework

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

The SONAR process involves several steps. An interactive intranet platform serves as a first level, enabling our employees to share and discuss so-called risk notions on all main areas of the emerging risk landscape quickly and easily and to stay up-to-date on new developments. While many of the early signals flagged through the SONAR platform will never actually turn into emerging risks, others may well do so. As it is impossible to anticipate which signals will fall into which category, all of them warrant equal attention. The SONAR platform allows for peer reviews and bottom-up discussions of early signals.

Our emerging risk specialists periodically cluster and further assess these risk notions for their potential impact on our business. Based on this, they subsequently carry out more in-depth investigations of selected topics. In 2016, one of the focus topics was human-induced earthquakes (see case study on page 37). To share some of our key insights on this and other emerging risks with external audiences, we published the fourth edition of our comprehensive Swiss Re SONAR report.

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

There is growing evidence that drilling activities associated with hydrofracking or geothermal exploration may contribute to earthquakes. As most established risk models do not account for this effect, we treat "human-induced earthquakes" as an emerging risk.

Human-induced earthquakes: **a new protection gap?**

Earthquakes are the most natural of natural disasters, one would think, as they seem to occur entirely detached from human involvement or interference. While this may have held true in the past, recently a strong increase in drilling activity to extract natural gas ("hydrofracking") or to carry out large-scale geothermal exploration has changed the picture.

There is evidence that hydrofracking itself creates earthquakes of very small magnitude. These are generally not felt at the surface, but they have been linked to the stimulation of larger earthquakes. Moreover, the common practice of disposing of hazardous wastewater by injecting it at high pressure into deep ground changes the tectonic stress conditions within the rock. This adds to the likelihood of higher-magnitude earthquakes.

The increase in earthquake activity associated with human actions is an emerging risk, as most risk models used by the re/insurance industry do not incorporate the associated increase in seismic hazard. Losses arising from the rapidly rising number of human-induced seismic events are largely uninsured or fall into the deductible of traditional earthquake insurance products, which are designed to protect against single big loss events rather than damage arising from frequent small earthquakes.

In the US, in particular, there is an increasing likelihood of litigation/class actions against hydrofracking operators, with a significant accumulation risk for re/insurers when events trigger claims on the property and casualty side.

We have looked at hydrofracking in several of our recent publications. Our 2015 SONAR report highlighted the risks around fracking fluids with regard to chemical composition and groundwater contamination, whereas in the 2016 edition we address the increased earthquake risk associated with hydrofracking. In addition, we published a comprehensive report on "The link between hydrofracking, wastewater injection and earthquakes: key issues for re/insurers".

Further activities on emerging risks identified in the past

The emerging risks we previously examined in more detail and featured in our Corporate Responsibility Reports since 2007 were:

2007: Electromagnetic fields

2008: Critical infrastructure

2009: Carbon nanotubes

2010: Smart grids

2011: Cyber attacks

2012: 3D printing

2013: New forms of mobility

2014: Electronic cigarettes

2015: The Internet of Things

Since we first identified these emerging risks, we have followed up on several of them together with our stakeholders. In 2016, we focused on the three risks below:

References to further activities

Critical infrastructure
Infrastructure private debt mandates, **page 40**
Supporting financial resilience, **page 47**

Cyber attacks
Partner reports on "Financing resilient energy infrastructure", **page 44**
Expert Forum on Cyber Risk, **page 49**

The Internet of Things
Risk Talk on Smart Homes, **page 49**

Strategic risk initiatives

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

Given these challenges, we believe it is essential to foster risk dialogue with various partners. By sharing perceptions and assessments, all parties can gain a better understanding of potential emerging risks. In 2016, we contributed to the following strategic initiatives:

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

In 2016, we contributed to the CRO Forum's Emerging Risk Initiative position paper "Water Risks".

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

Responsible investment

Asset-liability management (ALM) is the cornerstone of our investment philosophy. To meet future claims and benefits, we invest the premiums generated by our underwriting activities in assets whose cash flows match the durations and currencies of our re/insurance liabilities. Generally, we invest more in higher-quality fixed income securities with stable long-term returns. At the end of 2016, such investments accounted for 75% of our total assets under management[1].

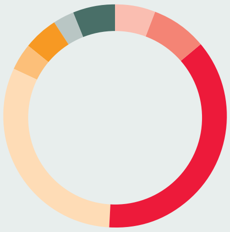
We are committed to investing our assets responsibly via a controlled and structured investment process, integrating environmental, social and governance (ESG) criteria. Such criteria can have a positive impact on the long-term financial performance of our investment portfolio. Thus, we apply sustainability-related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

Responsible investment framework

Our asset management runs under a well-defined framework, which considers ESG criteria consistent with the Group's Code of Conduct and Swiss Re's commitment to sustainability. This pledge is further outlined in the Group Asset Management Responsible Investment Policy, which describes our approach and principles with regard to sustainable investing. This is complemented by the Swiss Re Asset Management Voting Framework, which provides guiding principles that apply to all our voting activities.

1 Asset classes considered are government bonds (incl. agency), corporate bonds, securitised products, and mortgages and other loans.

Overall investment portfolio
USD 130.5 bn, as of
31 December 2016



- 6 % Cash and cash equivalents
- 8 % Short-term investments
- 37% Government bonds
- 31% Corporate bonds
- 4% Securitised products
- 5% Equities*
- 3% Mortgages and other loans
- 6% Other investments incl. policy loans

* Includes equity securities, private equity and Principal Investments

The Responsible Investment Policy also describes the roles and accountabilities to ensure the integration of ESG considerations: The overall responsibility for sustainable investing lies with the Group Chief Investment Officer, who is advised by the Asset Management Executive Team and the Asset Management Investment Committee. Furthermore, an ESG Advisory Group, formed by representatives of all investment units, legal, compliance and risk management and steered by the Head Responsible Investing, conducts our responsible investment activities and monitors their progress. Through this governance structure, we ensure a comprehensive commitment to responsible investment in our day-to-day asset management activities.

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

All PRI signatories are required to provide in-depth reporting on their responsible investment activities. The reports are available on the PRI website at www.unpri.org/signatory-directory/

2016 – ESG: An integral part of the investment process

We look at ESG integration primarily from the viewpoint of generating sustainable long-term returns, which aligns well with our focus on a high-quality investment portfolio. ESG integration makes economic sense because it improves risk/return profiles. As part of our active risk management, we are therefore adopting ESG-based benchmarks in our credit and equity portfolios.

As a long-term investor, we consider factors that may have an adverse impact on the sustainable value of our portfolio, such as climate risk. As a result, we measure our exposure to carbon emissions in listed equities and corporate bonds in a systematic manner. In order to mitigate the risk of stranded assets, we have also adopted a policy to avoid investments in companies where a substantial part of their revenues is stemming from thermal coal.

Overarching approach

The Sustainability Risk Framework (see pages 28–33) enables us to identify and analyse potential ESG risks within an investment, and is aligned with our overall governance structure.

The framework consists of two umbrella policies on human rights and environmental protection, and seven guidelines on sensitive sectors or issues: the defence industry; oil and gas (including oil sands); mining; dams; animal testing; forestry, pulp & paper and oil palm; and nuclear weapons proliferation. Each of these policies and guidelines contain a number of predefined criteria and qualitative standards that may lead to the exclusion of a company or a country from our investment scope. Following our recent review, we extended our exclusion list to include companies potentially posing a significant reputational risk to investors due to controversial business activities from an ESG perspective.

Our Asset Management unit applies these criteria to our investment assets, and excludes companies and countries if they do not meet the pre-defined criteria and qualitative standards.

Specific approaches per asset class

We have identified some key investment areas in which we apply further specific ESG criteria to cater for the different risk characteristics of responsible investing. Asset class specific approaches towards sustainability are outlined in the following sections.

Rates products

Rates products[2] constitute the largest asset class in our investment portfolio, with a share of 51% at the end of 2016. At 37% of total assets under management, government bonds (incl. agency) are the largest holding within rates products.

In 2016, we revised our ESG screening approach at country level. We now include detailed information from a specialised research company on primary political risks, human rights, economic and environmental issues affecting the resilience of countries. Based on such factors, we assess our government bond assets to guide our responsible investment decisions and to guarantee the quality of our government bond portfolio. We screen our portfolio against ESG considerations twice a year. Furthermore, we use the rating measures to define investment mandates for our portfolio managers.

Credit products, equities and hedge funds

At the end of 2016, approximately 44% of our investment portfolio was managed externally. This portfolio comprises mainly credit products, equities and hedge funds. PRI signatories manage more than 97% of these assets. Furthermore, all of our external asset managers have contractual provisions with Swiss Re that specifically relate to responsible investing.

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

For more systematic and regular monitoring of the actual integration of ESG factors into our externally managed portfolio, we have engaged the services of a leading ESG research company. Every year, we conduct an in-depth assessment based on ratings provided by them to analyse the quality of the portfolio and to gain further insight into ESG risk exposures.

As part of our commitment to sustainability, we also invest in related assets like renewables and social infrastructure in our infrastructure private debt mandates, and green bonds in our credit and rates products mandates. For the latter, we rely primarily on the "Green Bond Principles". For further information, please refer to www.swissre.com/about_us/about_our_business/asset_management/responsible_investing_in_practice.html

Real estate

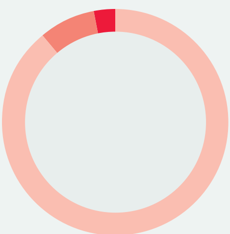
Our investment portfolio consists of direct investments in property in Switzerland, Germany and the US. It comprises buildings for residential, industrial and commercial use. The market value of the portfolio was USD 3.4 billion at the end of 2016.

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

Our voting activities in 2016

- 99% Votes cast
- 1% No votes cast

Our voting behaviour in 2016



- 89% Voted with management
- 8% Voted against management
- 3% Abstained

We apply ambitious sustainability standards for these real estate investments. For projects in Switzerland, the applicable criteria are defined in the Energy Mission Statement of Swiss Re. This stipulates that all new buildings need to conform to the MINERGIE® standard (www.minergie.ch), a Swiss quality label specifying high levels of energy efficiency and superior user comfort. When an existing building in the portfolio is due for renovation, this standard is applied whenever it is feasible from an architectural, technical and financial point of view.

By the end of 2016, the combined value of our MINERGIE®-certified buildings reached USD 0.4 billion, or 22% of our Swiss portfolio of direct real estate investments. The total energy consumption surface in accordance with the MINERGIE® standard was 82 497 m² at the end of 2016. In addition, more than 59 000 m² had been sold on to third parties.

Since 2015, Swiss Re has also invested in the US real estate market, having now acquired a portfolio of 14 properties. The investment manager's approach to sustainability includes "GreenGuide: Sustainable Property Operations", a best practice guideline for sustainable and efficient real estate operations; "ULI GreenPrint Foundation", a global environmental management platform; and "LEED Certification" from the USGBC.

Voting

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

We believe that ESG considerations, especially good corporate governance and transparency towards shareholders, are key drivers for sustainable value creation. Therefore, we review our voting principles periodically to keep them aligned with best practice.

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

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

In 2016, we exercised 99% of our voting rights of our listed equity portfolio[3]. We voted on 7 103 voting items through our external managers. We voted in favour of the respective management resolution in 6 305 cases (89%) and against it in 585 cases (8%). In 213 cases (3%), we abstained or withheld from voting.

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

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

Exploring and shaping **the risk landscape**

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

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

This is why we attach great importance to ongoing dialogue with our stakeholders. Drawing on the expertise from our core business, we identify key risk topics and take an active role in discussions about them. We share and exchange knowledge through many channels, eg our renowned publications including the *sigma* series, international dialogue platforms, events hosted by the Centre for Global Dialogue (part of the Swiss Re Institute as from 1 March 2017), and cooperation with governments and academic institutions. Through this ongoing dialogue, our stakeholders give us valuable feedback and new insights for risk management and product development.

Our Top Topics

Via Group Issue Management, Swiss Re identifies topics that are strategically important to us, our clients and society at large. These Top Topics denote the global challenges we want to help address and set an important focus for our global stakeholder dialogue.

In 2015, we formed a new Reputation Management Committee, which comprises representatives from across the Group, ie our three Business Units, Investor Relations, Group Risk Management, Group Communications and – as from 1 March 2017 – the Swiss Re Institute. The Committee coordinates the content of our stakeholder dialogue across all our Business Units, functions and regions in order to optimise its effectiveness.

In 2016, we continued to focus on our Top Topics in our stakeholder dialogue:

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

We worked on these Top Topics with many partners from the public and private sectors. In the following sections we introduce each topic, explain why we consider it to be important and give examples of our communications activities.

Advancing sustainable energy solutions

The agreement reached in 2015 at the COP21 UN Climate Change Conference in Paris underscored that sustainable energy sources are essential to combat global warming. Reducing greenhouse gas emissions while, at the same time, satisfying the energy needs of a growing population will be one of the great challenges we face in the coming decades. Sustainable energy projects continue to increase in scale and complexity, as do the risks associated with them.

Staying fit and enjoying it ... By devoting one of our Top Topics to "Funding longer lives", we want to help ensure that people can continue to reap the benefits of living longer.

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

Our notable achievements in 2016:

- Together with the World Energy Council (www.worldenergy.org) and Marsh & McLennan Companies (www.mmc.com), we published two new reports on financing resilient energy infrastructure. Following up on the report published in 2015 on extreme weather, they focus on the energy-water-food nexus and cyber threats (see special section on page 44);
- As a founding member of the RE100 initiative (www.theRE100.org), we continued to work towards our goal of obtaining 100% of our energy from renewable sources. By increasing demand for clean power in a joint effort with our partners, we expect RE100 to make it more viable for energy companies in challenging markets to build renewable energy plants (see page 54);
- Through Swiss Re Corporate Solutions' partnership with Solar Impulse (www.solarimpulse.com), we supported the first round-the-world flight powered by solar energy only. The mission was successfully completed in July 2016, underscoring our commitment to cutting-edge innovations in clean energy.

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

Modern energy infrastructures are highly vulnerable to cyber attacks. Three recent reports we produced together with partners look at the key risks that need to be addressed to make energy infrastructure more resilient.

Partner reports on **Financing resilient energy infrastructure**

In 2016, the World Energy Council (WEC, www.worldenergy.org), Swiss Re Corporate Solutions and Marsh & McLennan Companies (www.mmc.com) presented the findings of their report "The road to resilience: financing resilient energy infrastructure", ahead of the World Energy Congress. The publication summarises three comprehensive studies focusing on key risks the global energy sector needs to manage: extreme weather, energy-water-food dependencies and cyber crime.

These risks impact both the physical structures and the capital returns needed to reach a more sustainable energy future.

Extreme weather

Events such as hurricanes, storm surges, heat waves and ice storms are growing in frequency and severity. Hurricane Sandy or Typhoon Haiyan for example illustrated that energy infrastructure is often entirely inadequate to handle disruptions of such magnitude. In general, insured losses from severe convective storms have increased by more than 40% over the last 20 years.

Food-water-energy nexus

98% of the world's power supply depends on water. Food production, in turn, requires both water and energy. In other words, the food-water-energy nexus can significantly impact energy supplies.

Cyber attacks

Finally, the energy sector is highly vulnerable to cyber attacks. As Ukraine experienced recently, an attack on a power grid can cut off a whole country's power.

Modern energy infrastructures are evolving into complex systems with many interdependent parts, and disruptions to any of these can have truly dramatic consequences. The summary report offers seven recommended action items for governments, business leaders and the finance sector to improve the financing of resilient energy infrastructure.

The role of insurance

Throughout the report, the authors emphasise the role of insurance in achieving resilience. The insurance industry is already helping energy companies cope with the risks identified in the studies. Pioneering insurance transactions illustrate that protection against unfavourable weather is available for wind, solar and hydroelectric facilities. Advanced cyber solutions combine comprehensive insurance protection with risk mitigation and remediation services.

On our website you can learn more about the reports and their recommendations: swissre.com/rethinking/sustainable_energy/financing_resilient_energy_infrastructure_recommendations.html

Funding longer lives

People are living longer today than ever before, but the share of the working population is shrinking. At the same time, more of the financial responsibility is shifting from public to private balance sheets. This could have significant financial consequences for individuals, insurers, employer pension funds and society in general. Public-private partnerships are needed to overcome this challenge.

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

Our notable achievements in 2016:

- We contributed an insurance perspective to the World Economic Forum (www.weforum.org) briefing on "Global Population Ageing: Technological Innovations for Health and Wealth". This report explores how the interplay between wearables, connected devices, robotics and artificial intelligence can advance the social connections, emotional health, cognitive ability and physical fitness of older adults;
- The 2016 Entrepreneurs for Resilience Award of the Swiss Re Foundation focused on innovative solutions that enable the elderly to live independently at home. The four entrepreneurs in the final selection share CHF 800 000 in prize money, which will allow them to further their inventions ranging from robotic helpers and video therapy to online care coaches and health monitoring.
- We hired a dedicated Head of Ageing to prioritise Swiss Re's efforts in this area and lead a global team of experts from various functions. Our immediate priority is to better understand the needs of elderly consumers across different markets and share lessons learned in an increasingly complex social, economic and regulatory environment.

Managing climate and natural disaster risk

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

Hurricane Matthew and the Louisiana floods are just two examples of events that killed many and destroyed the livelihoods of even more. Total economic losses from disaster events in 2016 almost doubled to USD 175 billion, primarily due to natural catastrophes. This shows that our world is still not resilient enough to avoid the negative effects of natural disasters – let alone to assure the funds needed to rebuild affected communities after a disaster.

In the future, these negative effects will become even more severe. The expectation is that, as a result of climate change, extreme weather events like hurricanes and floods will increase. Moreover, rising losses will also come from higher concentrations of assets in exposed areas, in particular in the world's rapidly growing cities. If no action is taken, climate change could cost the world economy an estimated 20% of global GDP by the end of this century.

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

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

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

Italy has experienced an increase in serious flooding over the last decade. One of the expertise publications we published in 2016 describes a new approach to improve insurance protection in the country against this risk.

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

Our notable achievements in 2016:

- We published new expertise publications on floods and earthquakes for Switzerland, Argentina, Italy, Canada and California, which provided the basis for discussions with stakeholders in these countries, ranging from insurers to government officials;
- We released a totally new version of our CatNet® services tool which brings the benefits of our big data & smart analytics skills in natural catastrophes to our stakeholders (see page 20);
- Through conferences, publications and social media channels, we communicated how we used a brand new concept to insure Guangdong Province against losses of up to USD 350 million from tropical cyclones and excessive rainfall (see page 22).

Partnering for food security

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

Small-scale subsistence farmers who feed their families and sell a small surplus on local markets provide food to the majority of people on the globe. This needs to change as more and more people are living in cities. Recently, the urban population exceeded the rural one for the first time ever, which means that cities are becoming increasingly dependent on the remaining farmers for their food.

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

Our notable achievements in 2016:

- We discussed with a range of stakeholders how we insured farmers in 28 counties in Helongjiang Province in China against risks of flood, excessive rain, drought and low temperatures (see page 21);
- We continued to provide data and information on agricultural insurance through our fact sheet series for African countries. In addition, we published the first such publication on an Asian country (Sri Lanka), looked at protecting cotton farmers in China and how big data can help crop insurance in the US;
- We hosted the conference "Insuring food safety: What's on the menu?" at our Centre for Global Dialogue, inviting industry experts to discuss operational risk management and insurance solutions to the challenges previously raised in our publication "Food safety in a globalised world" (see page 48).

Supporting financial resilience

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

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

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

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

Our notable achievements in 2016:

- We continued to take an active role in the debate on the consequences of financial repression for savers and long-term investors as well as the broader implications for financial resilience, eg through a fact sheet, a by-liner in the IMCA quarterly report no. 41 (www.imcagroup.org) and by sharing our views with key public and private sector stakeholders;
- We remained at the forefront of the policy call to make infrastructure debt a tradable asset class as we believe that bridging the large infrastructure financing gap is key to sustainable economic growth;
- We launched a joint research project with the London School of Economics and Political Science (www.lse.ac.uk) on long-term investing and monetary policy. Its key objectives are to analyse the effect of low interest rates on structural reforms, investigate the effect of monetary policy on capital markets and consider alternative monetary policy tools.

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

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

Our Centre for Global Dialogue

The Swiss Re Centre for Global Dialogue (the "Centre") is an important platform for interaction with our external stakeholders. Located at Rüschlikon near Zurich, this state-of-the-art conference centre hosts industry-leading events on risk and insurance.

The Centre reflects our commitment to being a knowledge company. As of 1 March 2017, it forms part of the newly established Swiss Re Institute.

Below you can read summaries of three events the Centre organised in 2016:

Insuring food safety: What's on the menu?

"Partnering for food security" is one of Swiss Re's Top Topics. Demand for food is growing, not just driven by worldwide population growth, but also by globalisation which has led to shifts in eating habits. One prominent trend is the rising popularity of convenience foods and ready-to-eat meals, which effectively means that many households increasingly delegate food safety to producers and processing companies. These, in turn, operate in highly complex supply chains, or "supply webs", seriously complicating the task of ensuring food safety.

In response, food producers have already sought to raise their safety standards, but incidents of food contamination and costly product recalls have still increased in number. Bringing together participants from food producers, food safety organisations, academic institutions and the re/insurance industry, this event at the Centre discussed what the food industry can do to further improve food safety and how re/insurers can help to mitigate risks.

A key theme was the need to improve transparency and traceability along the entire supply chain. This can be supported by modern technology, eg DNA tests at various stages, efficient drying procedures, the introduction of optical sorting machines (including near infrared technology), combined with the use of big data and the Cloud. Attention was also drawn to the industry's Global Food Safety Initiative (www.mygfsi.com) which, amongst other things, works with certification bodies to ensure maximum audit reliability and seeks to address differences in national food regulations. The re/insurance industry, in turn, can support efforts to enhance food safety by providing risk assessment, ie by identifying potential risks and preparing suitable countermeasures, along with modelling potential loss scenarios.

Agricultural and Natural Catastrophe Insurance Forum

Natural disasters occur frequently in China and are widely scattered. They affect individuals, businesses and governments alike. Up until recently, however, those at risk have largely ignored the potential financial impact of natural disasters when accounting for their financial and fiscal liabilities. Moreover, they have not set aside any contingent capital to prepare for such liabilities. For government bodies, in particular, this protection gap is highly significant as it could grow exponentially in coverage and scale in the future.

When the Chinese State Council carried out a review of the insurance industry a few years ago, it identified this challenge and issued a mandate to formulate and promote natural catastrophe schemes. In response, Swiss Re worked together with the Development Research Center of the State Council (www.en.drc.gov.cn/) to report on "Parametric Insurance and Reform of Natural Disaster Relief Systems in China". This was subsequently discussed with high-level officials and led to the development of two pilot programmes in the provinces of Heilongjiang and Guangdong, which were successfully launched in 2016 (see pages 21–22).

In 2016, the Centre for Global Dialogue organised the "Agricultural and Natural Catastrophe Insurance Forum" to discuss the underlying challenges, assess possible solutions and share experiences. Nearly 40 Chinese government officials and insurance professionals met with international experts to explore the feasibility of introducing parametric solutions across China, drawing on the learnings offered by the two pilot projects in Heilongjiang and Guangdong. In addition, experts from Swiss Re and other organisations elaborated on the latest developments in flood risk management, catastrophe bonds, agricultural and aquaculture insurance, and public-private partnerships.

4th Swiss Re Symposium on Data Protection: Ethics and e-health in insurance

The digital transformation of the insurance industry is one of the key challenges facing all its players. Digital technology is being implemented across the whole value chain, from distribution through underwriting to claims. This raises crucial questions concerning market dynamics and competitors, customer behaviour, data use, artificial intelligence and more.

Our 4th Symposium on Data Protection looked at one particular aspect of the digital transformation: "Ethics and e-health in insurance". Capturing new and personalised health data sets, such as real-time monitoring of fitness and exercise data through wearable devices and mobile apps, has clear benefits for individuals as it helps them to maintain a healthy lifestyle. Likewise, it would also have advantages for life and health insurers, enabling them to spot upcoming problems their clients may be facing and to give them corresponding advice. It might even make it possible to provide cover to people so far considered "uninsurable".

For more information see
institute.swissre.com/about/the_centre/

Some impressions from "Insuring food safety: What's on the menu?", one of the stakeholder conferences we held at the Centre for Global Dialogue in 2016.

However, the use of such data also raises serious ethical questions that go beyond data and privacy protection. Making sure that no individuals or groups are disadvantaged by the information derived from big data algorithms will be essential. Furthermore, there are concerns about the potential misuse of health and health-related data, inaccurate algorithms, false outcomes and over-diagnosis. These concerns have prompted the EU General Data Protection Regulation (GDPR), for example, to focus on the governance of health and health-related data, substantially strengthening the rights of data providers and requiring more transparency from data users. As it was argued at the conference, a sound ethical base will be indispensable to create the necessary trust in new ways of managing and analysing health data.

Further events we held at the Centre for Global Dialogue in 2016 include:

Expert Forum on Cyber Risk
institute.swissre.com/events/Expert_Forum_Cyber_Risk_2016.html

Risk Talk on Smart Homes
institute.swissre.com/events/Risk_Talk_on_smart_homes.html

Both these events focused on topics we had previously identified as emerging risks and presented as case studies in past editions of our Corporate Responsibility Report: "Cyber attacks" (2011) and "Challenges of the Internet of Things" (2015).

Collaboration with (inter-) governmental and academic institutions

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

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

- In Europe, we have continued to raise awareness of the important role insurers play in mitigating climate risk through different interactions with policy makers. This includes speaking at industry conferences (Insurance Europe and the ABI), presenting at the European Commission's DG Climate Action's working group on Climate Adaptation and bilateral engagement with the European Commission and national governments. We also remain engaged in the debate via our trade association memberships (eg the Reinsurance Advisory Board);
- In the US, we have maintained regular dialogue with the National Association of Insurance Commissioners (NAIC), principally on climate change and natural catastrophes;
- For our participation in the Financial Stability Board's Task Force on Climate-related Financial Disclosures, see page 31.

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

- With Global Partnerships, we have a team that works strategically with public-sector bodies to improve risk resilience:
  - directly with sovereigns or sub-sovereigns and their agencies, recently with the government and prefectures of two Chinese provinces to establish major natural catastrophe insurance schemes, with the UK government as part of a programme set up to make flood insurance more afordable for homeowners, with the Florida Hurricane Catastrophe Fund to strengthen risk resilience or the Turkish Catastrophe insurance Pool to improve re/insurance protection against earthquakes;
  - with the United Nation's International Strategy for Disaster Reduction (UNISDR) in a consulting role;
  - with development agencies such as the United States Agency for International Development (USAID), the UK's Department for International Development (DFID), the Swiss Agency for Development and Cooperation (SDC), the World Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IADB) or the German Development Bank (KfW).
- We have regularly contributed to platforms such as the World Economic Forum, B20, G20 and G8 to share our insights on key risks, and support the United Nations Framework Convention on Climate Change (UNFCCC) process.

Working with academic institutions

- We support the Integrative Risk Management and Economics project at the Swiss Federal Institute of Technology (ETH) Zurich, which aims to advance a holistic approach to managing risks and educate a new generation of researchers;
- We have supported the integrated research activities conducted by Swiss-based ProClim – the Forum for Climate and Global Change – and received access to the latest scientific findings;
- We support the "20th Century Reanalysis" project of the NOAA Earth System Research Laboratory and the University of Colorado, Boulder. It contains objectively-analysed four-dimensional weather maps and their uncertainty from the late 19th to the 21st century.
- In 2016, we announced a formal partnership with the London School of Economics and Political Science (LSE) to support an 18-month research programme on monetary policy and long-term investment (see page 47).

Selected publications of 2016

The publications and other media we produce in-house or in cooperation with our partners play an important role in our efforts to help clients and society form effective responses to key risks. Listed below are publications mentioned in this chapter. Further Swiss Re publications are displayed on pages 80–81.

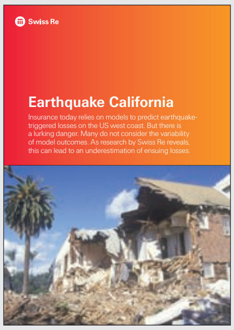
Swiss Re publications

Agro insurance hotspot:
Sri Lanka

Big data approaches to crop insurance in Asia

Closing the gap:
Protecting China's cotton crop against low temperatures

Covering earthquakes for Switzerland's mortgage lenders

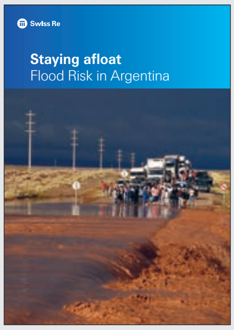


Earthquake California

Publication with partner organisation

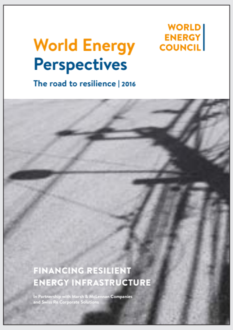
Flood resilience in Italy: Acting together

Promoting resilience and growth in Africa



Staying afloat: Flood Risk in Argentina

The road to flood resilience in Canada



With the World Energy Council:
World Energy Perspective: The road to resilience – Financing resilient energy infrastructure

Reducing **our environmental footprint**

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

—

3.9%

Total increase in CO_2 emissions per employee since 2013

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

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

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

Management system and certification

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

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

In 2015, we had our entire CRES division certified according to the ISO 14001 environmental management standard (www.iso.org), replacing the location-based approach we had used before. As a result, all our operations and employees are now covered by an ISO 14001-certified environmental management system.

Our Greenhouse Neutral Programme

Climate change has been a strategic priority for Swiss Re for almost 30 years. It is a key topic for a re/insurer, because it is likely to cause more extreme and more frequent weather events, resulting in rising damages and insurance losses. Our strategy to tackle climate change rests on four pillars, one of which is our pledge to reduce our own CO_2 emissions (see page 12).

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

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

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

		2013[1] kg/FTE	2015[1] kg/FTE	**2016 kg/FTE**	Change in % since 2015	Change in % since 2013
Scope 1	Heating	378	303	**305**	0.7	–19.3
Scope 2	Power[2]	824	858	**877**	2.2	6.4
Scope 3	Business travel	3 713	3 736	**4 109**	10.0	10.7
	Copy paper	40	28	**24**	–14.3	–40.0
	Waste	50	44	**41**	–6.8	–18.0
	Water	12	13	**12**	–7.7	0
	Technical gases	27	24	**21**	–12.5	–22.2
	Commuting[3]	1 250	1 150	**1 150**	0	–8.0
Total		6 294	6 156	**6 539**	6.2	3.9

1 The figures for 2013 and 2015 have been restated to account for company acquisitions and changes in emission factors.
2 Calculation based on a market-based approach taking into account the purchase of renewable energy instruments, with the exception of the UK where the government requires companies to report an average grid factor (see table at the bottom for our reporting of emissions from electricity).
3 Commuting data are gathered bi-annually by means of a survey. The figures are rounded and fraught with considerable uncertainty.

Underlying environmental data, Swiss Re Group

		2013[1]	2015[1]	**2016**	Change in % since 2015	Change in % since 2013
Heating	kWh/FTE	1 931	1 478	**1 478**	0	–23.5
Power	kWh/FTE	4 533	3 998	**3 790**	–5.2	–16.4
Energy intensity	kWh/FTE	6 464	5 476	**5 268**	–3.8	–18.5
Business travel	km/FTE	13 492	13 876	**15 065**	8.6	11.7
Copy paper	kg/FTE	34	23	**20**	–13.0	–41.2
Recycling paper	%	71	70	**72**	2.9	1.4
FSC label	%	96	97	**96**	–1.0	0
Waste	kg/FTE	181	159	**144**	–9.4	–20.4
Water	m³/FTE	16	17	**17**	0	6.3

1 The figures for 2013 and 2015 have been restated to account for company acquisitions.

Indirect emissions from purchased electricity, Swiss Re Group

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

	Location-based total	Market-based total	Instrument types	Percentage kWh
	t CO_2e	t CO_2e		
Switzerland[1]	982	359	GOs	33.3%
US[2]	8 827	255	RECs	23.6%
UK[3]	7 101	7 101	GOs, residual mix	21.2%
Rest of the world[4]	8 091	5 410	RECs, GOs, residual mix	21.9%
Total	**25 001**	**13 125**		**100.0%**

1 All Swiss electricity producers are required by law to declare the quality and quantity of the electricity produced. Swiss Re buys 100% green labelled electricity (naturemade star).
2 In the US, we purchase green-e labelled Renewable Energy Certificates (RECs) for our total power consumption.
3 The UK government claims all green credentials of renewable electricity produced in the country. Even though over 80% of the electricity we consume in the UK comes with Renewable Energy Guarantees of Origin (REGOs), we report the same emission figures for location-and market-based approaches.
4 Our next biggest power consumption is in Slovakia with 2.8% and in India with 2.4% of the Group's total.

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

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

Goals and scope of the programme's second phase

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

Goals of Phase 2 of our Greenhouse Neutral Programme:

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

RE100 and EP100

In a number of countries where we want to grow our business, there is a lack of renewable energy supplies in reliable quality. At the end of 2016, approximately 84% of the power we purchased across the Group came from renewable energy sources. We are committed to raising this figure to 100%, which is why we helped to establish the Climate Group's RE100 initiative in 2014 as a founding member.

The goal of this initiative is to unite 100 of the world's largest companies in a shared commitment to use 100% renewable power by 2020. To achieve this, the RE100 group approaches policymakers and regulators at national and sub-national level to make renewable energy more available. RE100 grew substantially again in 2016 and now includes more than 80 of the world's largest companies.

theRE100.org

In 2016, we also signed up to the EP100 initiative, launched by the Climate Group (www.theclimategroup.org) and the Global Alliance for Energy Productivity (www.globalproductivity.org). This is a shared commitment by leading global companies to double their energy productivity or, in other words, to get more economic output from each unit of energy.

www.theclimategroup.org/project/ep100/

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18.5%

Total reduction of energy intensity per employee since 2013

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

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

In 2016, total CO_2 emissions per employee (FTE) increased by 6.2% and were thus 3.9% higher than in 2013. The main reason was a significant rise in business travel, which outweighed further gains in our energy intensity (see on the right). A second factor was that we created jobs in countries where power consumption is relatively carbon intensive, eg in India. This situation is one of the reasons why we helped to establish the Climate Group's RE100 initiative (see box on the left).

Using renewable power

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

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

Reducing energy consumption

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

For the second phase of our Greenhouse Neutral Programme (base year 2013), our commitment is to continuously reduce energy intensity by 2% per year. As a matter of fact, our energy intensity was 18.5% lower at the end of 2016 than in 2013. Partly, we achieved this by decommissioning existing office buildings and moving into more energy-efficient ones.

We have also continued our efforts to create more flexible and modern office environments that offer our employees optimal working conditions while, at the same time, using space and resources more effectively. The spread of digital communication and devices makes it possible to work seamlessly across different locations and devices, creating the foundation for a more flexible and informal workplace set-up that encourages team work. At Swiss Re Next, for example, this open workplace concept is a key feature (for details, see page 59). Although further reducing our environmental footprint is not the primary driver of these efforts, their potential to lower the energy intensity of our locations is nevertheless substantial.

A rendering of the solar power plant we are constructing at our US headquarters in Armonk, New York State. The installation will supply more than 60% of the site's power requirements.

Solar power plant at our US headquarters

Our large office at Armonk in New York State is our US headquarters, with more than 700 employees. At Climate Week NYC 2016, we announced our decision to build a solar power plant directly on our own premises to supply our office with renewable power.

As a founding partner of the Climate Group's RE100 initiative, we are committed to covering 100% of our power consumption from renewable sources by 2020. At the end of 2016, the share of our power generated by renewables was 84%, mostly purchased from reliable producers.

Going one step further, we have recently started to build our own solar power facilities. Following earlier projects in Italy, Switzerland and the UK, our new venture in Armonk is the largest launched yet. Comprising ten acres of ground-mounted panels, the facility will have a capacity of two megawatts, sufficient to supply more than 60% of the site's power requirements.

Photovoltaic installations not only have substantial environmental benefits, they are also becoming economically viable. With a capital investment of USD 7 million, we expect our solar power facility at Armonk to have a payback time of less than seven years. On top of that, it will also enable us to add battery storage in the future and make our operations more resilient in the event of a power outage.

—

84%

Share of total power consumption from renewable sources in 2016

Minimising business travel

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

For a start, we have built up a dense network of video conferencing equipment across the Group. Recently, we partly replaced these facilities with state-of-the-art telepresence technology, which creates a real-time, life-size virtual meeting experience in specially designed rooms. By the end of 2016, we had a total of 148 video conferencing and telepresence facilities worldwide.

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

Despite these measures, the amount of kilometres travelled per employee and the associated emissions have been rising in recent years. A key driver is our continued expansion in high growth markets, which has brought an increase in teams distributed across different locations. In 2016, the total distance each of our employees travelled on average increased by 8.6%.

Paper, water and waste

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

The overview of all our emissions sources (see table on page 53) shows that paper, water and waste are of much less significance in our business than other environmental impacts. Furthermore, it is difficult for us to influence water use and waste generation at locations where we rent office space. However, in the office buildings we own we ensure appliances meet high standards of water efficiency.

Paper use, on the other hand, is much more responsive to managerial action. Although we have not set any quantitative targets, we have taken a number of measures to reduce the average amount of paper used by our employees in recent years. New IT solutions such as "pull printing" (which eliminates uncollected printouts), web-based collaboration and document management platforms have led to a decrease of paper use in all our locations. Thus, average paper use per employee fell by 13% across the whole Group and was 41.2% lower than in 2013.

Offsetting our remaining CO_2 emissions

The second commitment of our Greenhouse Neutral Programme is to compensate all CO_2 emissions we cannot avoid. For the seven emissions sources covered in the second phase of our Greenhouse Neutral Programme, we bought and retired VERs for a total of 80 700 tonnes of CO_{2e} in 2016.

We are keen to ensure that the VERs we buy are of a high environmental standard. Therefore, we have developed a set of criteria to select the projects generating certificates. In particular, we give priority to those which create strong social side effects and benefit the poorest regions. You can read more about the compensation project we selected in 2016 on page 57.

External verification of our CO_2 reporting

Right from the start of our Greenhouse Neutral Programme in 2003, we have disclosed our CO_2 emissions, their principal sources and relative performance over time. The method we use to calculate our emissions is based on the guidelines of the Greenhouse Gas Protocol, the most widely-used emissions accounting standard (www.ghgprotocol.org/). Before our emission figures are published, PricewaterhouseCoopers checks them to verify our calculations. Their complete assurance report for the whole Corporate Responsibility Report is included on pages 82–83.

Village dwellers in India using an efficient cooking stove that reduces smoke and toxic emissions, cuts firewood consumption and saves time. Purchase of the stoves was subsidised through a carbon offsetting scheme from which we bought our Voluntary Emissions Reductions for 2016.

Efficient cooking stoves for India

When selecting compensation projects for our CO_2 emissions, we require them to have tangible social benefits. In 2016, we chose a "Gold Standard" (www.goldstandard.org) project that provides clean cooking stoves for poor communities in the southern Indian states of Tamil Nadhu and Karnataka.

In India as a whole, over 60% of the population uses firewood for cooking, and for approximately 170 million families it is the main source of fuel. The traditional way of cooking over an open flame with wood exposes family members inside the home to a high concentration of toxic fumes, which causes a range of respiratory problems and is estimated to contribute to approximately 500 000 premature deaths per year. Moreover, the reliance on firewood has led to widespread and accelerating deforestation.

The project, which is managed by our partners South Pole Group (www.thesouthpolegroup.com), comprises the design, manufacture and distribution of efficient household cooking stoves for 200 000 rural households. These stoves reduce smoke and toxic emissions by 80%, significantly improving the health and wellbeing of the families that use them. Besides requiring less fuel, the stoves also cook much faster. This means the families can save time and money and turn to more productive activities, especially children's education. Normally, people in Tamil Nadhu and Karnataka spend about three hours per day collecting firewood.

An added feature of the project is that it trains local women as entrepreneurs and actively involves them in the marketing and sales of the stoves. This enables them to earn their own income and to improve their social position in their rural communities.

In total, the project prevents the emission of around 27 500 tonnes of greenhouse gases. The money generated through the associated certificates is used to subsidise the cost of the cooking stoves, making them more affordable to the local families.

Sustainability in our supply chain

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

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

We consider environmental criteria relating to materials and ingredients, production methods, recycling and waste. For some sourcing categories, we have developed "minimum standards" that further specify our requirements. Besides power (see page 54) and paper (see page 56), these cover cleaning services and agents, refrigerant agents and building materials. Each standard lists objectives, ecological aspects, ecological minimum standards, exceptions, controlling and labels.

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

Recently, we signed up for EcoVadis, a collaborative platform for sustainable supply chain management, which covers a wide range of screening criteria across the topics of environmental impacts, human rights, labour practices and impacts on society. This will allow us to assess the sustainability performance of our suppliers more systematically with the help of key performance indicators and to engage them in improvements, thus also reducing potential sustainability risks in our supply chain.

In 2016, we started to implement the platform in our Corporate Real Estate Sourcing category, covering more than 50% of our expenditure in this area. Going forward, we plan to fully incorporate the platform into our sourcing processes across all sourcing categories. We have set ourselves the goal of including our tier 1 and tier 2 vendors in the EcoVadis platform by 2020.

A model showing the open, flexible workspaces we are creating at Swiss Re Next, our new headquarter building in Zurich. Along with facilitating collaboration and supporting different work situations, this concept will also reduce the building's environmental footprint. You can watch a video about the new working environment at next.swissre.com/en/#workspaces

Sustainable construction and Swiss Re Next

Swiss Re has over 80 office locations in more than 30 countries. For new building or renovation work, we apply a number of principles. One of them is sustainability, which translates into criteria such as stringent construction standards, high-quality fittings and finishes, a comfortable ambient climate, environmentally sound, durable materials, low energy consumption and low maintenance and running costs. Constructing or renovating an office building in line with such sustainability criteria is the most effective way to minimise its environmental footprint.

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

In practice, we usually go beyond these requirements and use further standards such as MINERGIE-ECO® – which also includes health criteria and demands on building materials – and MINERGIE-P-ECO®, which specifies the characteristics of a nearly zero-energy building.

Swiss Re Next
Under the title of Swiss Re Next, we are currently constructing a replacement building for the former *Neubau* ("new building") at the Group's Zurich headquarters. From the start, sustainability was defined as one of the key features of the project. Our goal is to be awarded the MINERGIE-P-ECO® certificate as well as the highest certification level of the US LEED system (usgbc.org/leed) – LEED Platinum. We have received the preliminary MINERGIE-P-ECO® certificate and successfully passed the LEED design review.

Open workspace concept
As Swiss Re Next is nearing completion, one important feature is becoming more and more visible: its open, transparent workspace concept. This has been a key element of the planning process since its beginning, reflecting two important goals we pursue with Swiss Re Next: to support and further strengthen our communicative work culture based on team work and knowledge exchange; and to provide the flexibility to cater for the varying work situations typically encountered today.

At present, our individual workplaces are already occupied less than 50% of the time on average, while meeting rooms are generally used to the full. Ongoing digitalisation will further increase the need as well as the possibilities for communication and networking. Thus, there will no longer be any assigned workplaces or single offices at Swiss Re Next. Instead, our employees will find a varied design with think tanks, meeting rooms, lounges, temporary workplaces, informal meeting areas, service zones and cafeterias. At the same time, the teams will retain dedicated areas of their own, called "home bases", equipped with adaptable workbenches for four to six people. Importantly, access to these home bases will be through communal zones with generous coffee bars, encouraging spontaneous encounters.

Such an open, flexible workspace concept has a further advantage. Because it allows us to use available space more effectively (with 1 100 employees sharing 800 workplaces), it comes with a substantially smaller environmental footprint. And this is fully in line with the ambitious sustainability goals we have set ourselves with Swiss Re Next.

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

The CO_{you2} Programme

Tackling our carbon footprint is one of four pillars of our climate change strategy (see page 12). In 2007, we launched the CO_{you2} Programme because we wanted to make our commitment more tangible for our employees and help them to become more aware of climate change.
The programme offers subsidies for a range of investments through which our employees can reduce their private carbon footprints. To our knowledge, it was the first global corporate initiative of its kind at the time.

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

In 2016, we granted a total of 2 449 subsidies spread across three product categories: home appliances, home infrastructure and mobility. Over the past three years, electric-powered mobility has become more prominent, with 362 subsidies for e-bikes, e-motorbikes, e-cars and plug-in hybrid electric cars. Responding to this trend, we have introduced e-car charging stations at several locations.

Amongst the large Swiss Re locations, uptakes per employee were highest in Slovakia, China, Germany, Switzerland and India. Our office in Slovakia has witnessed particularly strong growth in recent years and many new employees made use of the opportunity to claim subsidies, eg for highly energy-efficient fridges and washing machines as well as bicycles for their daily commute to work. In Europe, in general, mobility remains a popular category, with bicycles the most common type of subsidy.

Some of our Asian locations have also seen strong growth and, consequently, high subsidy rates. Energy-efficient home appliances were particularly sought after. In the Americas, meanwhile, home appliances as well as home infrastructure were popular categories.

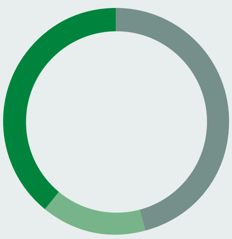
2 449

CO_{you2} subsidies granted to our employees in 2016

(2 361 in 2015)

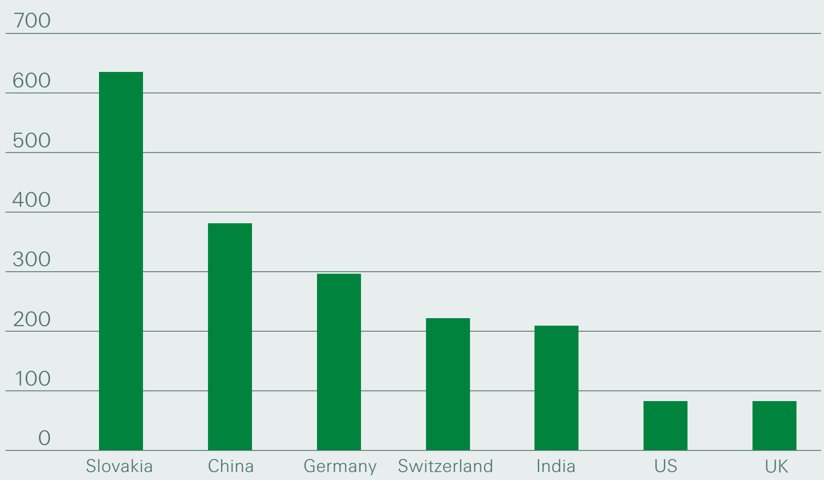
For more information see **swissre.com/corporate_responsibility/coyou2_programme.html**

CO_{you2} payouts in 2016, by category



- 46% Home appliances
- 15% Home infrastructure
- 39% Mobility

Number of CO_{you2} payouts in 2016, per 1000 employees



Cups and lunch containers for reuse, not for the waste bin: reCIRCLE is supported by the Swiss Climate Foundation and provides more sustainable containers for convenience food bought on the go. reCIRCLE's reusable cups and lunch containers are tough enough to last for at least 100 wash-and-reuse cycles, and the company's goal is to market them through as many takeaway outlets as possible.

Partner initiative: The Swiss Climate Foundation

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

The purpose of the Swiss Climate Foundation is to collect these funds and to use them to support various climate-friendly projects undertaken by small and medium-sized companies (SMEs) in Switzerland. In 2012, the Swiss Climate Foundation broadened its scope and started to collaborate with the LIFE Climate Foundation Liechtenstein, generating more partner companies and enabling SMEs in Liechtenstein to benefit from the funds, too. By the end of 2016, 28 renowned financial service providers from Switzerland and Liechtenstein were partner companies of the Swiss Climate Foundation.

Since becoming operational in 2009, the Swiss Climate Foundation has supported more than 1 300 SMEs in Switzerland and Liechtenstein with CHF 15 million in total. In 2016, 219 SMEs were supported with a total of CHF 1.55 million. These projects are expected to help avoid more than 50 000 tonnes of CO_2 emissions over the next ten years.

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

For more information see
swiss-climate-foundation.ch

Engaging **our people**

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

To fulfil this ambition, we are committed to building a diverse organisation in which our leaders inspire and engage their teams to unleash their full potential.

At Swiss Re we aim to collaborate in the spirit of "Let's be smarter together", because together we can achieve much more than we ever could alone. Our organisation constantly looks for new ways to improve the wellbeing of society and prepares for the changing needs of the future, drawing on the know-how and experience of a diverse, multi-generational group of employees. We aspire to be a place where a flexible and inclusive culture is the norm and where everyone can contribute. We are passionate about building an environment of trust, respect, cooperation and responsibility. Where *how* we achieve results is every bit as important as *what* we achieve.

To meet these goals, we developed and embedded a new People Strategy. Looking back on 2016, we can see that this strategy has borne fruit – the engagement level of our employees has increased significantly (+9 percentage points vs 2015) and we achieved the Aon Hewitt Best Employer status in nine out of 17 eligible countries.

Swiss Re is a global company with a presence in all major markets. As of 31 December 2016, we employed 14 053 people (regular staff) from 109 nationalities: 60.7% work in Europe, incl. the Middle East and Africa (EMEA), 25.6% in the Americas and 13.7% in the Asia-Pacific region.

Our People Strategy

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

In 2016, we brought our People Strategy to life through a number of changes that were positively recognised by our internal and external stakeholders:

- New employer brand to attract the best talent: Our brand promise "Let's be smarter together" reflects the renewed energy and aspirations that Swiss Re has. It signals our ambition, as a best-in-class employer, to create an even better workplace by building on our strengths, while seeking opportunities to evolve and differentiate ourselves from our competitors.

Employee data, Swiss Re Group

	2014	2015	**2016**
Total headcount regular employees	12 224	12 767	**14 053**
Full-time	11 159	11 652	**12 960**
Part-time	947	973	**1 093**
Temporary employees	271	376	**330**
Turnover rate (incl. company sales)	9.8%	10.6%	**9.7%**
Voluntary	6.6%	6.8%	**6.7%**
Involuntary	3.2%	3.8%	**3.1%**
Average tenure regular staff (in years)	9.3	9.0	**8.8**

For more information see
swissre.com/careers/

- New recruiting experience: Attracting the right talent and delivering a positive recruiting experience for our candidates and line managers is key for our success and our employer brand. Our new recruiting experience leverages digital technologies such as video recruiting in Bangalore, and will be further embedded in 2017, enabling candidates and hiring managers to interact seamlessly and effectively.
- Develop our leaders: We expect our leaders to have the skills to inspire and engage our people. Therefore, we have spent considerable time embedding our Leadership Imperatives (Swiss Re's behavioural principles) and developed critical leadership skills through excellence programmes and master classes.

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

Employee Engagement Surveys

In 2015, we introduced a newly designed Employee Engagement Survey to find out what we can collectively improve to live the spirit of our People Strategy. We ran the survey for the second time in May 2016, with a response rate of 86% (1% up from last year) with close to 20 000 written comments. Our overall engagement score increased 9 points from 58% to 67%, putting us well above the Global Financial/Insurance Average benchmark of 61% and close to the Global High Performance benchmark of 71%.

We progressed significantly in the improvement areas we identified in the 2015 survey: Improve job rotation opportunities and opportunities across geographies, increase transparency around rewards and focus on retaining key talent – all went up 10–14%. Now our aim is to meet or exceed the high performance norm by retaining the gains we have achieved and continuing our progress in priority areas.

In terms of our key strengths, 82% of surveyed employees feel that Swiss Re values diversity and has an open, inclusive culture. All questions about manager effectiveness are above or close to the high performance

In 2016, we were recognised by our engagement survey providers Aon Hewitt as a Best Employer in several countries and the whole Europe region.

benchmark and 80% of participants agree that they are given the flexibility to balance work and personal life. Finally, 76% agree that their job is a good fit, and 71% feel a strong sense of accomplishment in their work.

Our engagement survey provider Aon Hewitt (www.aon.com) has a well-established and globally recognised Best Employer programme. This measures employer excellence worldwide by analysing survey results and benchmarking them against their other client companies. In 2016, Swiss Re was recognised as Aon Best Employer in nine out of 17 eligible countries: Australia, France, Germany, Italy, Japan, Mexico, Slovakia, South Africa and Switzerland. In addition, the overall region Europe has qualified for the Aon Best Employer regional recognition.

Diversity and inclusion

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

We are committed to this vision because it supports an environment in which our employees value each other's differences and where they can all bring their authentic selves to the workplace – an environment in which our inclusive culture enables us to truly live our "smarter together" brand promise.

Living up to this promise, our global D&I community, a committed group of business D&I Champions, local D&I Councils and employee networks, continued their strong efforts to ensure our diversity and inclusion framework is firmly embedded in our corporate culture. These efforts are reflected in our 2016 employee engagement results, which tell us that our employees are positive about Swiss Re's open and inclusive culture, and that they see the value we place on diversity.

Advancement of women

Almost half of Swiss Re's global workforce are women and we are steadily improving gender balance at management levels. To underline our commitment to reducing bias in talent decision-making, this year we integrated line manager training and tools into the recruiting process and across the talent life cycle. As part of our new employer brand positioning, we systematically apply D&I best practices, such as forming diverse hiring panels and using gender-sensitive language and visuals in all job advertisements.

Externally, Swiss Re continues to contribute to the advancement of female talent in the communities in which we operate. One such partnership is with the association Advance – Empowering Women in Swiss Business, of which Swiss Re is a founding member. We hosted their 2016 Annual Conference at our Centre for Global Dialogue. It was devoted to "The Future of Work" and the role women play, making clear that companies must create progressive working conditions and cannot afford to ignore the expectations of women in the workplace.

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

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

	2014	2015	**2016**
Executive/senior management positions*	21.4	22.1	**22.9**
All management positions*	31.5	32.2	**32.9**
Total workforce	46.3	46.4	**46.9**

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

Our Centre for Global Dialogue near Zurich provided the stage for the 2016 Annual Conference of "Advance - Empowering Women in Swiss Business". Under the heading of "The Future of Work", the event focused on how to create attractive working conditions meeting women's expectations.

Bridging generations

To ensure Swiss Re attracts and retains the talent needed for the future and remains an employer of choice, it is important we understand the diverse needs of the multiple generations making up our workforce. Swiss Re's generational diversity is expected to increase across all our locations, and our new employer brand reflects our aspirations to embrace a balanced workforce.

In particular, we are focusing on building dialogue across different age groups to break the stereotypes attached to generational preferences and workstyles. In 2016, we held workshops across the Asia-Pacific, Americas and EMEA regions. Combining internal dialogue with external trends, we are working on creating workplace solutions that take into account employee life cycles (eg parents, retirement, career starters) and the increasing demand for flexible work solutions.

Agile working

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

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

Swiss Re employees attending the Workplace Pride 2016 International Conference in Amsterdam. We have recently launched several initiatives focusing on LGBT inclusion at Swiss Re.

2016 launch "Together with Pride": LGBT at Swiss Re

In 2016, Swiss Re increased its focus on sexual orientation inclusion by forming a worldwide LGBT (Lesbian, Gay, Bi-sexual, Transgender) steering group. For the first time, we participated in the Workplace Pride 2016 Global Benchmarking (www.workplacepride.org) that scores international companies on their LGBT inclusion policies and practices across the globe. These insights and our close collaboration with best practice companies and LGBT associations, such as Stonewall (www.stonewall.org.uk) and OUTstanding (www.out-standing.org), are shaping our future strategy.

After the very successful launch of the UK LGBT ally and network programme, Together with Pride, and building on the long-standing Swiss LGBT chapter Woolf n'Wilde, LGBT initiatives were launched in the Asia-Pacific and Americas region. Swiss Re is proud to have celebrated this year the 15-year anniversary of our Swiss Woolf n'Wilde LGBT club with members, allies and several members of our global senior leadership. As part of Together with Pride, Woolf n'Wilde is one of the first LGBT networks established in a Swiss company and acts as a local employee resource group open to everyone at Swiss Re.

region. This has become a differentiating part of Swiss Re's employee value proposition.

Inclusive culture

Given the important role each of our managers plays in fostering an inclusive culture and benefiting from its strengths, inclusive leadership behaviours are essential at Swiss Re.

We have developed clear expectations of how managers can foster an inclusive work environment for all employees. To make these principles tangible for all our employees, we embedded them in our Leadership and Personal Imperatives.

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

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

Code of Conduct

In line with Swiss Re's policy of fostering diversity, we have strong provisions in place to penalise any infringing behaviour. Our Code of Conduct, of which we published an updated version in 2016 (see pages 76–77), clearly states that discrimination in the workplace against any employee or job applicant based on the person's age, (dis)ability, origin, gender, religion or sexual orientation, or any other characteristic protected by local law, is not tolerated under any circumstances. We encourage our employees to report violations of the Code of Conduct, laws, rules or regulations, and make it clear to them that reporting in good faith is treated with discretion and that retaliation will not be tolerated.

Development and training

The effective development of our people and leaders is key for our enduring success. For this reason we have continued to significantly invest in this area during 2016 by reinforcing our 70/20/10 approach to development and upgrading our leadership development architecture. The 70/20/10 approach advocates a shift from formal training (10% of activity) to actions that reflect "on-the-job experiences" (70%) and "learning from others" (20%).

Leadership and management development

Our ambition is to accelerate the development of leadership and managerial skills in order to inspire a multi-generational workforce. Our leadership development architecture supports the execution of our ambition through focused development of critical leadership and management skills. We have significantly increased our investment in developing managerial and leadership skills (+27% compared to 2014) and spent considerable time embedding our Leadership and Personal Imperatives to drive a high performance and feedback culture. Given our focus on this area, we are pleased to see evidence of an improved feedback culture and quality of development conversations, as supported by a +20% increase in our 2016 Employee Engagement Survey results. Thus, our employees feel significantly more positive about their career opportunities.

To support our growth ambitions in high growth markets, we have introduced targeted training to equip leaders with the necessary skills to create an impactful recruitment experience. Furthermore, we developed our

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

leadership capabilities in high growth regions through targeted development programmes.

Going forward, we will further strengthen the capabilities of our line managers and prepare them to meet the challenges of a rapidly changing environment. We will integrate our existing programme offerings into a new leadership development architecture with a manager curriculum at every management level, complemented by our specific programmes suited to develop our talent pipeline.

Employee development and growth

Implementing effective programmes to further develop and train our employees and leaders lies at the heart of our People Strategy. This is also something that employees clearly want, as reflected in the Employee Engagement Survey results. While 70% of surveyed employees said we strongly support their learning and development (above the Global High Performance benchmark), respondents still asked for more development opportunities at Swiss Re.

Therefore, we made a number of changes to more effectively embed our 70/20/10 approach to development and growth.

We introduced a new initiative, PersonalGrowth@SwissRe, highlighting the role line managers and employees play in supporting personal growth and career development. In support of this new development, we launched an online support tool called e-Zine for the EMEA region to spur more direct ownership of individual development. We also introduced social learning through the use of technology at our Bratislava and Bangalore offices, where the average employee age is lower than in the Group as a whole.

We also offered new skill development solutions for leaders, including revamping our Talent Broker platform, to provide more visibility and simpler access to job rotations. In 2016, around 800 employees per month used the platform and around 100 rotation opportunities were advertised. We also piloted reverse mentoring with 13 members of the Reinsurance Management Team, which will be expanded across other business areas in 2017 (see www.youtube.com/watch?v=Bs-e1Q9pC38). In addition, we continued our "speed mentoring" offers.

Formal training

Formal training at Swiss Re combines technical, professional and leadership skills training. We design our training internally or in collaboration with leading external partners and deliver it through our long-established Swiss Re Academy. In late 2016, we introduced some new "blended learning" professional skills training which embraces the 70/20/10 principle.

Swiss Re Academy provides a portfolio of blended learning, combining face-to-face learning, eLearning, peer-to-peer coaching and virtual classrooms. Together, they offer a flexible approach to learning. Our courses are well received by our employees; for instance, in leadership skills training we scored 4.39 out of 5 in 2016 (highest score ever recorded). Swiss Re Academy has developed extensive professional and personal development curricula to respond to changing business needs.

Learning data, Swiss Re Group

	2014	2015	**2016**
Total learning hours recorded	159 551	204 225	**231 826**
Learning hours per employee	13.1	15.5	**15.3**
Learning costs per employee (in USD)	1 500	1 024	**919**

Professional Development

ACCA
approved employer status

The Association of Chartered Certified Accountants, the global body for professional accountants, awarded Swiss Re approved employer status. Therefore, participation in the Swiss Re Academy's development options are now credited with Continuous Professional Development points, enabling our people to retain their professional qualifications.

Currently, we offer more than 1 000 different training courses. Our employees attend training in areas as diverse as underwriting, finance, sales and negotiation, leadership, diversity and inclusion, interpersonal skills, project management, office tools and language skills. Certain courses, such as compliance training, are mandatory.

In 2016, all our employees took part in our development and training programmes. They completed 231 826 hours of training overall, averaging 15.3 hours and USD 919 per employee. This drop in per-capita training expenses is directly related to the increase in online learning and the decrease in classroom trainings. In addition, each of our Business Units organises a considerable amount of specialist training.

A total of 836 employees participated in sales training during 2016, with the average feedback score of 4.45 (out of 5). This standard exceeds industry benchmarks. We recommend that employees who work directly with our clients invest at least two days per year in formal sales training. Also in 2016, we launched a tailored three-year development plan "Reinsurance Finance: Own your development" for our finance employees. These courses were attended by more than 1 500 employees in 2016.

In line with our flexible development and training philosophy, the Swiss Re Academy intranet site gives our employees easy access to our global learning catalogue, links to regional learning offerings and a multimedia library. Close to 78% of our training is delivered through eLearning formats. This reduces the need for our employees to travel and spend time away from the office, while supporting our commitment to reducing our carbon footprint.

Embedding the behaviours we need for the future

Our Leadership Imperatives and Personal Imperatives set out the behaviours we need and expect from our leaders and employees. Embedding them into our culture and processes is key. However, we are aware that this cannot be achieved by simply communicating them to employees. For this reason, we continue to embed them and systemically integrate them into other human capital processes.

We have also integrated the Leadership Imperatives and Personal Imperatives into both our performance management process and leadership development programmes.

Our Early Joiners programmes

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

Over a period of 18 months, the graduates receive on-the-job training in their respective functions. They also attend a number of classroom-based training sessions which are specifically designed for the programme and focus on Swiss Re's core business areas. By the end of 2016, around 379 graduates had either completed the programme since its launch in 2007 or were still participating in it. They are employed across many different functions and regions.

In 2016, we employed 61 interns through the interns@swissre programme. This includes seven internship positions for students from the African Leadership Academy (ALA) in support of our high growth market talent strategy. The interns programme is mainly aimed at university students who are pursuing a Bachelor's or Master's degree, and at graduates with less than one year of full-time work experience. Interns join teams in core business areas, where they take on specific tasks and various projects. In India, South Africa, the US and the UK we offer traditional summer internships that typically last between eight and 12 weeks, while in Germany and Switzerland the internships usually span three to six months.

Three of our former graduates attended the awards ceremony at the Intercontinental Hotel in London to collect a 2016/2017 Top Company award from TheJobCrowd.

Award from TheJobCrowd

In 2016, Swiss Re won the award for "Top Company for Graduates to Work for in the Accountancy & Insurance Sector" for the second time in a row. We received this award from TheJobCrowd (www.thejobcrowd.com), a popular graduate job review website in the UK.

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

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

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

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

Our Actuarial Development Programme (ADP) is designed to provide students with work assignments and projects that are challenging, educational and promote personal and professional development. We view superior actuarial expertise as a vital factor for our success. That's why we place great emphasis on recruiting top talents for our programme. We help develop actuaries in many ways – from study allowances to mentoring and career development. In 2016, we hired 15 ADP interns to join the programme running from April/May to August. Those students worked in Fort Wayne (9), Armonk (5) or Dallas (1).

In three locations we offer a Junior Power programme. Originally launched in Zurich in 1981, the programme was extended to Munich in 2008 and to London in 2014. In total, we have trained over 650 apprentices and trainees through the programme. Currently, 100 apprentices and trainees, aged between 15 and 25, are being trained in a broad range of occupations. We provide them with an innovative and high-quality learning environment that enables them to build up the competencies and skills they need for the labour market. In this way, we also make a positive contribution to youth employment.

In turn, our apprentices and trainees contribute to the success of their respective teams, add new perspectives to Swiss Re and challenge established practices. We offer training for business roles, computer specialists, chefs, hotel housekeepers, waiters and media specialists. About 20–25% of all our former apprentices and trainees are still working at Swiss Re.

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

Our employees' wellbeing

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

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

Health and wellbeing

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

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

We also hold various local events on topics such as work stress, mental health and awareness trainings. For example, in Australia we organised various activities that focused on physical and mental health such as a stress & resilience workshop, a "Happy Body at Work" seminar and we invited guest speakers from new medical facilities and the local gym. In Bangalore we offered a health & nutrition session and a bone density check to help detect possible mineral deficiencies and take corrective action. In Hong Kong a special week was dedicated to increasing awareness of work- life balance. We also offer free flu jabs in various countries, such as Switzerland, the UK and the United States.

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

Parents@Swiss Re

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

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

Employee health data:
Sick leave days, Switzerland regular staff

	2014	2015	**2016**
Number of employees	3 321	3 326	**3 267**
Number of employees who have recorded absence due to illness	1 900	1 979	**1 809**
Average number of sick days	7.4	7.2	**7.9**

In general, our employees can count on diverse options such as additional family allowance, one-off childbirth allowance, additional paid maternity and paternity leave, or the option to take unpaid leave. These benefits are tailored to the local needs of our workforce and therefore differ from region to region. In Bratislava – one of our high growth locations – we introduced the concept of "maternity buddies" in 2015: Every mother on maternity leave has a maternity buddy who informs her about current activities in the team while she is on maternity leave. In 2016, we increased the communication flow to maternity leavers providing them with regular updates about news concerning the organisation as well as open positions to encourage their return. Furthermore, we are currently evaluating the feasibility of establishing a kindergarten in the new Swiss Re premises.

To accommodate the needs of working parents, we have a number of initiatives in place. Last year, approximately 165 children in Switzerland attended our one-week vacation programmes during the spring and summer school holidays, enabling their parents to continue working. We also offer a number of reserved places at day care centres in and around Zurich. Furthermore, our external childcare provider helps parents find emergency nannies and gives guidance in all questions related to childcare.

In 2016, we organised two events in Singapore that were dedicated to families. We held a "Kids at Work" workshop where children could experience a day in the office with their parent and join in various fun activities with other children. Furthermore, employees and their children could enjoy a range of activities at the "Family Day" event, which our CEO Reinsurance Asia also joined.

Employee relations

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

These bodies are elected by local employees and have clearly defined information and consultation rights. Although there are significant local differences in the applicable legislation, their rights typically concern:

- Working conditions
- Benefits
- Reorganisation and restructuring
- Redundancies
- Disciplinary actions and conflict cases

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

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

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

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

Alumni networks

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

Through the Swiss Re Alumni Network, we offer our former employees the opportunity to continue sharing their knowledge and experience, and to keep in contact with colleagues. Currently, we have more than 3 700 active members.

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

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

Compensation and benefits

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

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

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

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

The balanced compensation package is generally complemented by competitive pension plans and other employee benefits. Such benefits include, for example, the Continuous Contribution Award, which recognises the loyalty, commitment and continuous contribution of our employees by offering them opportunities at defined milestones to enjoy additional, paid time off. Health benefits and financial protection in case of ill-health are also an important part of our overall packages. We provide medical, life and disability insurance in excess of state provisions in many of our locations. Furthermore, we support employees in accumulating retirement benefits to supplement any state provisions.

In addition, the CO_{you2} Programme continues to offer our employees the opportunity to claim subsidies from the company for a range of emissions cutting investments they want to make in their private lives (see page 60).

Further information on Swiss Re's approach to compensation and benefits can be found in our 2016 Financial Report (pages 138–163).

Simplifying performance management

We have undertaken significant work to improve our performance management process over the last three years, with the aim of focusing on both *what* people achieve and *how* they achieve their goals. We are leveraging our Leadership and Personal Imperatives to create more focus on the outcome of performance management through improved employee discussions, better performance differentiation and more transparent pay-for-performance.

Our approach has allowed us to better clarify behavioural expectations, simplify processes and make the tools more flexible. 2016 was the second consecutive year we successfully applied the two-dimensional approach to all eligible employees and which significantly helped us to differentiate performance.

Ensuring **good corporate governance and compliance**

Swiss Re's corporate governance forms the basis for sustainable management of the Swiss Re Group.

Corporate governance

Swiss Re considers good corporate governance as one of the preconditions to ensure sustainability throughout all the Group's activities and indispensable to maintaining long-lasting, valuable relationships with its stakeholders. We recognise that transparent disclosure of our governance structure fosters assessment of the quality of our organisation and business conduct.

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

Our key focus areas in 2016 were the enhancement of Swiss Re Life Capital Ltd's and the Business Unit Life Capital's corporate governance framework and the comprehensive revision of the Bylaws.

In our Corporate Responsibility Report, we highlight key elements of Swiss Re's corporate governance, in particular with respect to its structure, the independence of the Board of Directors, conflicts of interest procedures and shareholder rights. Comprehensive information on Swiss Re's corporate governance is available in the 2016 Financial Report on pages 80–119.

Swiss Re's corporate governance structure

Swiss Re has a dual board structure in place: the Board of Directors is responsible for the overall direction, supervision and control of Swiss Re Ltd and the Group. It has delegated the management of Swiss Re Ltd and the Swiss Re Group to the Group Executive Committee (Group EC). This structure maintains effective mutual checks and balances between these top corporate bodies.

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

The Swiss Re Ltd & Group Bylaws ("SRL&Group Bylaws") define the governance structure for Swiss Re Ltd and within the Swiss Re Group, including the responsibilities of the Board of Directors, Chairman, Vice Chairman, Lead Independent Director, Board committees, Group EC, Group CEO and of the other individual Group EC members including the Regional Presidents, as well as the relevant reporting procedures.

As determined by applicable law and the Articles of Association, the Board of Directors has non-transferable responsibilities and authorities. The Board of Directors has established Board committees, which support the Board in fulfilling its duties. The Board of Directors has delegated certain responsibilities, including the preparation and execution of its resolutions, to the following five committees: the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee, the Finance and Risk Committee and the Investment Committee.

Independence of the Board of Directors and conflicts of interest procedures

The SRL&Group Bylaws stipulate that at least three-quarters of the members of the Board of Directors must be independent. Independence is defined in line with best practice corporate governance standards. To be considered independent, a Group Board member may not be, and may not have been in the past three years, employed as a member of the Group EC, or by any subsidiary of the Swiss Re Group or may not have a material relationship with any part of the Swiss Re Group (either directly or as a partner, director or shareholder of an organisation that has a material relationship with the Swiss Re Group) other than serving as an independent board member in any subsidiary.

All the members of the Board of Directors meet our independence criteria with the exception of our Chairman. In line with Swiss Re's independence criteria, he is not considered independent being a full-time Chairman. In addition to the independence criteria applicable to Board members in general, additional independence criteria apply for members of the Audit Committee.

The members of the Board of Directors are also subject to procedures to avoid any action, position or interest that conflicts with an interest of Swiss Re Ltd or the Swiss Re Group or gives the appearance of a conflict. Each member must disclose any conflict of interest generally arising or relating to a matter to be discussed at a meeting, as soon as the member becomes aware of the conflict, to the Chairman. The respective member must not participate in the discussion and decision-making involving the interest at stake. The Chairman informs the Board of Directors of the existence of the conflict and it is reflected in the meeting minutes.

Shareholders' participation rights

Shares

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

Voting right restrictions, statutory group clauses and exception rules

There are no voting right restrictions and no statutory group clauses (other than the limitations on nominee registrations). Therefore, there are no procedures or conditions for cancelling restrictions and no rules on making exceptions to them. Accordingly, no such exceptions were made in 2016.

Statutory rules on participating in the General Meeting of shareholders

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

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

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

Changes of control and defence measures

Swiss Re Ltd has not put in place any specific measures to defend against potential unfriendly takeover attempts. Swiss Re Ltd's Articles of Association neither contain an "opting up" nor an "opting out" provision. The Board of Directors believes that the company's best protection is a fair valuation of its shares, and that the efficiency of a free market is preferable to artificial obstacles, which can have a negative impact on the share price in the long term.

By adhering to the highest compliance standards, we ensure legal and ethical behaviour across the Group.

Compliance: Code of Conduct

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

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

We regularly review and update the Code to reflect changes in regulations and principles. A comprehensively overhauled version was published in the second half of 2016. While the requirements set out in the Code generally remain the same, many changes were made to make it a more user-friendly document. The language used in the new Code is easy to understand and concise. The new layout and real-life examples give us clearer guidance in our day-to-day business.

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

The new Code is available to our employees in eight languages: English, French, German, Italian, Japanese, Portuguese, Slovak and Spanish.

Topics and policies

Our new Code addresses the following key compliance topics under two headings, "Our responsibility towards one another and Swiss Re" and "Our responsibility towards our business partners and society":

Our responsibility towards one another and Swiss Re
- Business information and information technology
- Communication
- Conflicts of interest
- Diversity & inclusion and fair and equal treatment
- Fraud
- Health, safety and security
- Intellectual property

Our responsibility towards our business partners and society
- Bribery and corruption
- Data protection
- Inside information
- Fair competition
- International trade controls and economic sanctions
- Licensing and permanent establishment
- Money laundering
- Sustainability and human rights

Bribery and corruption

The Code addresses our position on bribery and corruption. It clearly states that "we conduct business fairly without accepting or offering benefits intended to improperly influence decision-making".

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

In 2016, we integrated our ABC Policy in our Sensitive Business Risks assessment tool, which our underwriters use to screen transactions for potential negative impacts on the environment and human rights (see page 31). This helps us to mitigate our exposure to bribery and corruption risks through appropriate due diligence on our counterparties.

Data protection

We could not work successfully with our business partners, clients and individual consumers around the world without maintaining their trust for the data they provide to us. The Code highlights that we need to handle personal data with greatest care and use it only for legitimate business purposes.

Our Data Protection Compliance Framework, with global as well as local policies and standards, addresses our commitment to protecting personal data and respecting privacy rights across our operations. We use internationally recognised data protection and privacy principles that ensure compliance with a complex and constantly changing set of laws and regulations, and we provide proper training and awareness sessions to our employees. Procedures for reporting security incidents and notifying on data breaches are established.

We also contribute thought leadership on data protection by conducting expert sessions during insurance industry events and hosting symposium events at our Centre for Global Dialogue to look at the future of regulations, cross-border data processing, big data, ethics and e-health in insurance (see pages 48–49).

Money laundering

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

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

Sustainability and human rights

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

Whistleblowing

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

Training

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

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

In addition, we conducted trainings for all our employees on the following topics in the three years between 2014 and 2016:

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

Validity for third parties

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

Our updated Code of Conduct
files.swissre.com/codeofconduct/index.html

The Swiss Re **Foundation**

Empower communities – build resilience

Who we are

The Foundation reflects the social and humanitarian values of Swiss Re. We partner with social entrepreneurs, aid organisations, researchers and Swiss Re employees and clients to help communities increase their resilience.

Our initiatives address the causes and effects of risks in four areas – climate, natural hazards, water and society – both in emerging and developing countries and in regions where Swiss Re has offices.

Our core goals:

Empower communities to become more resilient to risk and adapt to a changing natural and social environment

Contribute to promoting social welfare, protecting the environment and enhancing quality of life near Swiss Re locations

Engage Swiss Re employees as local volunteers and as expert consultants in our global programmes

Boost impact by teaming up with private and public partners that share our goals and complement our expertise

Earn the respect of our stakeholders, creating measurable value for society and for Swiss Re

For more information see **swissrefoundation.org/**

On a Community Day in Switzerland, Swiss Re volunteers and a refugee tune up a used bike for shipment to a needy community in Madagascar.

The Swiss Re Foundation in 2016 – Shared skills, resilient futures
This report presents the Swiss Re Foundation's approach, a focus section on employee engagement, its awards and an overview of its programmes.

What we respond to

Threats to:
- Health
- Security
- Prosperity
- Opportunity

What our priorities are

- Climate
- Natural hazards
- Water
- Society

Who we support

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

Where we help

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

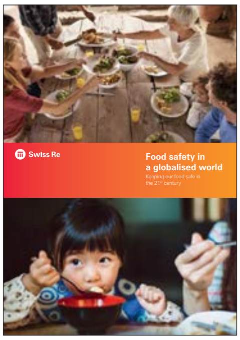
Other Swiss Re publications

Our publications provide the gateway to Swiss Re's broad knowledge base and expertise. They cover a wide range of topics: from technical reinsurance issues and emerging risks to natural perils, economic trends and strategic issues in our industry. This is a selection of recent publications, in addition to those featured on page 51.

Our publications can be downloaded or ordered at
www.swissre.com/library/

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

Natural catastrophes are increasing in frequency and severity. What is more, the gap between economic and insured losses has remained stubbornly large. The consequences are especially severe in emerging markets, which are both the worst hit and the least prepared. Tools exist to narrow that gap using innovative solutions that can help countries, cities and individuals preserve hard-won development gains.



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

Risk management tools that ensure our food is safe already exist, but they must be applied and adapted to ever more complex global markets and supply chains. Adaptation also means spreading lessons learned. This publication is part of the process.

Flood focus: Vietnam

Vietnam is one of the important high growth economies in Asia, but the country's major cities are prone to flooding due to being located on the coast or on flood plains. This publication examines these issues and offers solutions.

Financial repression: The unintended consequences

Unconventional monetary policies help to finance the public sector's debt burden. While a number of these policies were crucial and beneficial to managing the financial crisis, they also come with significant costs. The unintended consequences include potential asset price bubbles, an impaired credit intermediation channel and increasing economic inequality.

Forestry insurance: A largely untapped potential

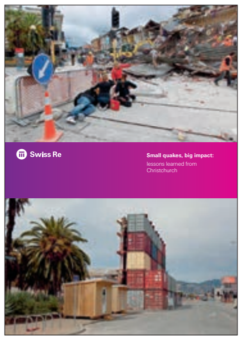
Forests are a vital resource for life on our planet but remain largely uninsured today. Swiss Re believes the re/insurance industry can make a big difference for forestry stakeholders by helping them close the protection gap with viable forest management solutions.

Winter storms in Europe: messages from forgotten catastrophes

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

Keeping tabs on the typhoon threat

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

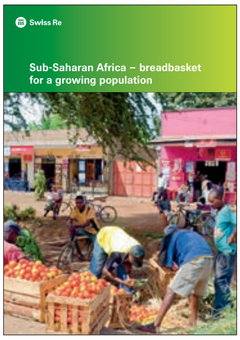


Small quakes, big impact: lessons learned from Christchurch

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

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

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

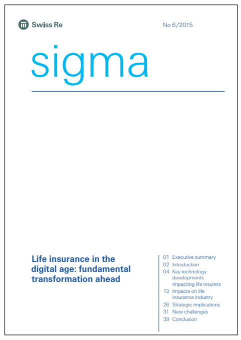


Sub-Saharan Africa – breadbasket for a growing population

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

The risk of tropical cyclones in Brazil

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



***sigma:* the series**

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

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

We have been engaged to perform assurance procedures to provide limited assurance on the consolidated CO_2 emissions reporting and CR topics and sections disclosed with the 2016 Swiss Re Corporate Responsibility Report ("CR Report 2016").

Scope and subject matter

Our limited assurance engagement focused on the following data and information disclosed in the CR Report 2016 of Swiss Re and its consolidated subsidiaries, for the financial year ended 31 December 2016:

a) The management and reporting processes with respect to the consolidated CR reporting as well as the control environment in relation to the aggregation of data and information;
b) The organisational measures and internal key controls in place at the corporate level regarding aggregation of information obtained from the subsidiaries and reporting functions;
c) The consolidated data and information disclosed in the sections "Creating solutions for sustainability" on pages 18–27, "Extending our risk intelligence" on pages 28–41, "Exploring and shaping the risk landscape" on pages 42–51, "Reducing our environmental footprint" on pages 52–61 , "Engaging our people" on pages 62–73 and "Compliance: Code of Conduct" on pages 76–77;
d) The consolidated CO_2 emissions 2016 (Scope 1, 2 and 3 in adherence with the Greenhouse Gas Protocol) of the tables entitled "CO_2 emissions per employee (full-time equivalent, FTE), Swiss Re Group" on page 53, "Underlying environmental data, Swiss Re Group" on page 53 and "Indirect emissions from purchased electricity, Swiss Re Group" on page 53 in the CR Report 2016 covering the reporting period from 1 October 2015 to 30 September 2016;
e) The retirement of 80 700 tonnes of CO_{2e} (CO_2 equivalents) described on page 56 of the CR Report 2016.

Criteria

The management reporting processes with respect to the CR Report 2016 were assessed against the internal and external policies and procedures as set forth in the following:

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

Inherent limitations

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

Swiss Re's responsibility

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

Our responsibility

Our responsibility is to form an independent opinion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the corporate responsibility information reporting is not stated, in all material respects, in accordance with the reporting criteria. We planned and performed our procedures in accordance with International Standard on Assurance Engagements 3000 (revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified CR indicators are free from material misstatement.

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

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

Our assurance procedures included the following work:

- **Evaluation of the application of Swiss Re CR reporting guidelines**
  Assessing whether the methodology applied by Swiss Re is in line with the reporting criteria;
- **Interviews and management inquiry**
  Evaluating the CR reporting and underlying performance indicators by performing analytical procedures and interviewing selected key contacts to assess whether the internal Environmental Performance Indicators Reporting guidelines and CR guidance were consistently applied by the selected locations; performing enquiries of personnel responsible for internal CR reporting and data collection at the Swiss Re corporate level to evaluate the reporting and aggregation process and to assess its appropriateness;
- **Reconciliation of CO_2 emissions data**
  Reconciling the CO_2 emissions data for energy consumption, business travel, copy paper, waste, water, technical gases and commuting and CR data and information to the data used for the internal CR emissions reporting of the selected locations;
- **Assessment of the key figures**
  Performing tests on a sample basis of evidence supporting selected CR data and information (strengthening risk resilience: 2016 highlights, the commitments to the United Nations and to the Grow Africa Partnership, sustainable energy solutions, the Sensitive Business Risk process, responsible investments, HR data and information, diversity and inclusion, development & training) to assess their completeness, accuracy, adequacy and consistency;
- **Review of the documentation**
  Reviewing the relevant documentation on a sample basis, including Swiss Re's CR-related policies, the management of reporting structures, the documentation and systems used to collect, analyse and aggregate reported CR data and information;
- **Assessment of the processes and data consolidation**
  Reviewing the appropriateness of the management and reporting processes for CR reporting; and assessing the processing and consolidation of data at Swiss Re's Group level; and
- **Review of verified emission reductions**
  Reviewing the retirement of 80 700 tonnes CO_{2e} verified emission reductions (VER) according to the Voluntary Carbon Standard or Gold Standard.

We have not carried out any work on data reported for prior reporting periods, nor have we performed work in respect of projections and targets. We have not conducted any work on data other than outlined in the subject matter as defined above.

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

Conclusion

Based on our work performed and described in this report on the identified CR Reporting 2016 nothing has come to our attention causing us to believe that in all material respects:

a) Nothing has come to our attention that causes us to believe that the Swiss Re internal CR reporting guidelines are not applied in all material respects, in accordance with the reporting criteria;
b) Nothing has come to our attention that causes us to believe that the internal reporting processes to collect and aggregate CR data and information is not functioning as designed and does not provide an appropriate basis for the presentation of CR data and information, in all material respects;
c) Nothing has come to our attention that causes us to believe that the CR data and information disclosed in the 2016 CR Report is not stated, in all material respects, in accordance with the reporting criteria;
d) Nothing has come to our attention that causes us to believe that the CO_2 emissions data and information disclosed in the 2016 CR Report is not stated, in all material respects, in accordance with the reporting criteria; and
e) Nothing has come to our attention that causes us to believe that the retirement of 80 700 tonnes of CO_{2e} has not been conducted, in all material aspects, in accordance with the internal requirements.

Zurich, 15 March 2017

PricewaterhouseCoopers AG

Marc Schmidli Konstantin Meier

Memberships, commitments, awards and index listings

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

Memberships and commitments

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

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

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

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

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

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

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

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

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

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

Principles for Sustainable Insurance
Launched at the 2012 UN Conference on Sustainable Development, the UNEP FI Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities.
www.unepfi.org/psi/

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

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

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

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

Recent awards

Evironmental Finance: Deal of the Year for Weather Risk, 2016
Swiss Re Corporate Solutions again won this award from Environmental Finance magazine, this time for a wind hedge in Australia (see page 27).

TheJobCrowd: Top Companies for Graduates to Work for, 2016/2017
For the second time in a row, we were ranked as the "Top Accountancy & Insurance Company for Graduates to Work for" (larger intake category).

Aon Hewitt Best Employer, 2016
We were recognised by our engagement survey providers Aon Hewitt as a Best Employer in several countries and the Europe region.

Environmental Finance: Deal of the Year for Weather Risk, 2015
Swiss Re Corporate Solutions won this award from Environmental Finance magazine for a solar energy hedge in China.

TheJobCrowd: Top Companies for Graduates to Work for, 2015/2016
We were recognised as the "Top Accountancy & Insurance Company for Graduates to Work for" (larger intake category) and came third overall.

Selected index listings and ratings

Dow Jones Sustainability Indices, Industry Group Leader 2016/2017

ECPI Indices

Ethibel Sustainability Index (ESI) Excellence Global

Euronext Vigeo index: World 120

FTSE4Good Index Series

oekom research, Prime investment status

The Principles for Sustainable Insurance (PSI):

Our Public Disclosure of Progress

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

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

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

PSI
Principles for Sustainable Insurance

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

→ As described in our "approach to corporate responsibility", we seek to embed ESG issues in both our business solutions and risk management (see page 14).

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

→ Key actions taken in 2015:
a) for business solutions, see achievements described on pages 18–27;
b) for risk management, see achievements described on pages 28–38;
c) for asset management, see achievements described on pages 38–41.

Principle 2
We will work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.

→ As described in our "approach to corporate responsibility", we engage in regular dialogue with our clients and other stakeholders, and apply ESG guidelines in our sourcing activities (see page 14).

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

→ Key actions taken in 2015:
a) for client and industry cooperation, see achievements described on pages 32–33;
b) for general risk dialogue, see achievements described on pages 42–51;
c) for sourcing guidelines, see achievements described on page 58.

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

→ As described in our "approach to corporate responsibility", we engage in regular dialogue with all our stakeholders (see page 14).

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

→ Key actions taken in 2015: See stakeholder dialogue achievements on pages 42–51.

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

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

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

GRI Content Index

with UN Global Compact Communication on Progress (COP) references

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

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

General standard disclosures

		UN Global Compact principle	Page
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G4-2	Key impacts, risks and opportunities		11–13, 18–27, 28–32, 42–47
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G4-10	Employment data	6	62, 64
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G4-12	Description of supply chain		58
G4-13	Organisational changes		6, 16
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FR = 2016 Financial Report

	UN Global Compact principle	Page
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G4-26 Approaches to stakeholder engagement		10
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Ethics and integrity		
G4-56 Values and Codes of Conduct	10	8–9, 76–77

Specific standard disclosures

Material aspect	Indicator		UNGC principle	Page	Omissions
Economic category					

Disclosure on management approach:
Our management approach to the economic category is primarily disclosed in our 2016 Financial Report. Specific aspects ("implications of climate change" and "indirect economic impacts") are disclosed in this report in the "Who we are and what we do", "Creating solutions for sustainability" and "Exploring and shaping the risk landscape" chapters.

Material aspect	Indicator		UNGC principle	Page	Omissions
Economic performance	G4-EC1	Direct economic value generated and distributed		7, FR 140, 164–170	
	G4-EC2	Implications of climate change	7	12, 18–20	
	G4-EC3	Benefit plan obligations		FR 253–260	
Indirect economic impacts	G4-EC7	Infrastructure investments		39–40, 47	
	G4-EC8	Significant indirect impacts		4–7, 18–25	

Environmental category

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

Material aspect	Indicator		UNGC principle	Page	Omissions
Materials	G4-EN1	Materials used by weight/ volume	8	53, 56	
	G4-EN2	Recycled materials used	8	53, 56	
Energy	G4-EN3	Direct energy consumption	7, 8	53	
	G4-EN4	Indirect energy consumption	8	53	
	G4-EN5	Energy intensity	8	53–54	
	G4-EN6	Reduction of energy consumption	8, 9	54–56	

FR = 2016 Financial Report

Material aspect	Indicator	UNGC principle	Page	Omissions
Water	G4-EN8 Water use	7, 8	53, 56	
Emissions	G4-EN15 Direct greenhouse gas emissions (Scope 1)	7, 8	53–54	
	G4-EN16 Indirect greenhouse gas emissions (Scope 2)	7, 8	53–54	
	G4-EN17 Other indirect greenhouse gas emissions (Scope 3)	7, 8	53–54	
	G4-19 Reduction of greenhouse gas emissions	8, 9	52–56	
Effluents and waste	G4-EN23 Total weight of waste	8	53	
Transport	G4-EN30 Environmental impact of transport	8	53, 56	
Supplier environmental assessment	G4-EN33 Negative environmental impacts addressed in supply chain	8	58	

Social category

Sub-category: Labour practices and decent work

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

Material aspect	Indicator	UNGC principle	Page	Omissions
Employment	G4-LA1 New hires and turnover	6	62	
Labour/ management relations	G4-LA4 Minimum notice periods	3		We always respect minimum notice periods and in some cases exceed them.
Occupational health and safety	G4-LA6 Lost days due to illness		72	
Training and education	G4-LA9 Average hours of training	6	68	
	G4-LA10 Skills management and life-long learning		67–71	
	G4-LA11 Regular performance reviews	6	73	
Diversity and equal opportunity	G4-LA12 Breakdown of employees	6	62, 64	
Equal remuneration for women and men	G4-LA13 Ratios of basic salaries	6		We adhere to the principle of equal pay as part of our commitment to diversity & inclusion but do not disclose such salary data.
Supplier assessment for labour practices	G4-LA15 Negative impacts on labor practices addressed in supply chain		58	

Material aspect	Indicator	UNGC principle	Page	Omissions
Sub-category: Human rights				
Disclosure on management approach: We address human rights aspects relevant to our business through our Sustainability Risk Framework, our supply chain management and employee relations policies. The corresponding management approaches are disclosed in the chapters "Extending our risk intelligence", "Reducing our environmental footprint" and "Engaging our people", respectively.				
Investment	G4-HR1 Coverage of human rights screening	2	39	
	G4-HR2 Human rights training	1	32	
Freedom of association and collective bargaining	G4-HR4 Addressing risks to freedom of association and collective bargaining	3	28–33, 58, 72–73	
Child labor	G4-HR5 Addressing risk of child labor	5	28–33, 58	
Forced or compulsory labor	G4-HR6 Addressing risk of forced labour	4	28–33, 58	
Assessment	G4-HR9 Human rights screening	1	28–33	
Supplier human rights assessment	G4-HR11 Negative human rights impacts addressed in supply chain	2	58	
Sub-category: Society				
Disclosure on management approach: We provide information on our management approach for the "local communities" aspect in the report of the Swiss Re Foundation and the "Creating solutions for sustainability" chapter; for "anti-corruption" in the "Ensuring good corporate governance and compliance" chapter; and for our supply chain in the "Reducing our environmental footprint" chapter.				
Local communities	G4-SO1 Local community engagement	1	78–79, SRF 5, 28–29	
	FS14 Initiatives to give access to disadvantaged people		20–25	
Anti-corruption	G4-SO4 Anti-corruption training	10	31, 76–77	
Supplier assessment for impacts on society	G4-SO9 Negative society impacts addressed in supply chain		58	

SRF = "The Swiss Re Foundation in 2016" report

Material aspect	Indicator	UNGC principle	Page	Omissions
Sub-category: Product responsibility				
Disclosure on management approach: We disclose our management approach to developing products with specific social or environmental benefits in the "Creating solutions for sustainability" chapter and on "active ownership" in the "Responsible investment" section of the "Extending our risk intelligence" chapter.				
Product portfolio	FS7 Products with specific social benefit		20–25, 27	
	FS8 Products with specific environmental benefit	9	20–27	
Active ownership	FS11 Environmental and social screening	1–5, 7	40–41	

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